

# SC ECONOMIC AND FISCAL OUTLOOK FY 2023-24, FY 2024-25, and Beyond



Presented to

**Government Finance Officers Association of South Carolina**

**April 29, 2024**



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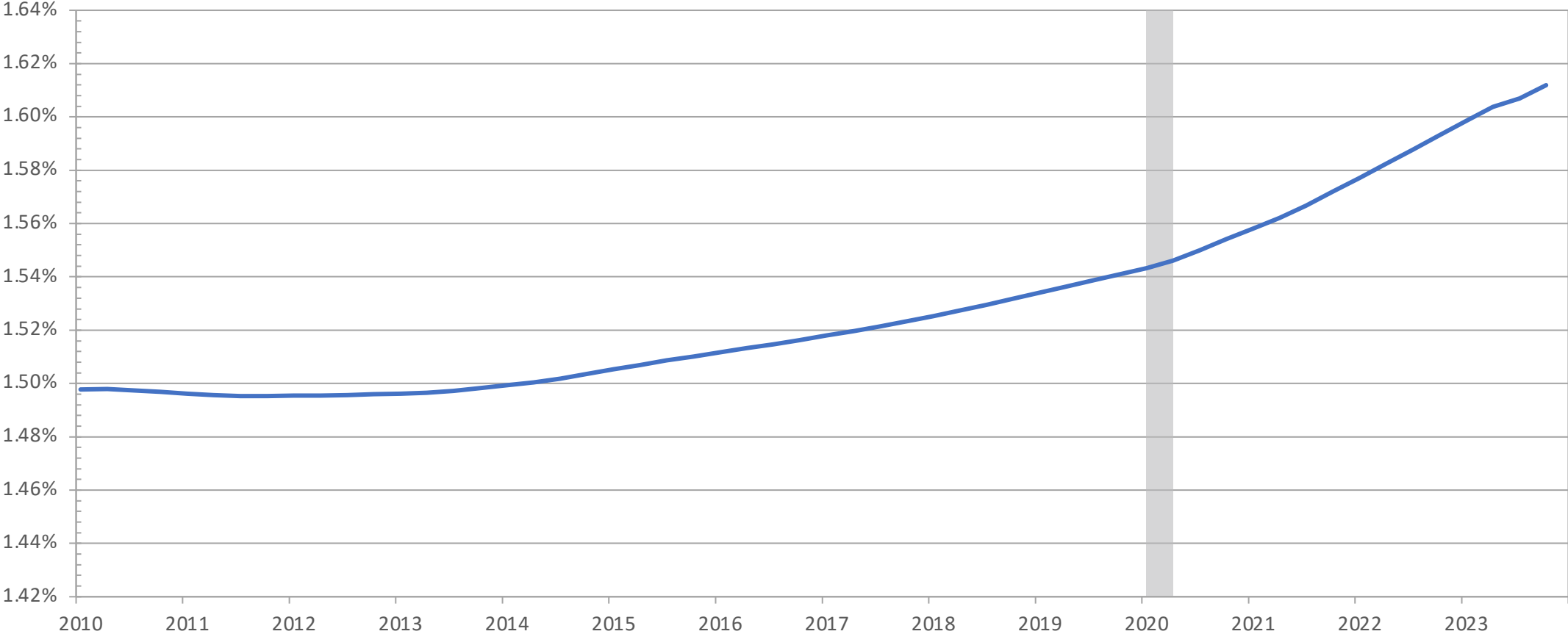
# National Trends and Comparisons



# SC vs. US – Share of Population

South Carolina’s share of the national population has grown over time (33,568 people for each 0.01%)

SOUTH CAROLINA SHARE OF US POPULATION



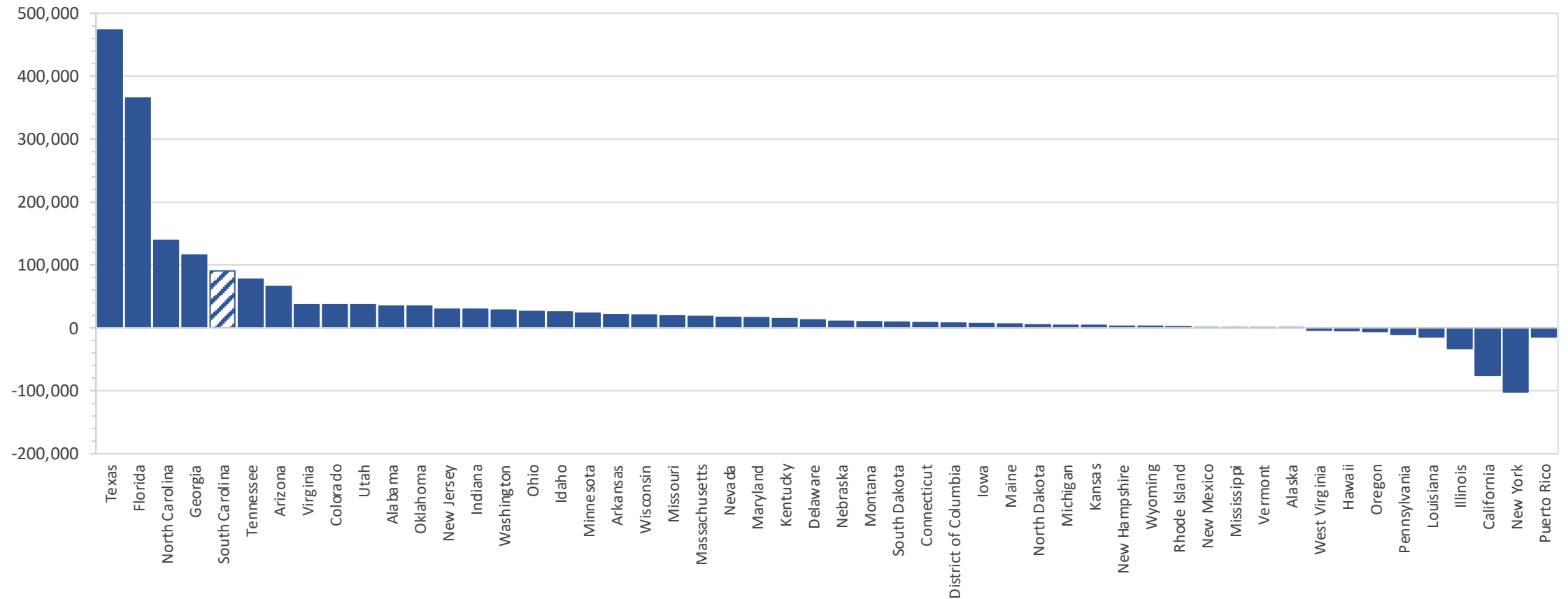
Source: U.S. Department of Commerce, Bureau of Economic Analysis; 344- RFA/kav/04/19/2024

# South Carolina Had the 5<sup>th</sup> Largest Population Increase in the US

## Population increased by 90,600 (1.7%\*) from 2022 to 2023

\*Highest percentage growth in the US

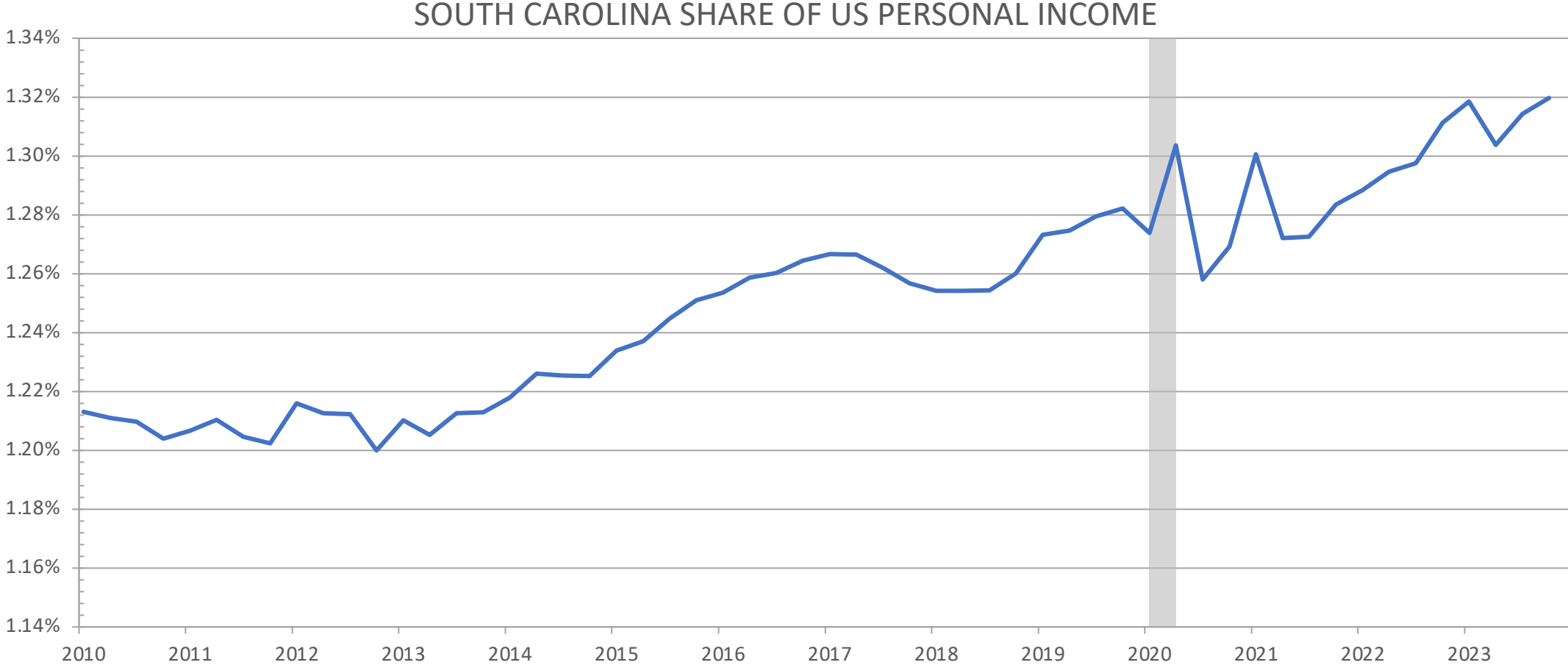
STATE RANKINGS BY TOTAL POPULATION CHANGE 2022 - 2023



Source: Population Estimates Program Vintage 2023 estimates. File Name: Annual Estimates of Resident Population Change: April 1, 2020 to July 1, 2023

# SC vs. US – Share of Personal Income

South Carolina's share of US personal income has also risen (\$2.3B per 0.01%)



Source: U.S. Department of Commerce, Bureau of Economic Analysis; 344- RFA/kav/04/19/2024

# SC vs. US – Share of Employment

South Carolina’s share of national employment has also grown (15,650 jobs for each 0.01%)

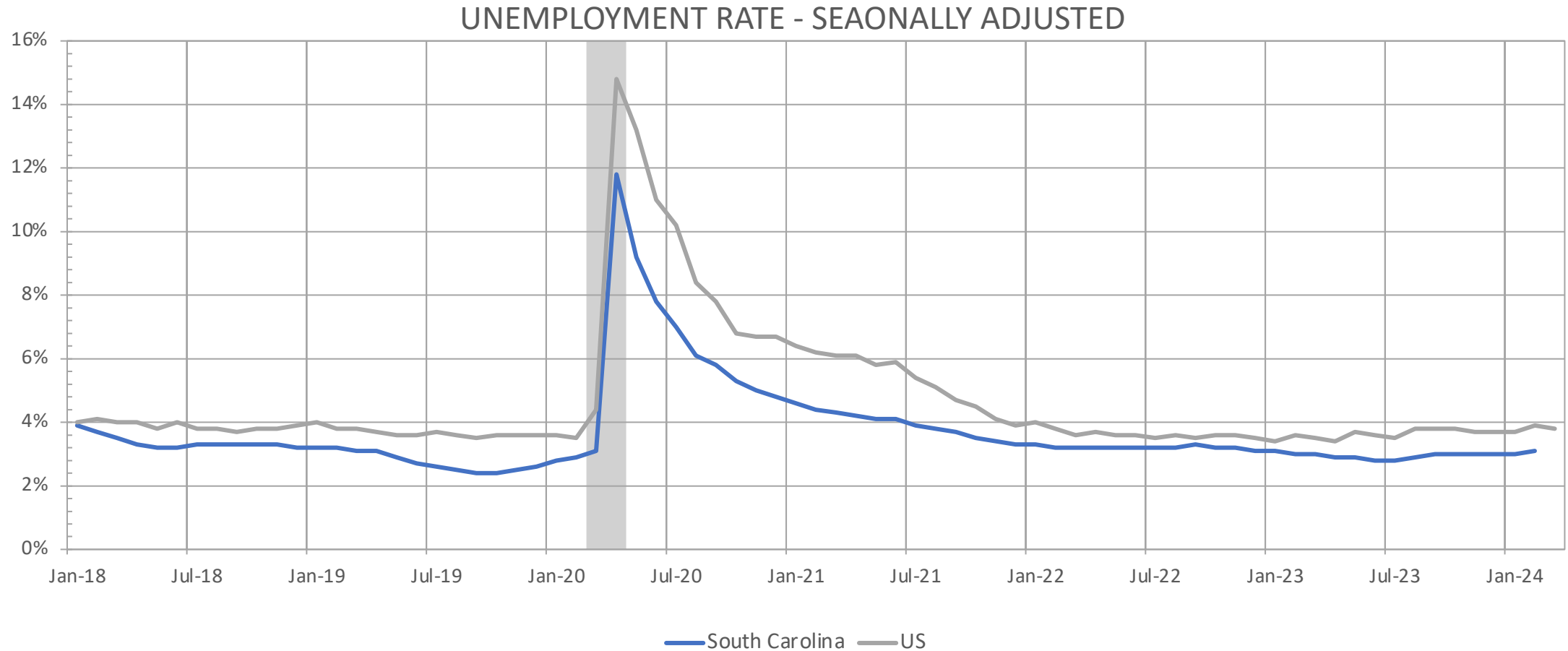
SOUTH CAROLINA EMPLOYMENT SHARE OF THE US



Source: U.S. Department of Labor, Bureau of Labor Statistics; 344- RFA-kav/04/19/2024

# SC vs. US - Unemployment Rate

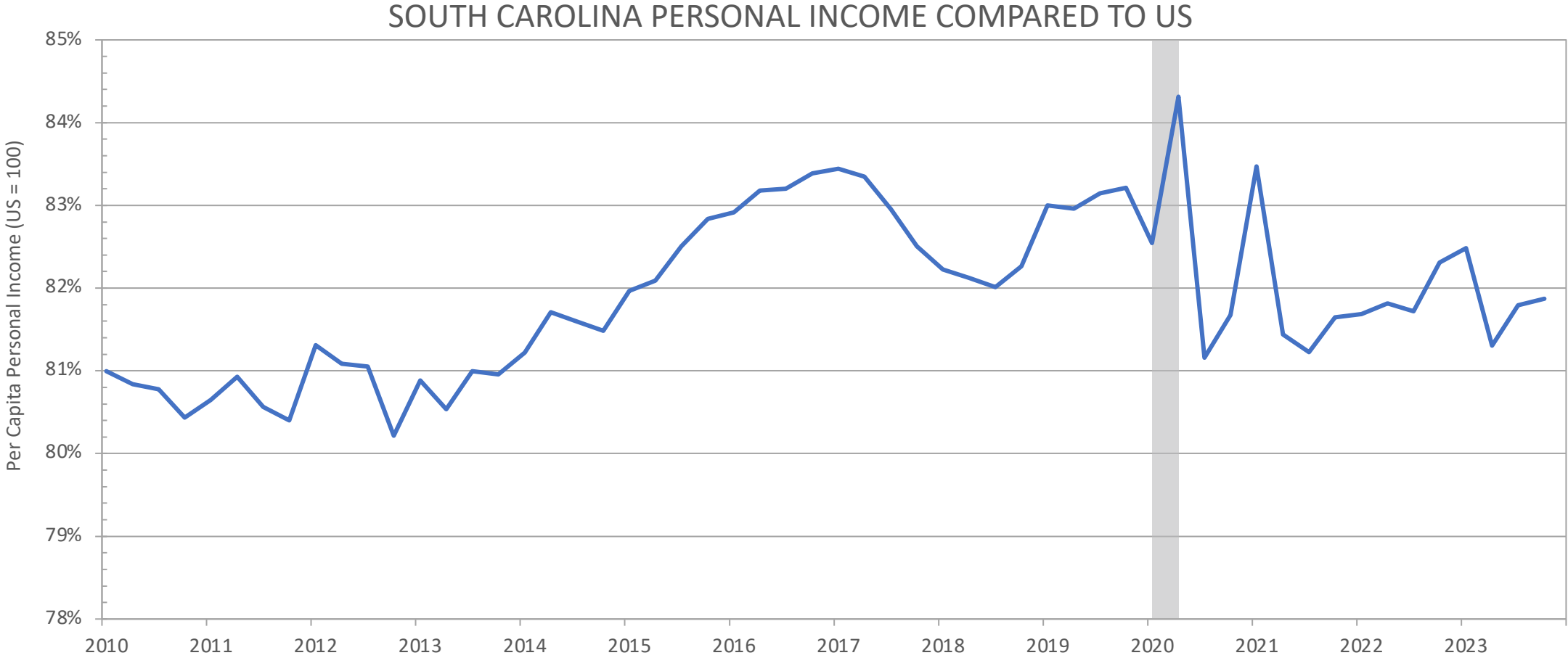
SC's unemployment rate continues to be below the US (3.1% vs. 3.8%)



Source: U.S. Department of Commerce, Bureau of Labor Statistics, Seasonally Adjusted 129--RFA/kav/04/19/2024

# SC vs. US – Ratio of Per Capita Income

Per capita personal income in South Carolina has hovered around 82% of the US as a whole



Source: U.S. Department of Commerce, Bureau of Economic Analysis; 344- RFA/kav/04/19/2024

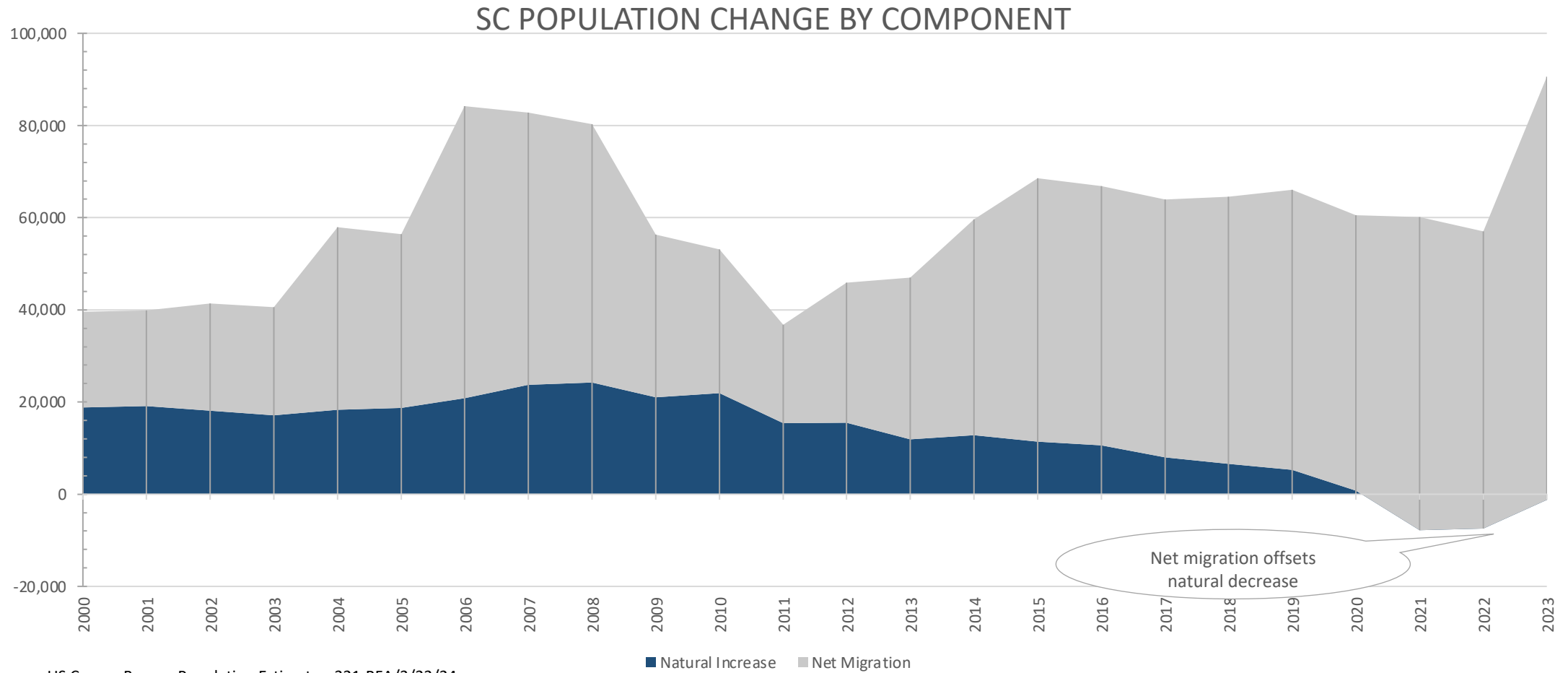


# State Trends



# Components of SC Population Change

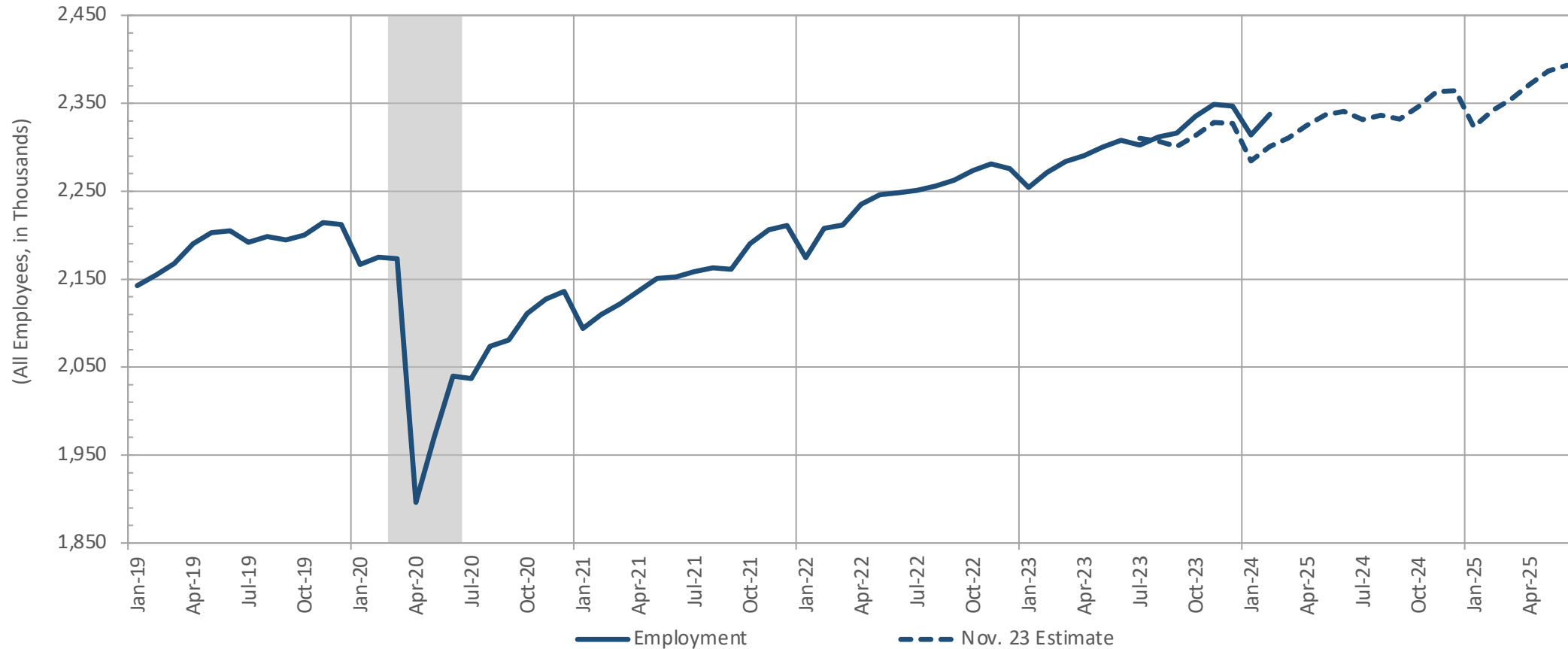
Migration is driving population growth as deaths have started to exceed births



# SC Employment

Employment is growing faster than projected; February 2024 employment is up 2.9% from last February

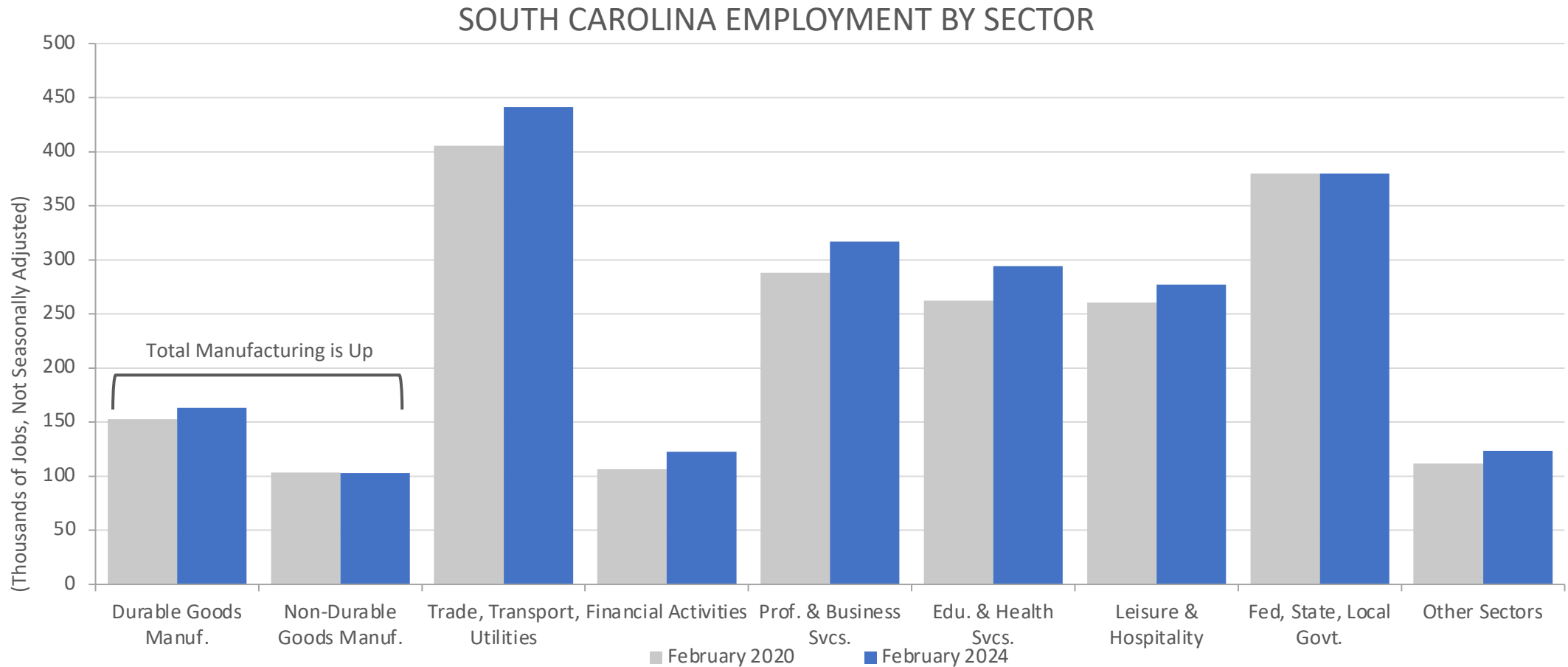
TOTAL NONFARM EMPLOYMENT IN SOUTH CAROLINA



Source: U.S. Department of Labor, Bureau of Labor Statistics 60-RFA/kav/03/27/2024

# SC Employment by Industry

All major private sector industries are above their pre-COVID level; public sector employment finally recovered in the fall of 2023



Source: Bureau of Labor Statistics, U.S. Department of Labor 325-RFA/kav/04/09/2024

# Long-term Challenges

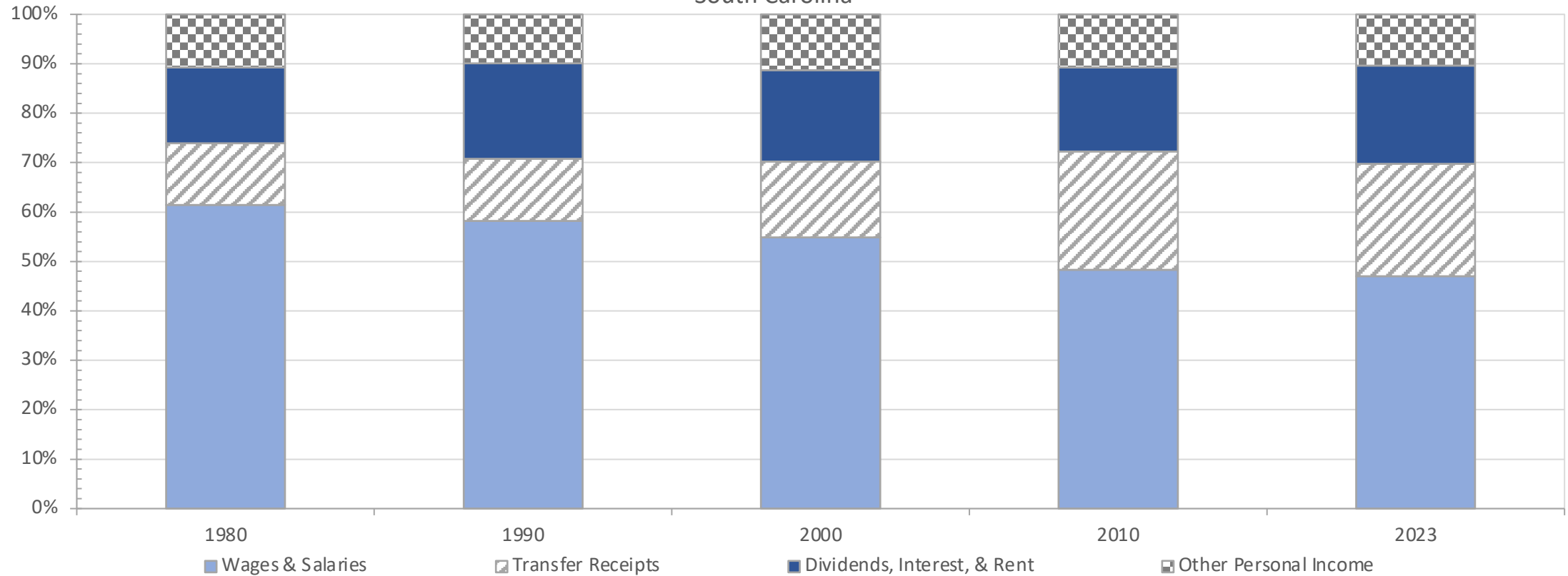


# Personal Income – Components

The make-up of personal income has shifted over time; wages and salaries are a smaller percentage, while a larger percentage of income is from transfers (Social Security, government assistance)

### SHARES OF PERSONAL INCOME COMPONENTS

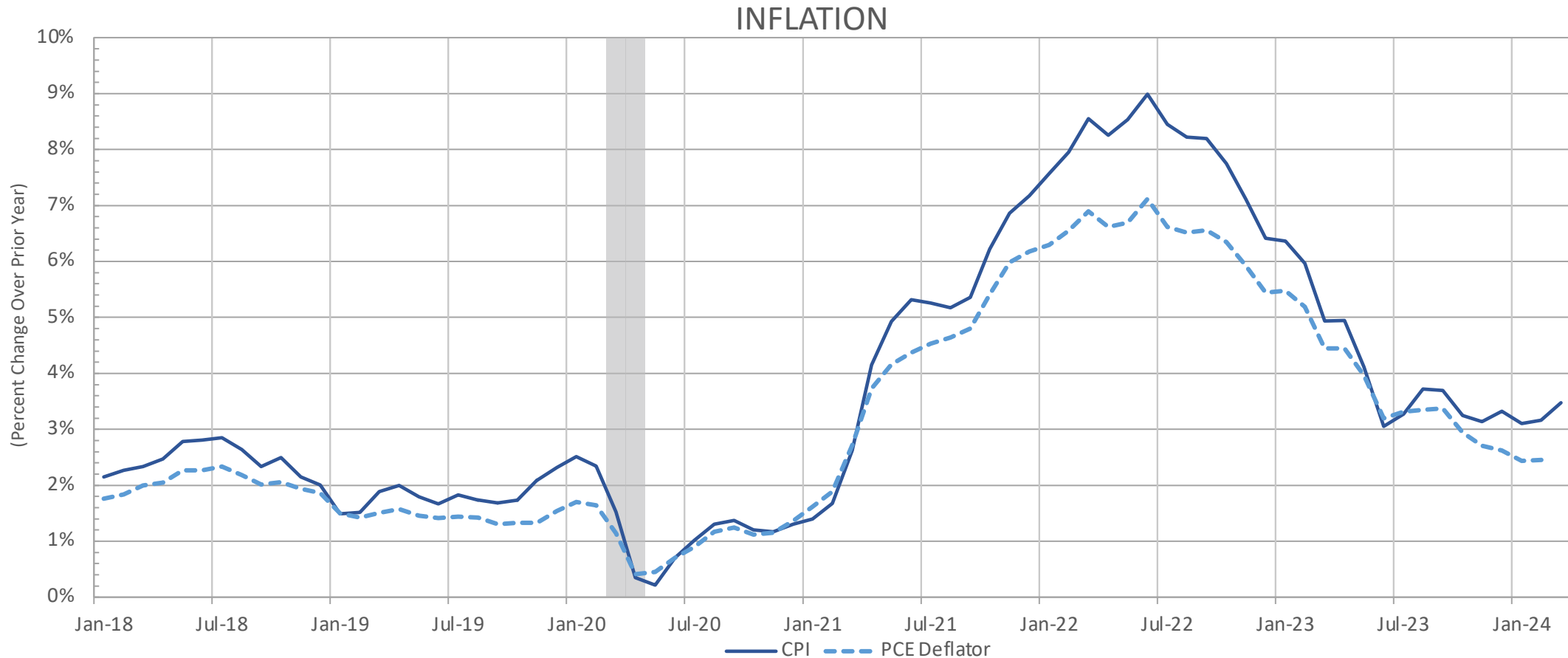
South Carolina



Source: U.S. Department of Commerce, Bureau of Economic Analysis, Washington, D.C. 222/RFA/kav/04/19/2024

# US Inflation

After peaking in 2022, inflation has slowly fallen; neither CPI nor PCE indicators have reached the Fed's 2% target yet

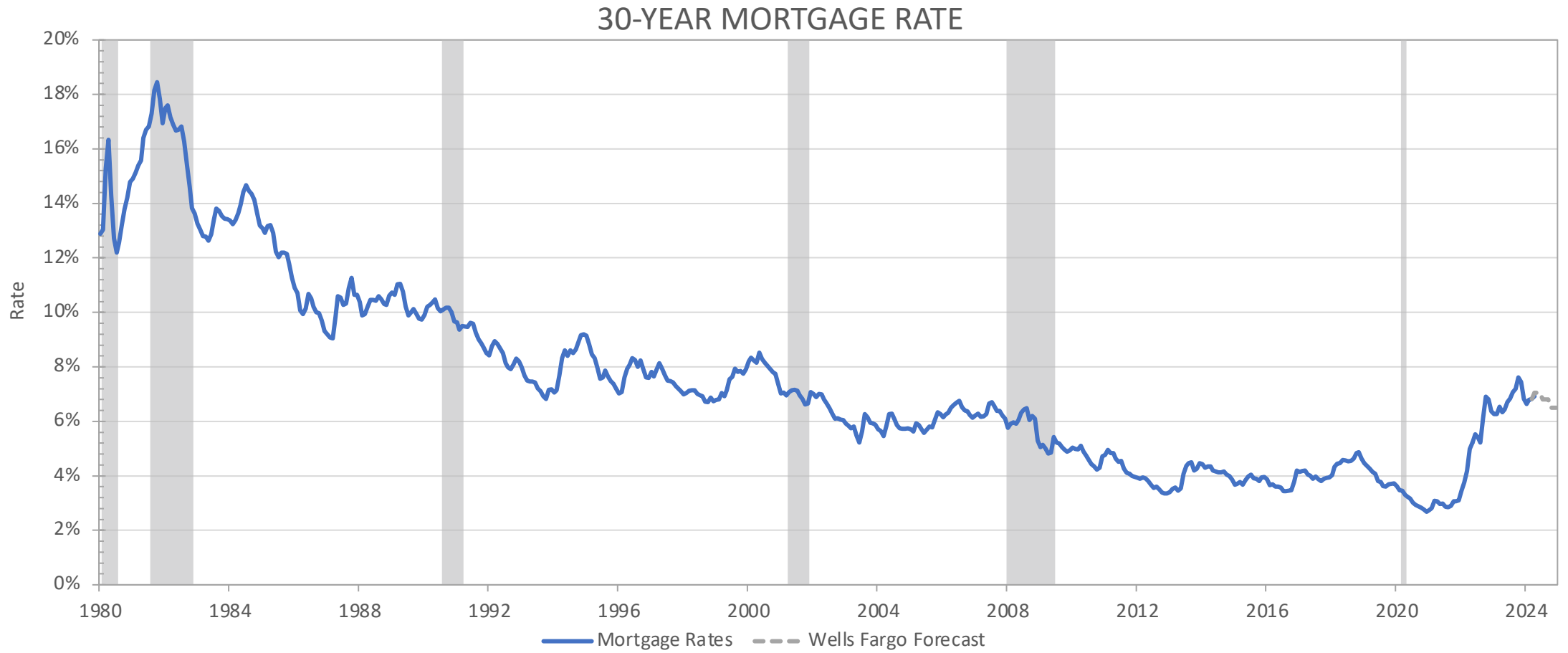


Source: U.S. Department of Labor, Bureau of Labor Statistics; U.S. Department of Commerce, Bureau of Economic Analysis - 216 RFA/kav/04/19/2024



# Mortgage Interest Rates

Conventional mortgage rates have begun to decline following the run-up to 7.62% in October 2023; Wells Fargo is forecasting rates to remain above 6% through 2024

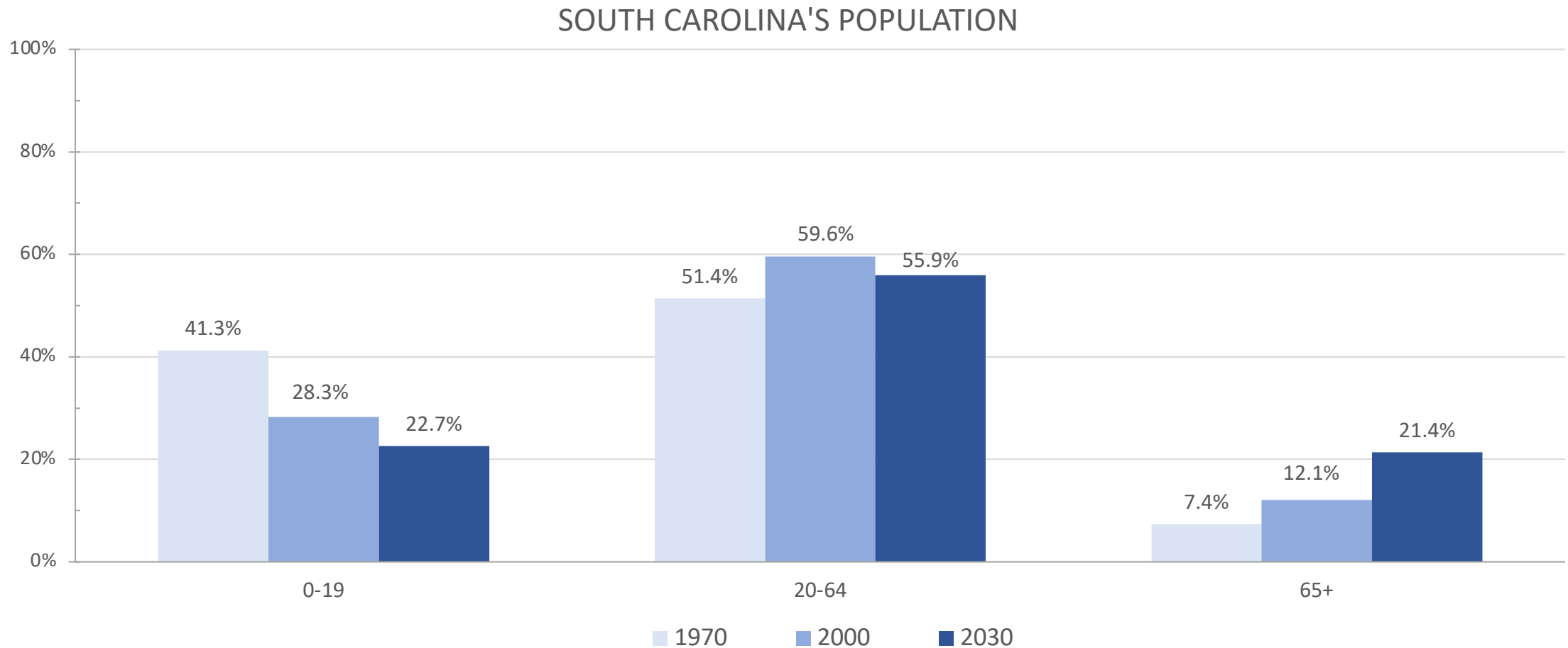


Source: Freddie Mac, 30-Year Fixed Rate Mortgage Average in the United States [MORTGAGE30US], retrieved from FRED, Federal Reserve Bank of St. Louis; "U.S. Economic Outlook: April 2024", Wells Fargo. RFA/340/kav/04/19/2024



# Working Age Population Is Not Growing as Fast as Total

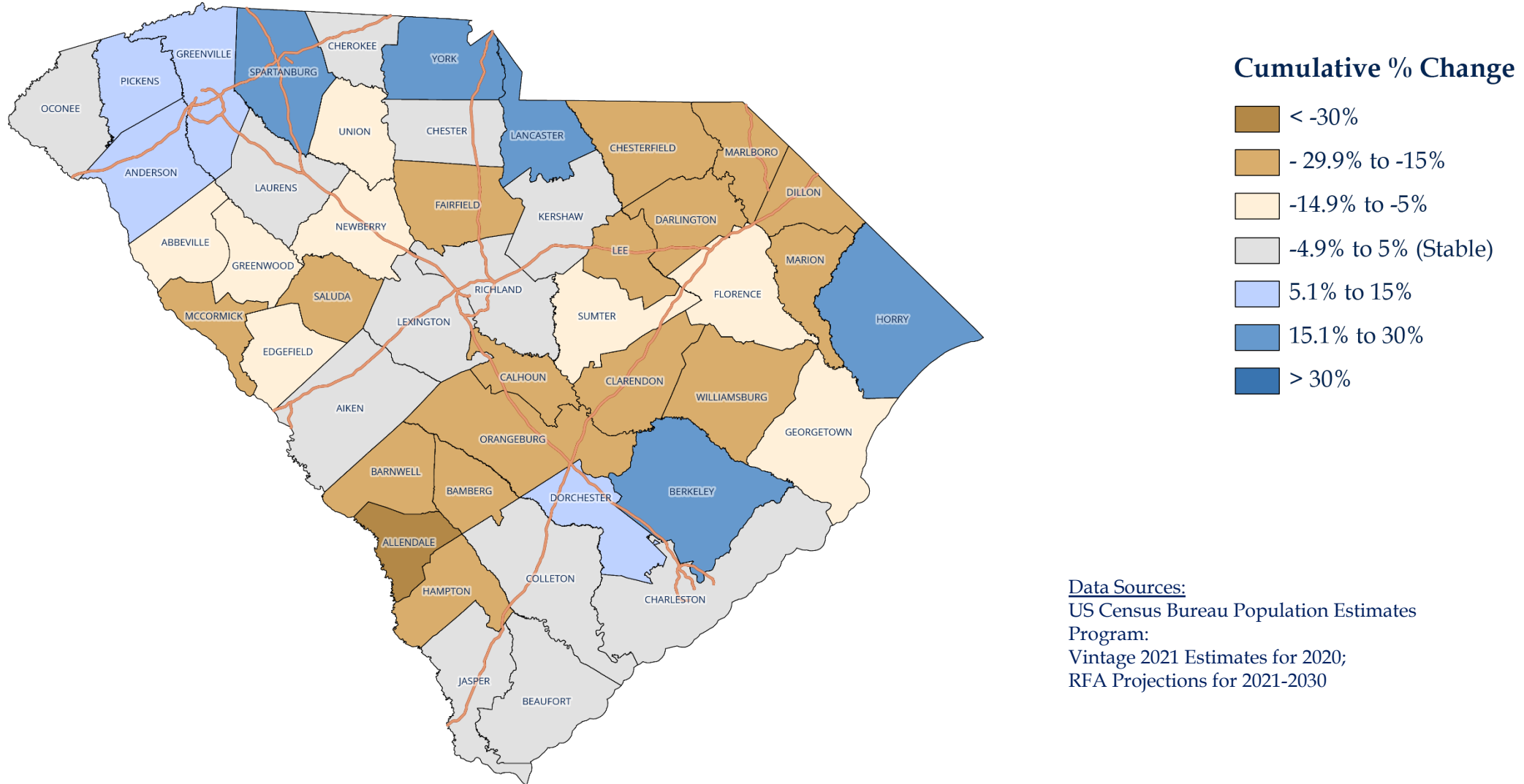
The percentage of the population of workforce age is projected to decrease



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

# Projected Workforce Age (18 – 64) Population, 2020 – 2030

## Some counties will be more challenged than others in finding workers



Data Sources:  
 US Census Bureau Population Estimates  
 Program:  
 Vintage 2021 Estimates for 2020;  
 RFA Projections for 2021-2030

# SC v US - Unemployed Persons Per Job Opening

There are currently more job openings than unemployed persons

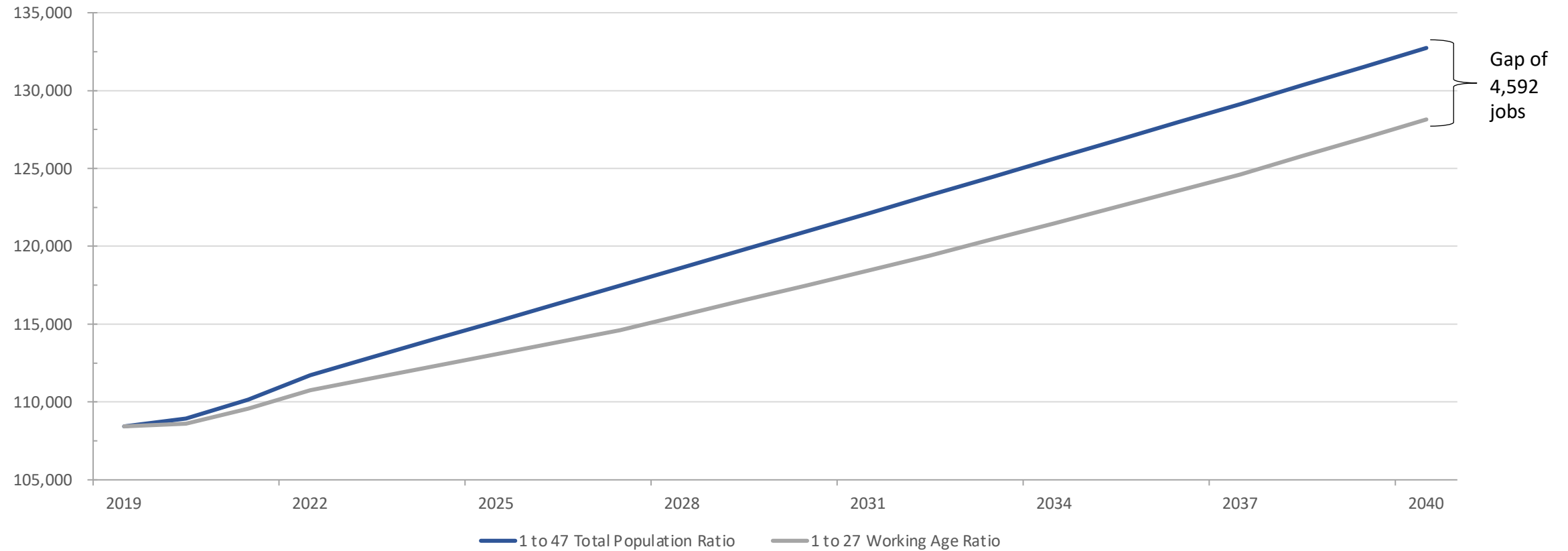


Source: U.S. Bureau of Labor Statistics, CPS and JOLTS; seasonally adjusted 259A2 - RFA/kav/04/19/2024

# SC State Gov't Employment – Demand vs. Supply Projections

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

TOTAL STATE EMPLOYEE PROJECTIONS

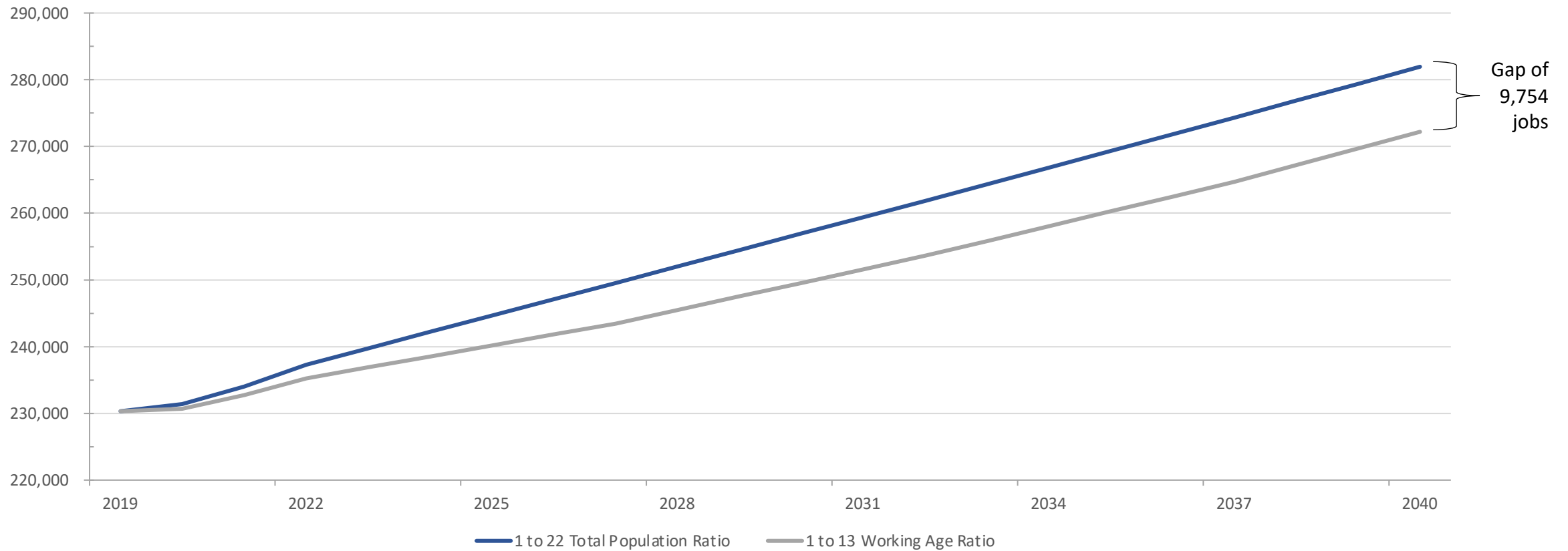


Source: Bureau of Labor Statistics, U.S. Department of Labor; S.C. Revenue and Fiscal Affairs population projections

# SC Local Gov't Employment – Demand vs. Supply Projections

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

TOTAL LOCAL GOVERNMENT EMPLOYMENT PROJECTIONS

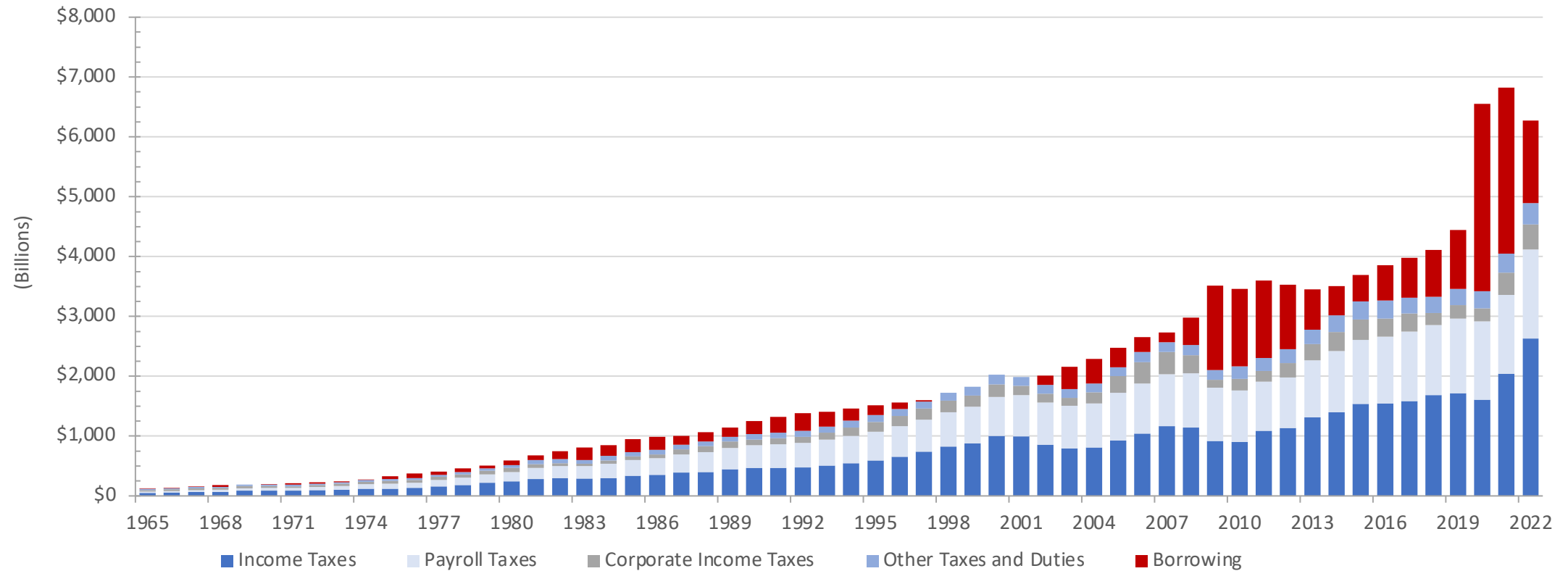


Source: Bureau of Labor Statistics, U.S. Department of Labor; S.C. Revenue and Fiscal Affairs population projections

# Federal Revenues

## Revenue isn't enough; borrowing continues to grow at an extraordinary pace

HOW DOES THE FEDERAL GOVERNMENT MEET ITS NEEDS?



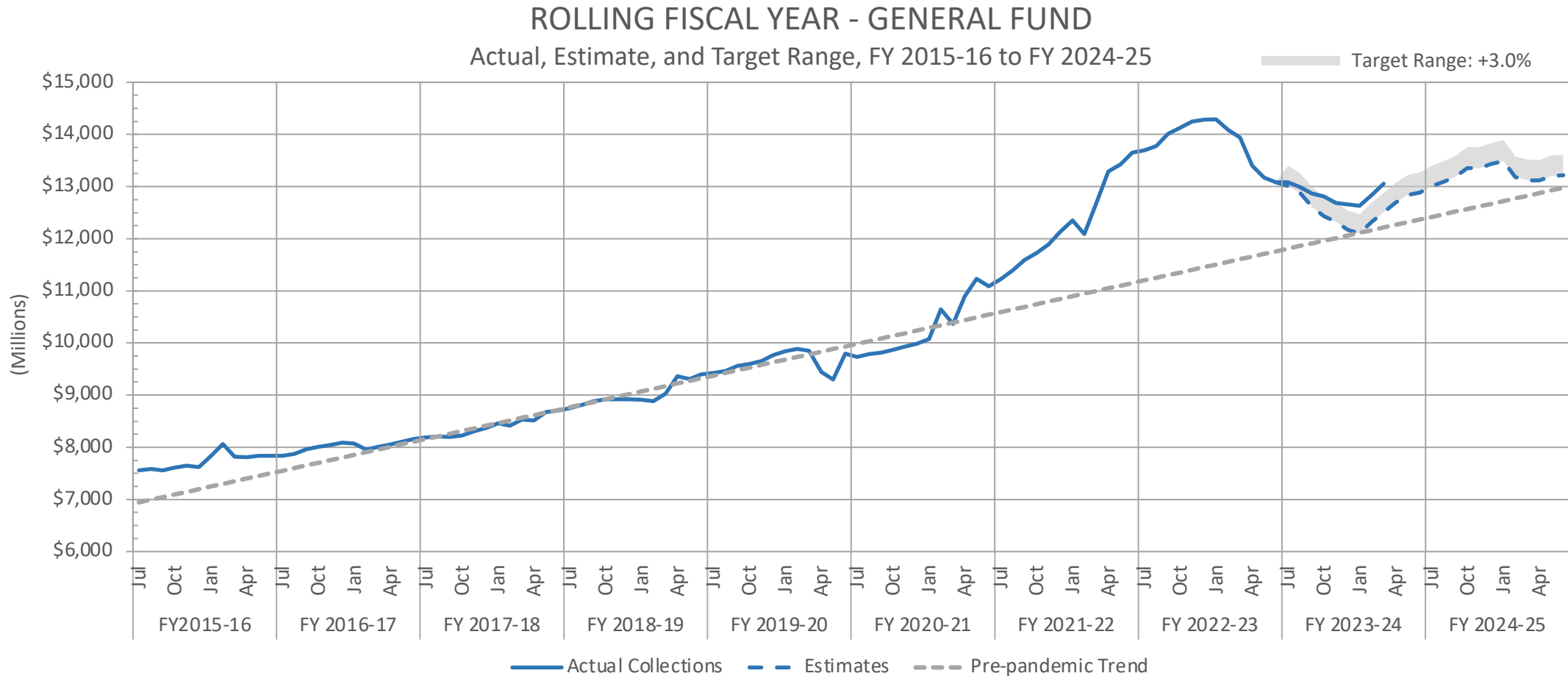
Source: "The Budget and Economic Outlook" Congressional Budget Office, February 15, 2023

# Fiscal Update



# General Fund Long-term Trend

After two years of massive growth in revenue, revenues are returning close to our pre-pandemic trend, partly due to tax cuts

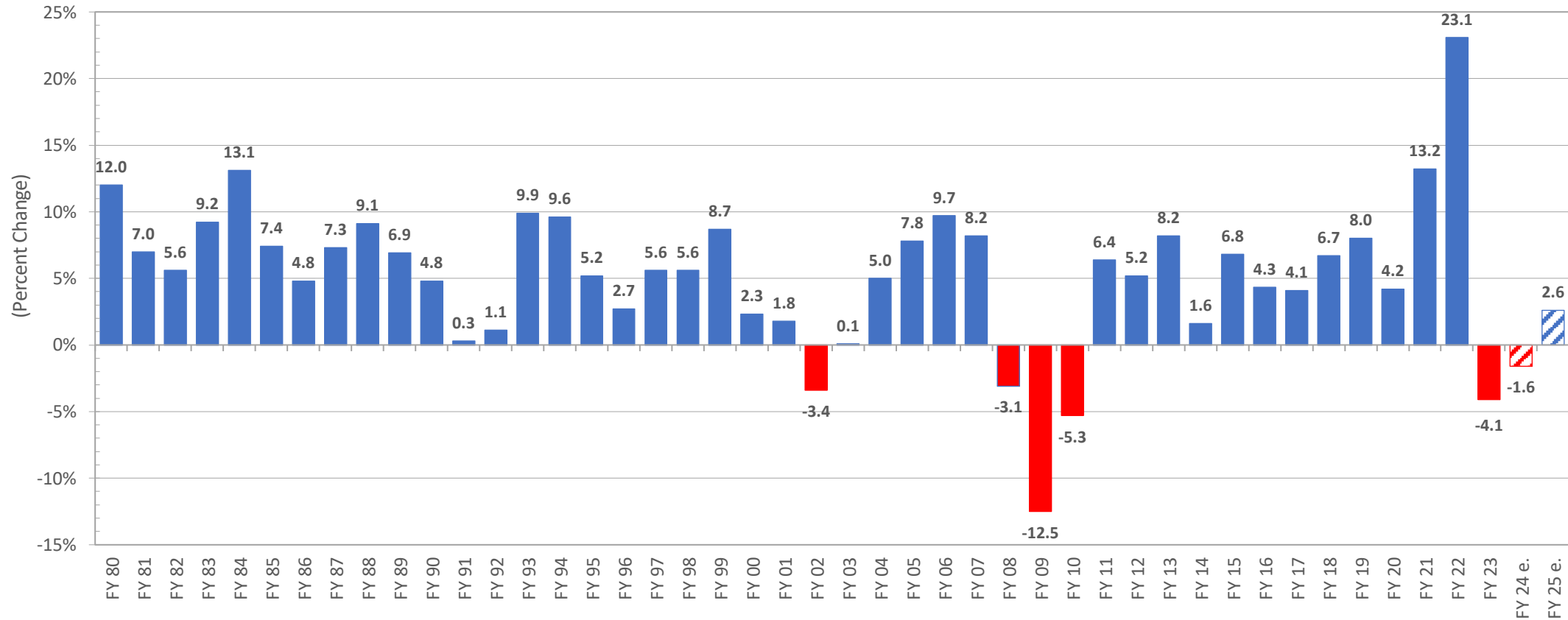




# General Fund Revenue Growth

FY 23 fell 4.1% after two years of double-digit growth (tax cuts); another decline is anticipated in FY 24, with growth returning in FY 25

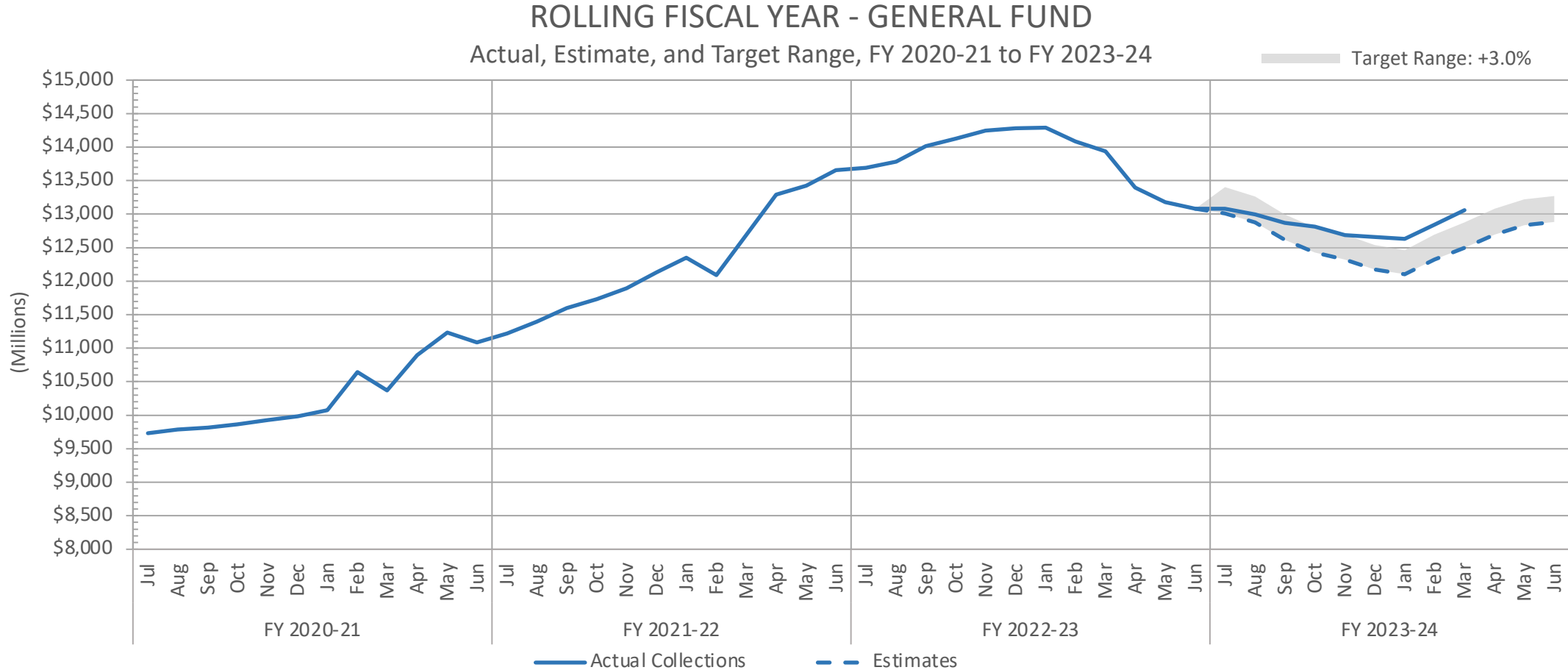
GENERAL FUND REVENUE GROWTH



Source: S.C. Revenue and Fiscal Affairs Office 28-lhj/01/19/24

# General Fund – Actuals vs. Estimates

Revenues are \$475.3 million above the estimate through March 2024, but more than 50% of this excess is due to the corporate income tax, a highly volatile source of revenue

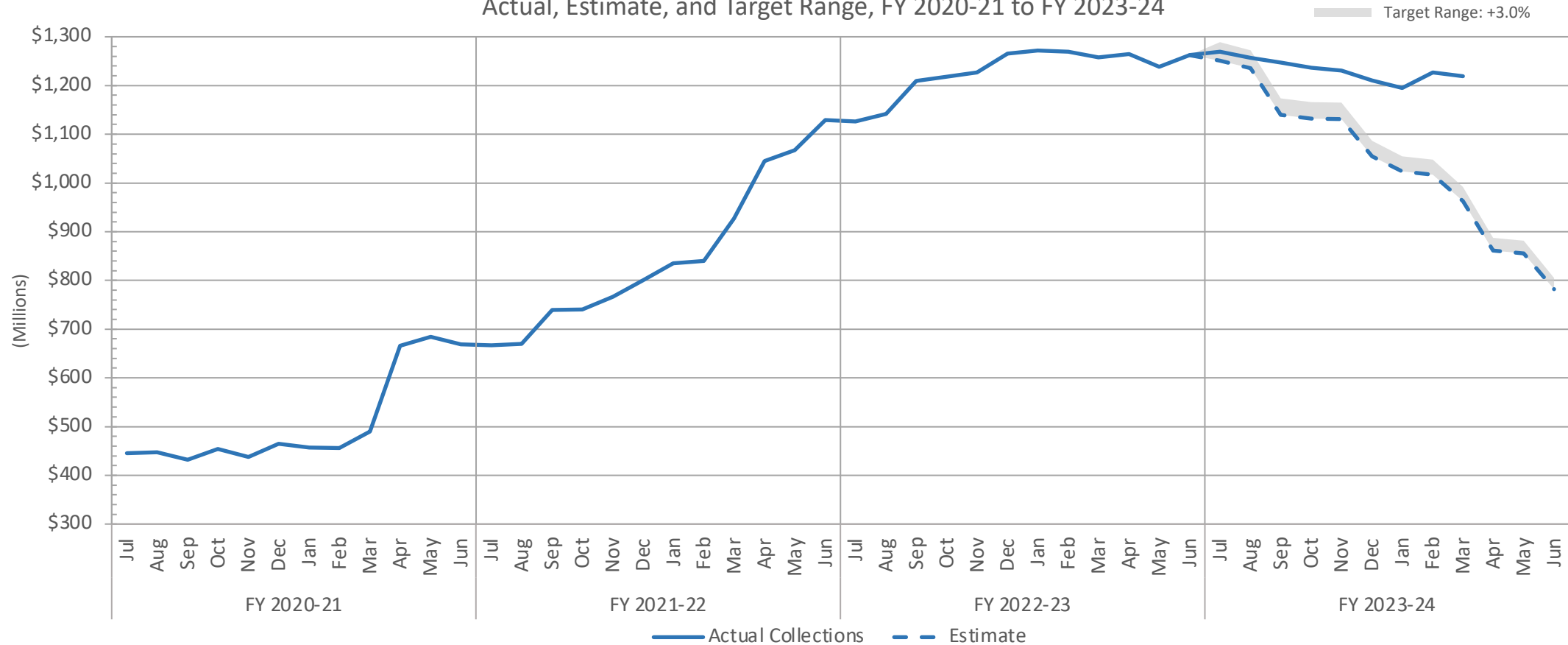


# Corporate Income Tax - Actual vs. Estimate

Corporate income tax revenue remains high but is very volatile

## ROLLING FISCAL YEAR - CORPORATE INCOME TAX

Actual, Estimate, and Target Range, FY 2020-21 to FY 2023-24

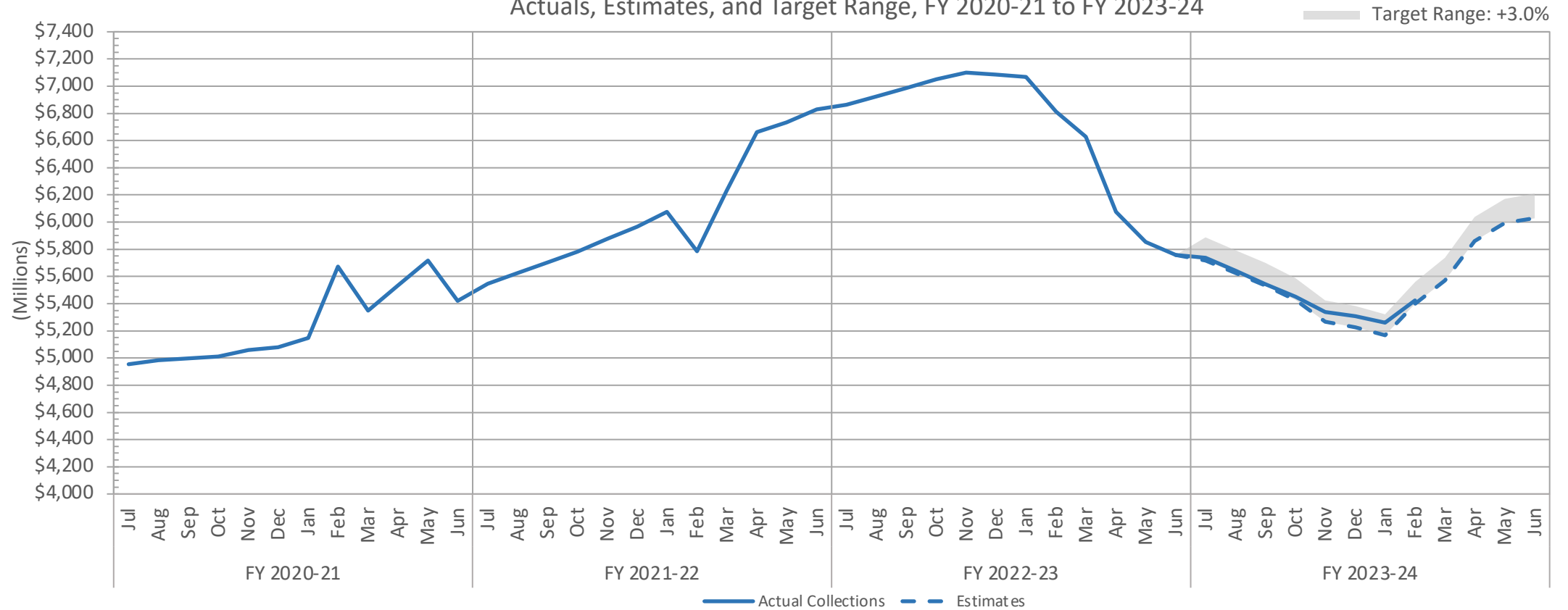


# Individual Income Tax - Actual vs. Estimate

## Income tax revenue declined as expected due to tax cuts

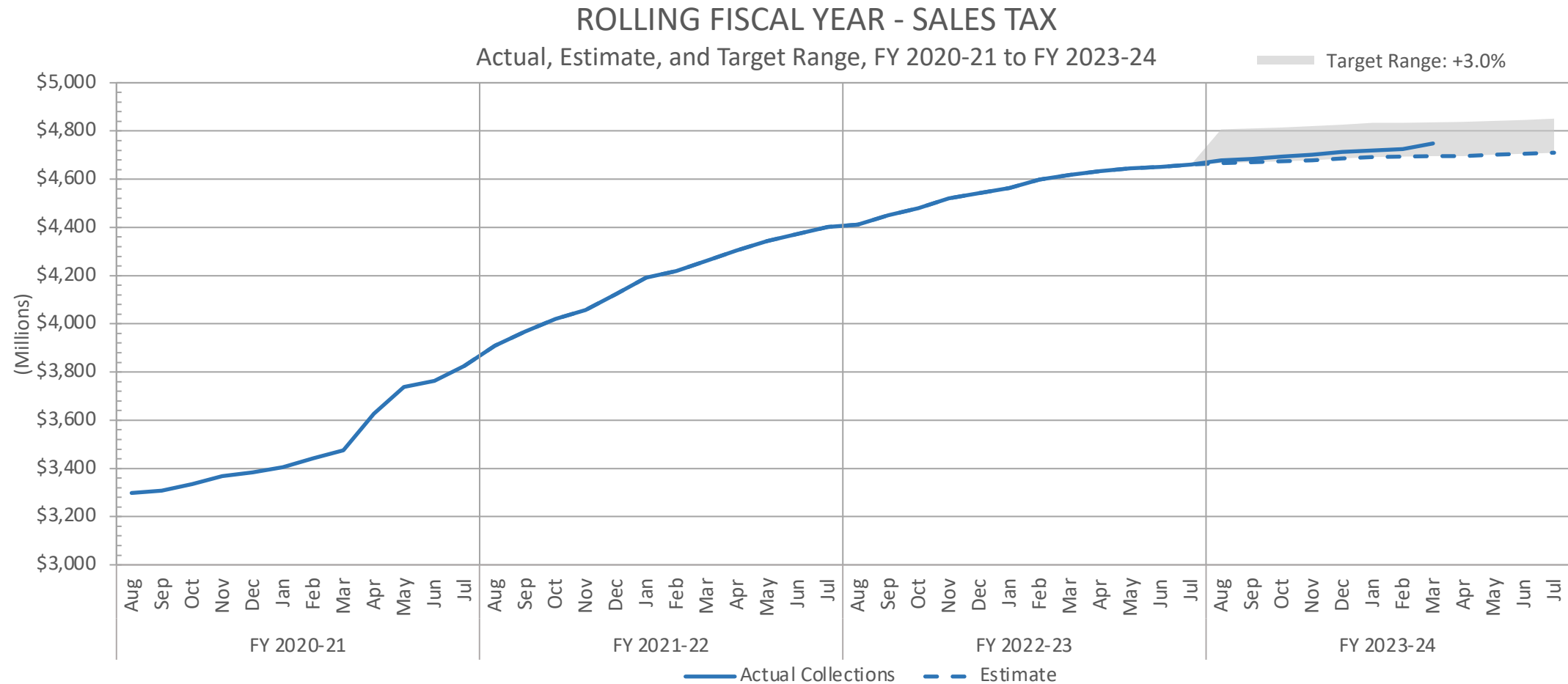
### ROLLING FISCAL YEAR - TOTAL INDIVIDUAL INCOME TAX

Actuals, Estimates, and Target Range, FY 2020-21 to FY 2023-24



# Sales Tax - Actual vs. Estimate

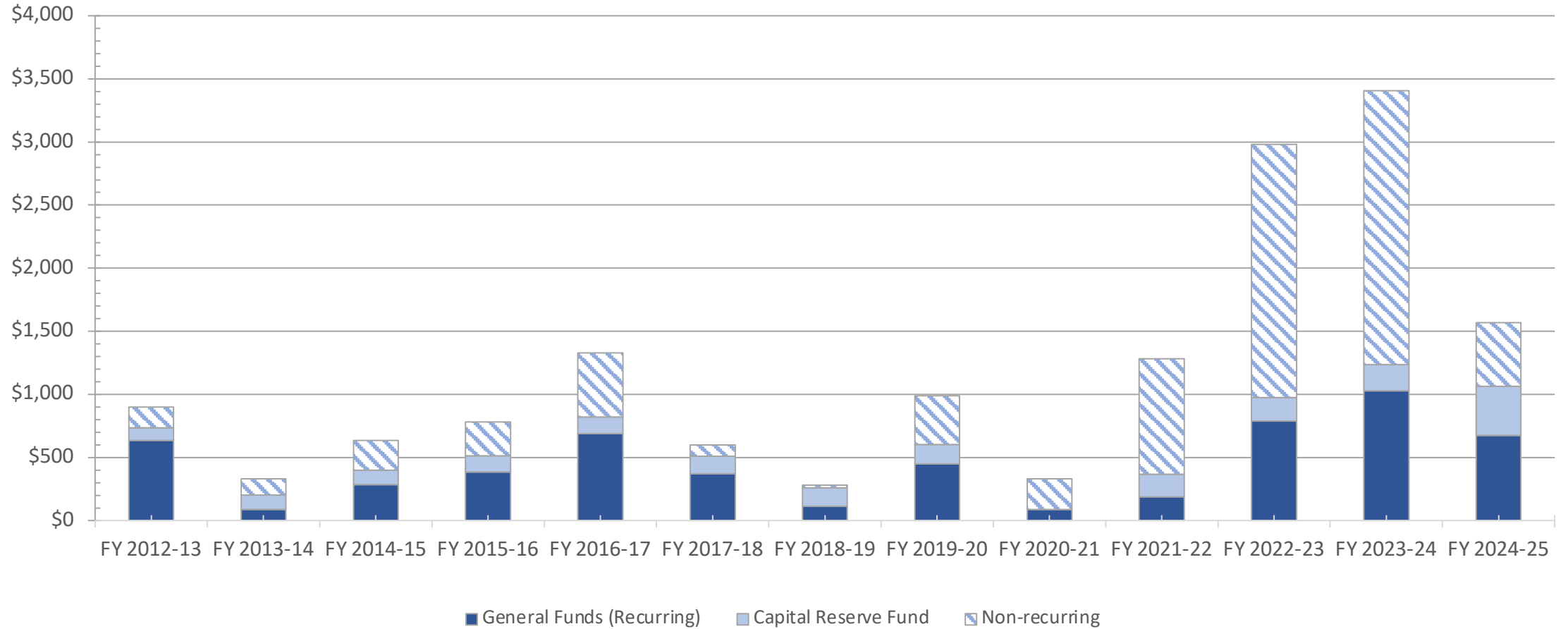
## Sales tax growth is flattening



# “New” Funds by Fiscal Year by Type

FY 23 & FY 24 were exceptions

"NEW" FUNDS BY BUDGET YEAR

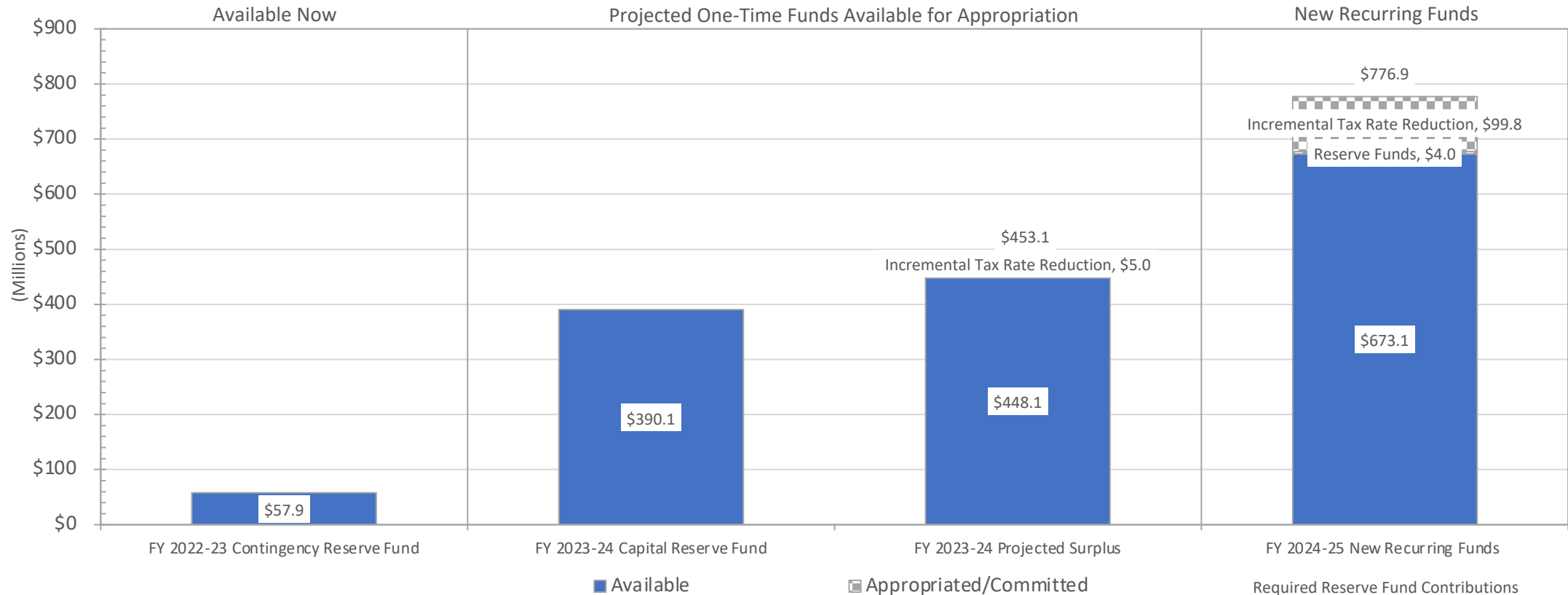


# FY 2024-25 Budget Process

Nonrecurring funds total \$896.1 million; recurring funds total \$776.9 million

## AVAILABLE FUNDS - FY 2024-25 BUDGET PROCESS

as of November 16, 2023

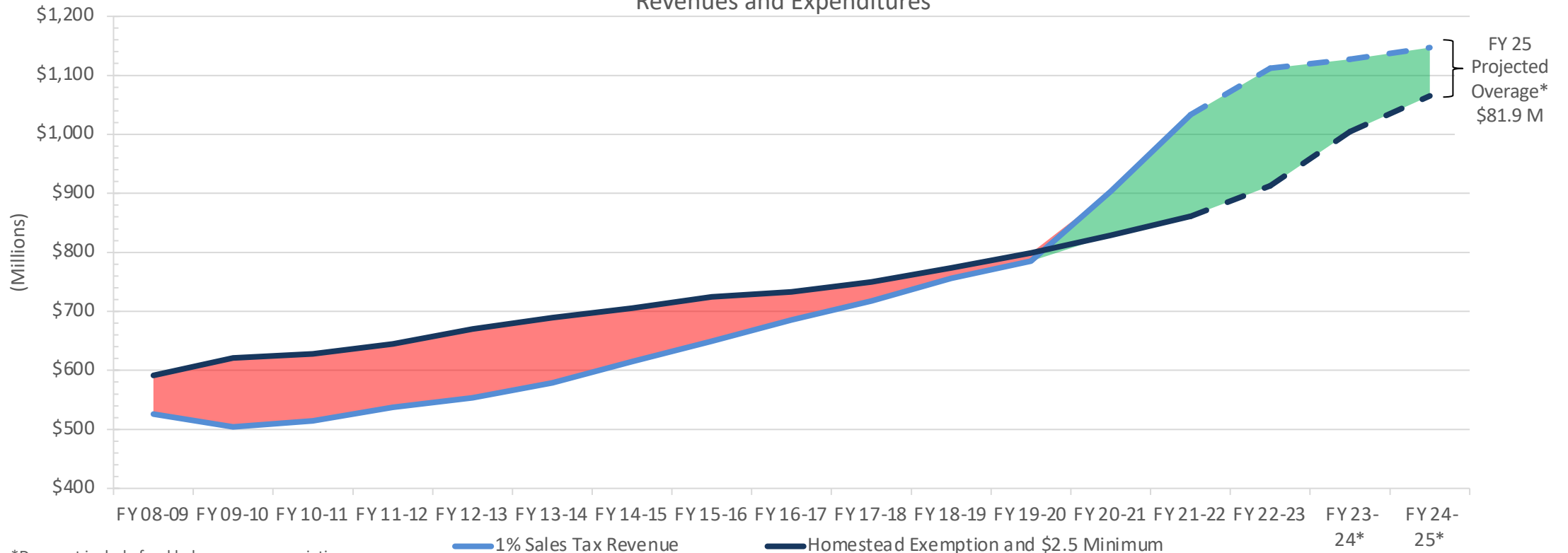


Source: S.C. Revenue and Fiscal Affairs 297/RFA/11/16/2023

# Homestead Exemption Fund – 1% Sales Tax

General Fund supplemented \$927.4 million for shortfalls; estimated FY 24 fund balance of \$634.9 million

HOMESTEAD EXEMPTION FUND (TIER III)  
Revenues and Expenditures



\*Does not include fund balance or appropriations.

Note: Tier III Expenditure includes \$2.5M minimum disbursements and lease purchase lawsuit revisions. Revenue and expenditure projection as of 11/16/2023 BEA forecast.

Source: SC Revenue and Fiscal Affairs Office MKM-40- 11/16/2023



# Public Education Funding Dashboard



# Education Funding Dashboard

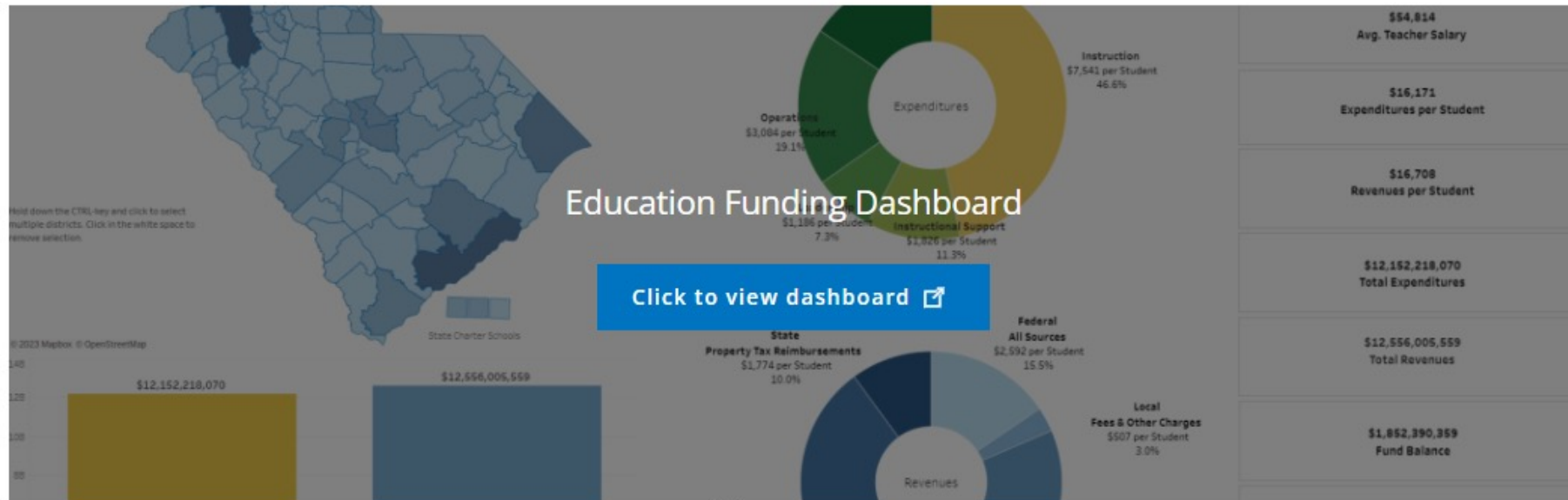
<https://rfa.sc.gov/education-funding-dashboard>



**SOUTH CAROLINA  
REVENUE AND FISCAL AFFAIRS OFFICE**  
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[Home](#) > Education Funding Dashboard



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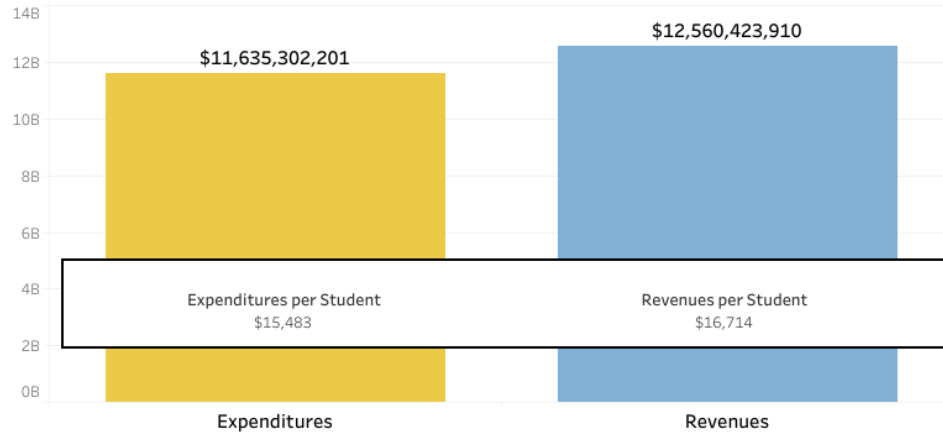
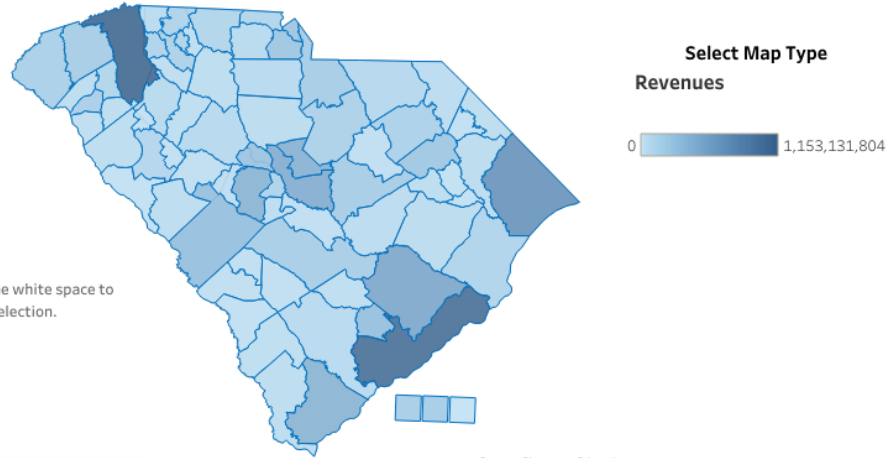
# SC EDUCATION FUNDING DASHBOARD

FY 2021-22 - For more information, see <https://rfa.sc.gov/education-funding-dashboard>

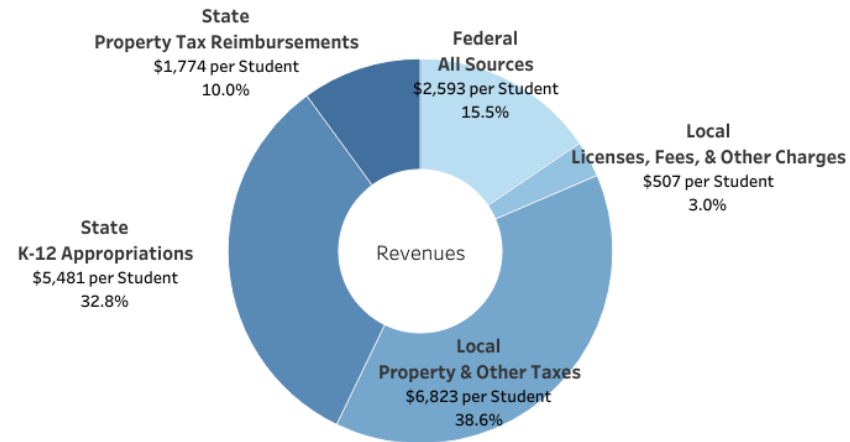
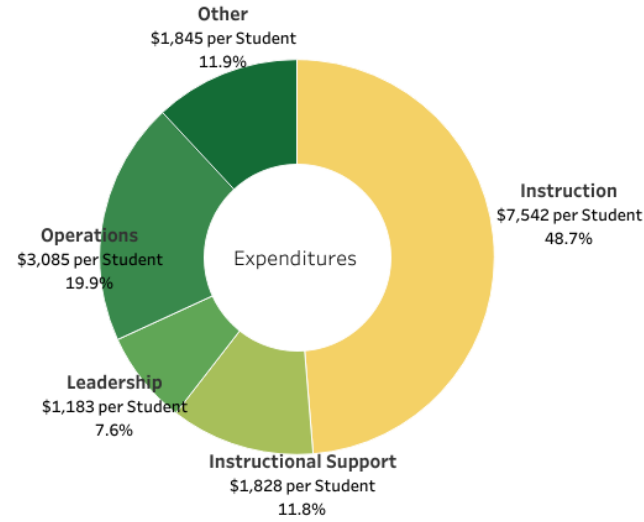
- Funding
- Quick Facts
- Compare Districts
- Aid to Classrooms
- Scatter Plots

Trouble viewing dashboard? Try zooming out (Ctrl with +/-)

Select Districts: All



Districts: All



60.9% Students in Poverty
\$54,814 Avg. Teacher Salary
\$15,483 Expenditures per Student
\$16,714 Revenues per Student
\$11,635,302,201 Total Expenditures
\$12,560,423,910 Total Revenues
\$1,852,390,359 Fund Balance
15.9% Fund Balance as a % of Expenditures

Data Tables

Last Updated 12/12/2023 12:00 pm





# SC EDUCATION FUNDING DASHBOARD

## FY 2021-22

- For more information, see <https://rfa.sc.gov/education-funding-dashboard>

Trouble viewing dashboard? Try zooming out (Ctrl with +/-)

Select Districts: Greenville County School District



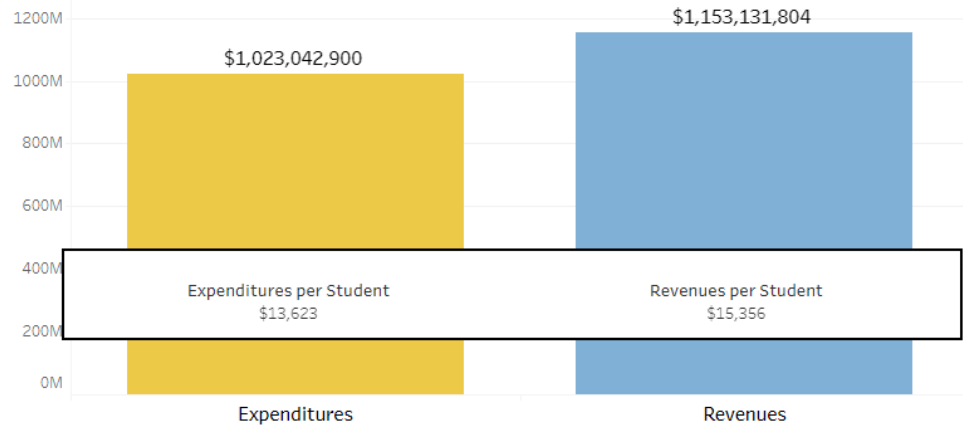
Select Map Type  
Revenues

0 1,153,131,804

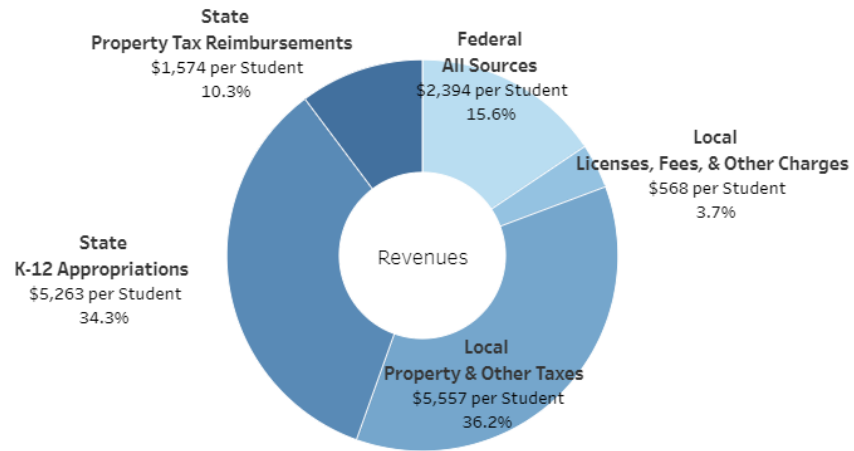
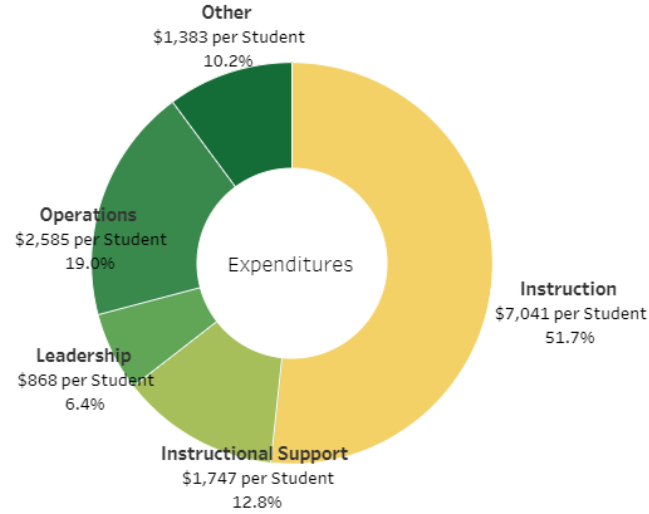
Click in the white space to remove selection.

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State Charter Districts



Districts: Greenville County School District



60.0% Students in Poverty
\$56,422 Avg. Teacher Salary
\$13,623 Expenditures per Student
\$15,356 Revenues per Student
\$1,023,042,900 Total Expenditures
\$1,153,131,804 Total Revenues
\$207,960,393 Fund Balance
20.3% Fund Balance as a % of Expenditures

Data Tables





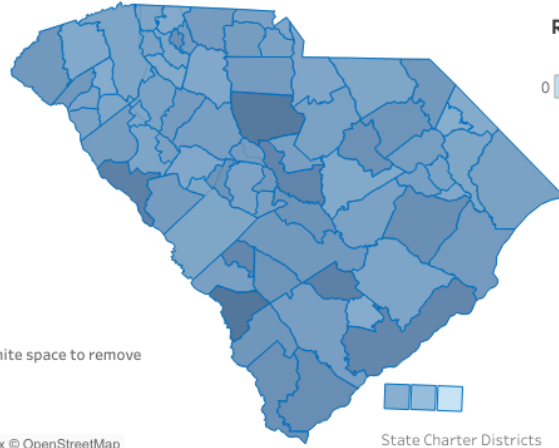
# SC EDUCATION FUNDING DASHBOARD

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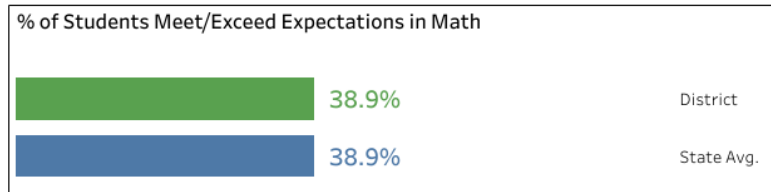
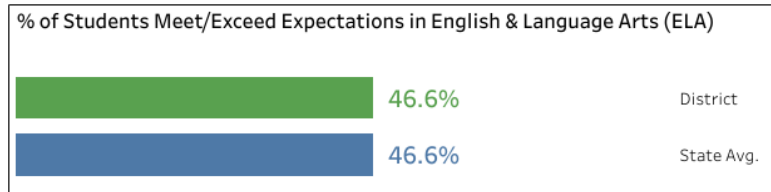
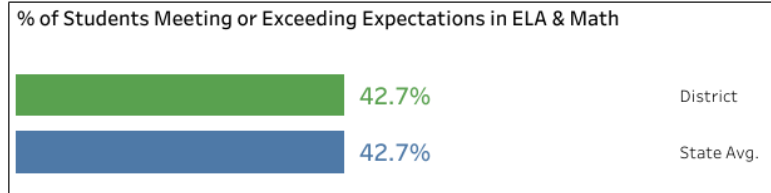
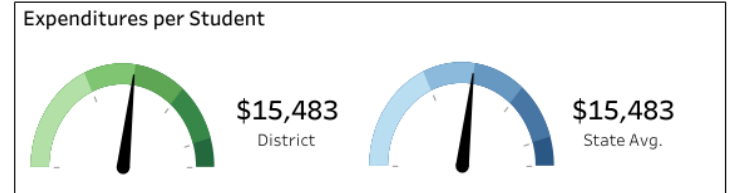
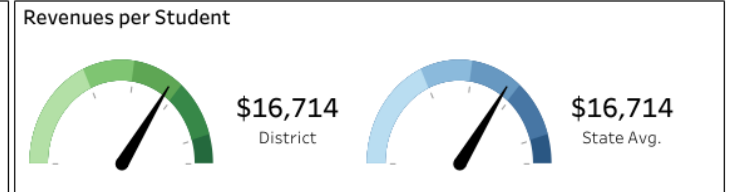
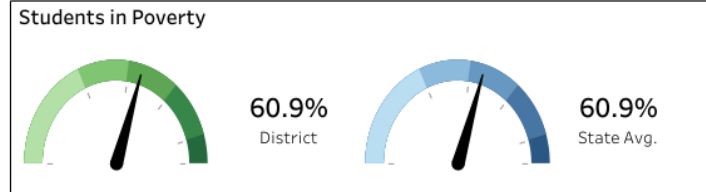
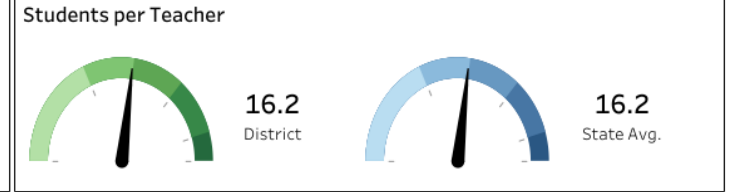
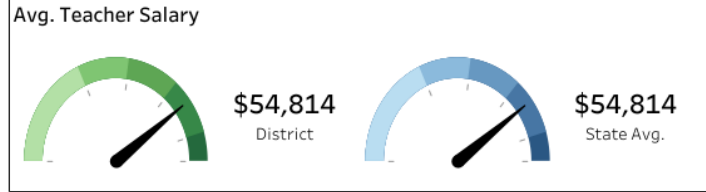
- Funding
- Quick Facts**
- Compare Districts
- Aid to Classrooms
- Scatter Plots

### Quick Statistics for All

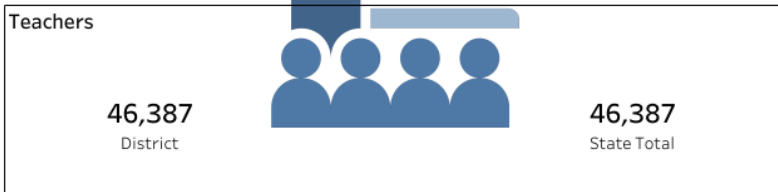
Select Districts: All



Click in the white space to remove selection.



[Go to Data Tables](#)





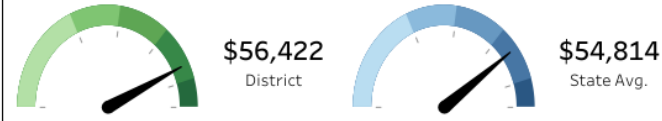
# SC EDUCATION FUNDING DASHBOARD

FY 2021-22 - For more information, see <https://rfa.sc.gov/education-funding-dashboard>

- Funding
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## Quick Statistics for Greenville County School District

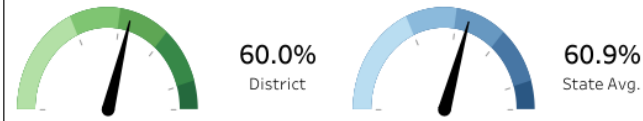
Avg. Teacher Salary



Students per Teacher



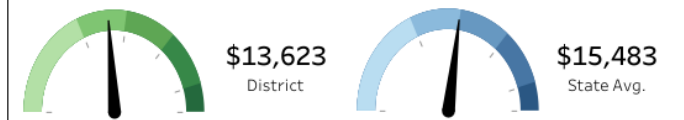
Students in Poverty



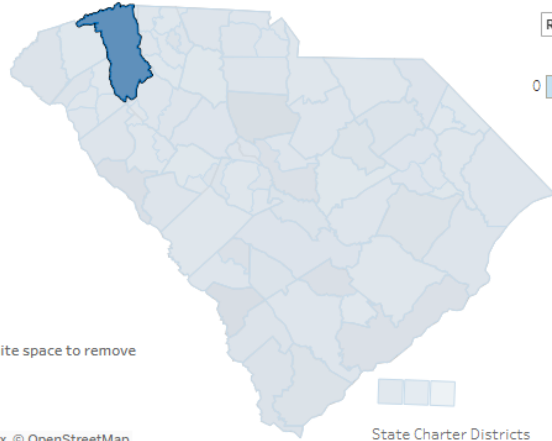
Revenues per Student



Expenditures per Student



Select Districts: Greenville County School District



Select Map Type

Revenues per Student

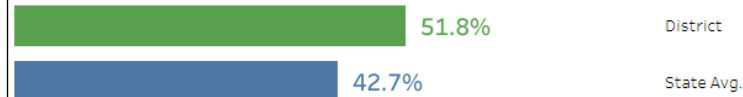


Click in the white space to remove selection.

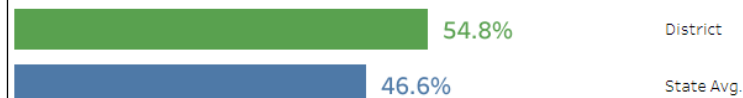
© 2024 Mapbox © OpenStreetMap

State Charter Districts

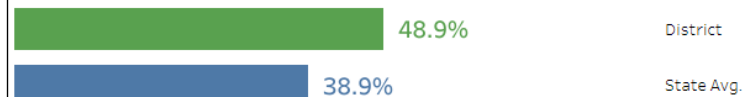
% of Students Meeting or Exceeding Expectations in ELA & Math



% of Students Meet/Exceed Expectations in English & Language Arts (ELA)



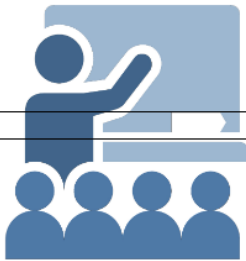
% of Students Meet/Exceed Expectations in Math



[Go to Data Tables](#)

Students

75,095  
District



751,486  
State Total

Teachers

4,275  
District



46,387  
State Total

Total Revenues

\$1,153,131,804  
District



\$12,560,423,910  
State Total

Total Expenditures

\$1,023,042,900  
District

\$11,635,302,201  
State Total





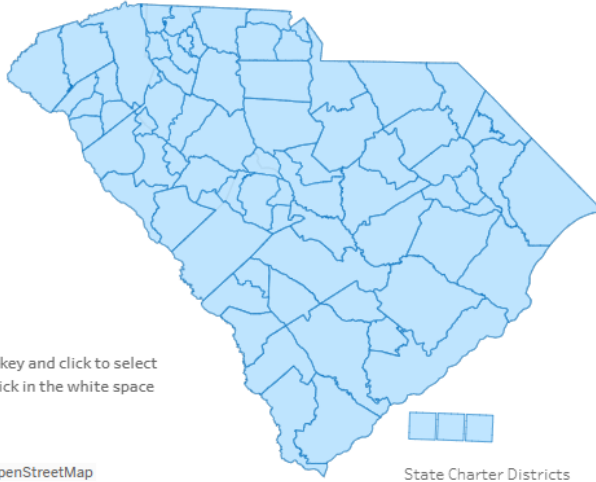
# SC EDUCATION FUNDING DASHBOARD

FY 2021-22 - For more information, see <https://rfa.sc.gov/education-funding-dashboard>

- Funding
- Quick Facts
- Compare Districts**
- Aid to Classrooms
- Scatter Plots

Districts: Anderson County School District 1, Greenville County School District, Oconee County School District and 1 more

Select Districts: Anderson County School District 1, Greenville County School District, Oconee County School District and 1 more



Hold down the CTRL-key and click to select multiple districts. Click in the white space to remove selection.

### Choose Your Comparison Criteria:

A) Compare by: % of Students in Poverty

B) Compare by: Students per Teacher

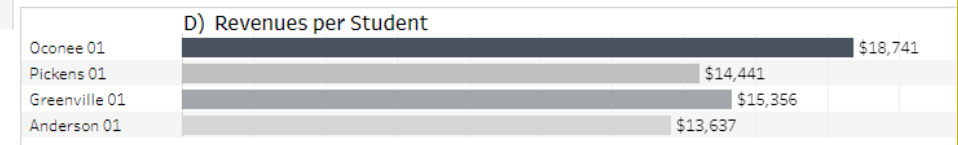
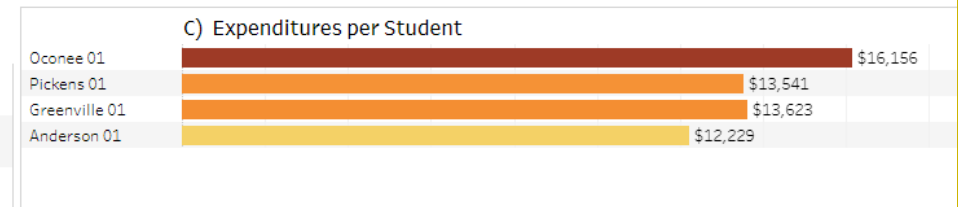
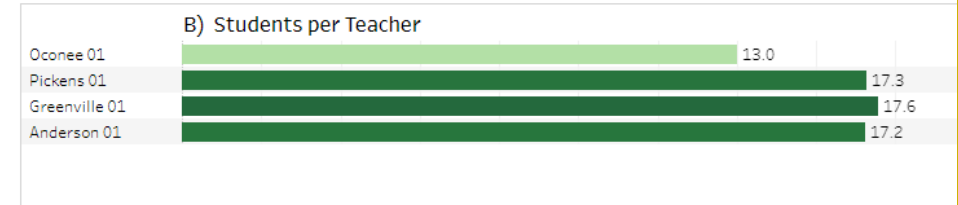
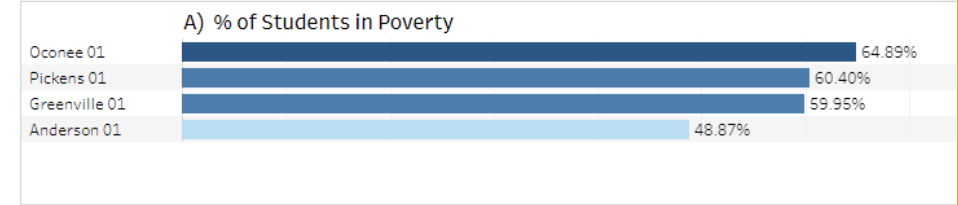
C) Compare by: Expenditures per Student

D) Compare by: Revenues per Student

[Go to Data Tables](#)

Sort by: Comparison A

Sort Ascending or Descending Order? Descending



	% of Students in Poverty		Students per Teacher		Expenditures per Student		Revenues per Student	
Anderson 01	48.87%	70	17.2	25	\$12,229	73	\$13,637	72
Greenville 01	59.95%	58	17.6	19	\$13,623	60	\$15,356	54
Oconee 01	64.89%	50	13.0	66	\$16,156	33	\$18,741	20
Pickens 01	60.40%	56	17.3	20	\$13,541	63	\$14,441	67



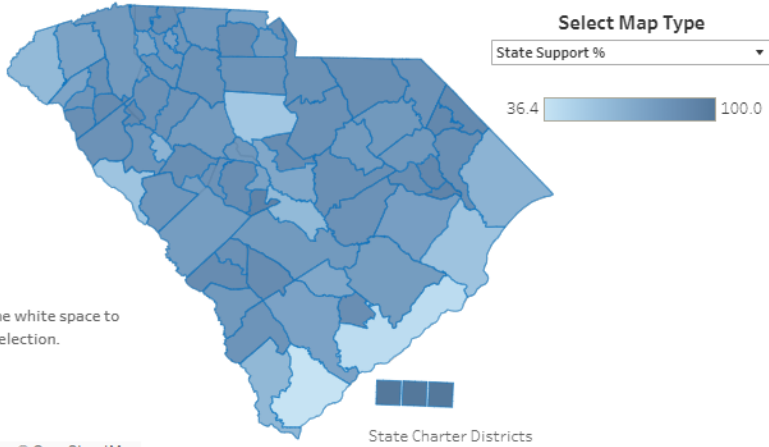




SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE  
**SC EDUCATION FUNDING DASHBOARD**

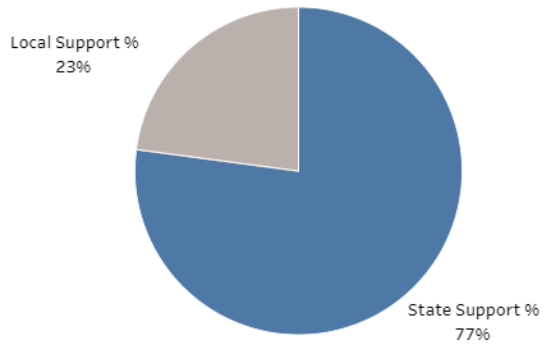
**FY 2022-23** - For more information, see <https://rfa.sc.gov/education-funding-dashboard>

Select Districts: All



**Aid to Classrooms Appropriations**

Total Aid to Classrooms State/Local Support



Funding

Quick Facts

Compare Districts

**Aid to Classrooms**

Scatter Plots

Aid to Classrooms provides funding to districts based on the cost of a teacher and the statewide funded student teacher ratio. A district's percentage of State Aid to Classrooms is based on each district's educational needs of the student (measured by student weights) and the district's ability to pay (measured by taxable property wealth). **Please Note: Student and Teacher Counts are for 2022-23 and will not match the other pages in the dashboard.**



**Teacher Salary**

**\$52,604**

Salary Funded

**\$16,549**

Fringe

**\$69,153**

Total Cost



**Student-Teacher Ratio (Instructional Positions)**

**11.14**

Formula Ratio\*

**10.81**

Funded Ratio\*\*

**13.60**

Actual Ratio\*\*\*



**Instructional Positions**

**67,685**

Formula Positions

**70,096**

Funded Positions

**55,758**

Actual Positions

[Go to Data Table](#)

\*Formula Ratio is number of instructional positions funded per student at the total teacher cost through the Aid to Classrooms formula. \*\*Funded Ratio is total instructional positions that can be funded with Total Aid to Classrooms Formula funding and State Proportional funding. \*\*\*Actual Ratio includes instructional personnel classified as classroom teachers, librarians, guidance counselors, psychologists, social workers, occupational and physical therapists, school nurses, orientation/mobility instructors, and audiologists.

District	FY 2022-23 Students	Weighted Students	% of Statewide Total Weighted Students	Total Aid to Classrooms (Formula)	Amount Needed for Actual Positons	Remaining Aid to Classrooms (Formula)	State Aid to Classrooms (Formula)	Local Responsibility	State Proportional Funding (and Hold Harmless)	Total to Cle Appr
Abbeville	2,761	4,530	0.35%	\$16,545,974	\$15,896,250	\$649,724	\$13,787,277	\$2,758,698	\$512,771	\$14
Aiken	22,462	36,885	2.86%	\$134,735,740	\$107,827,156	\$26,908,584	\$103,387,879	\$31,347,860	\$3,735,497	\$107
Allendale	894	1,556	0.12%	\$5,684,207	\$5,960,316	(\$276,109)	\$4,509,605	\$1,174,602	\$157,592	\$4
Anderson 1	10,463	16,690	1.30%	\$60,966,189	\$44,965,497	\$16,000,692	\$51,299,971	\$9,666,219	\$1,690,264	\$52
Anderson 2	3,388	5,810	0.45%	\$21,222,256	\$14,550,529	\$6,671,727	\$18,549,767	\$2,672,489	\$588,379	\$19
Anderson 3	2,600	4,327	0.34%	\$15,806,261	\$12,357,680	\$3,448,581	\$13,435,505	\$2,370,756	\$438,223	\$13
Anderson 4	2,927	4,881	0.38%	\$17,830,808	\$15,068,486	\$2,762,322	\$12,927,654	\$4,903,155	\$494,352	\$13
Anderson 5	12,028	20,241	1.57%	\$73,937,955	\$61,152,191	\$12,785,764	\$59,842,733	\$14,095,222	\$2,049,901	\$61
Bamberg 3	1,715	2,945	0.23%	\$10,756,984	\$9,588,094	\$1,168,891	\$9,377,635	\$1,379,349	\$298,233	\$9
Barnwell 45	1,869	3,275	0.25%	\$11,962,676	\$8,671,814	\$3,290,862	\$10,421,685	\$1,540,991	\$331,661	\$10
Barnwell 48	1,146	2,037	0.16%	\$7,441,985	\$7,017,669	\$424,316	\$6,245,831	\$1,196,154	\$250,612	\$6
Beaufort	20,587	33,195	2.58%	\$121,256,858	\$124,566,384	(\$3,309,526)	\$44,196,511	\$77,060,347	\$3,361,800	\$47
Berkeley	36,551	59,098	4.59%	\$215,875,943	\$167,380,524	\$48,495,418	\$166,240,932	\$49,635,010	\$5,985,078	\$172







# SC EDUCATION FUNDING DASHBOARD

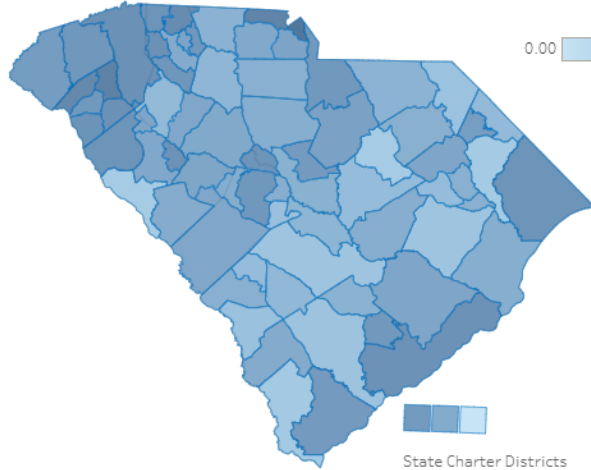
FY 2021-22 - For more information, see <https://rfa.sc.gov/education-funding-dashboard>

Select Districts: All

Select Map Type

% ELA & Math Meets/Exceeds

0.00 69.54



Click in the white space to remove selection.

© 2024 Mapbox © OpenStreetMap

State Charter Districts

[Go to Data Tables](#)

## Build Your Own Graph

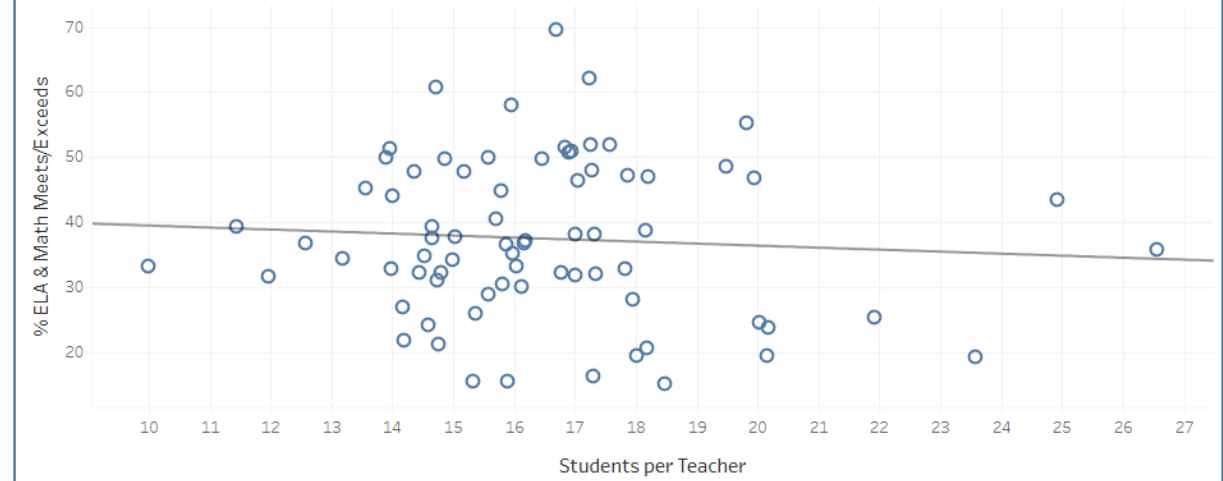
Select Y-Axis

% ELA & Math Meets/Exceeds

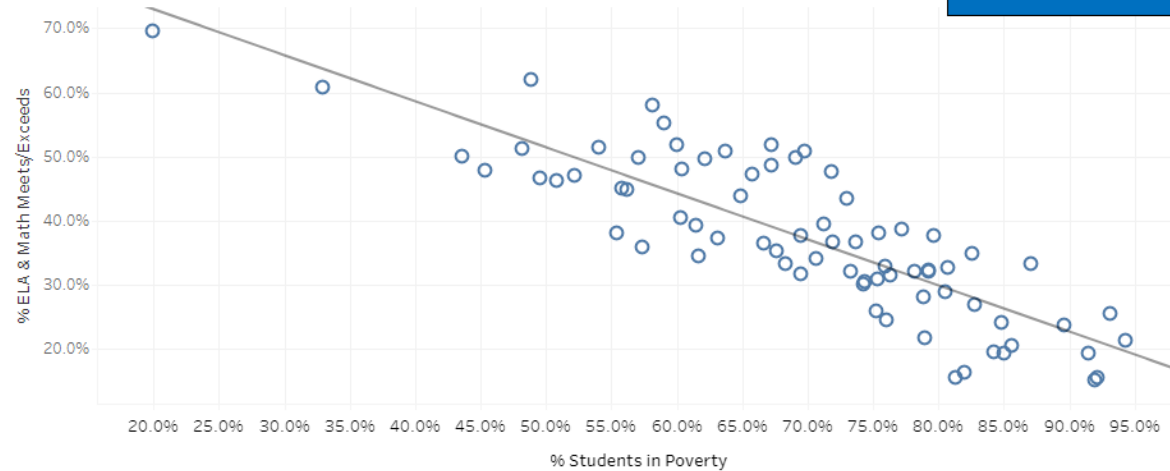
Select X-Axis

Students per Teacher

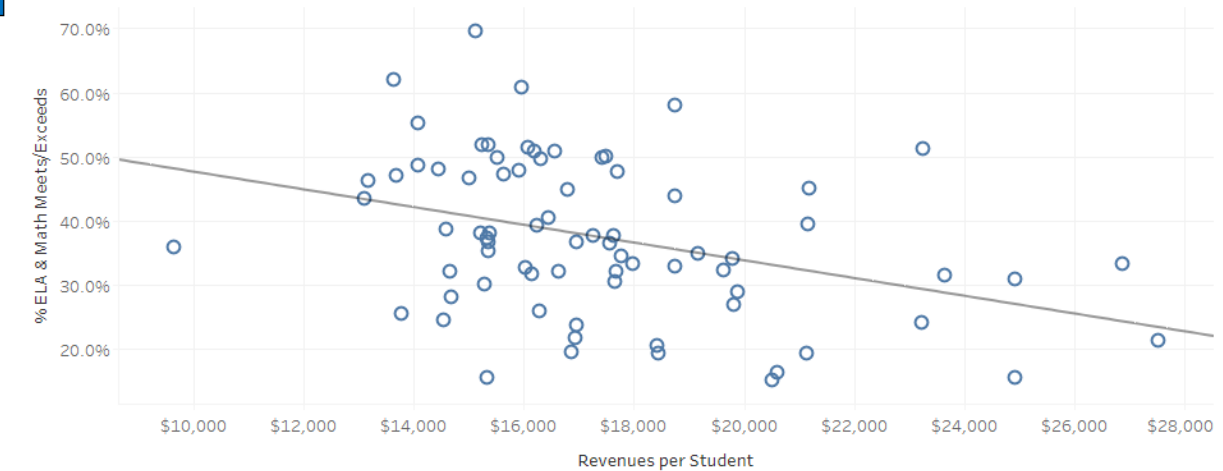
% ELA & Math Meets/Exceeds vs. Students per Teacher



% ELA/Math Meets/Exceeds vs. % Students in Poverty



% ELA/Math Meets/Exceeds vs. Revenues per Students



# Questions?

