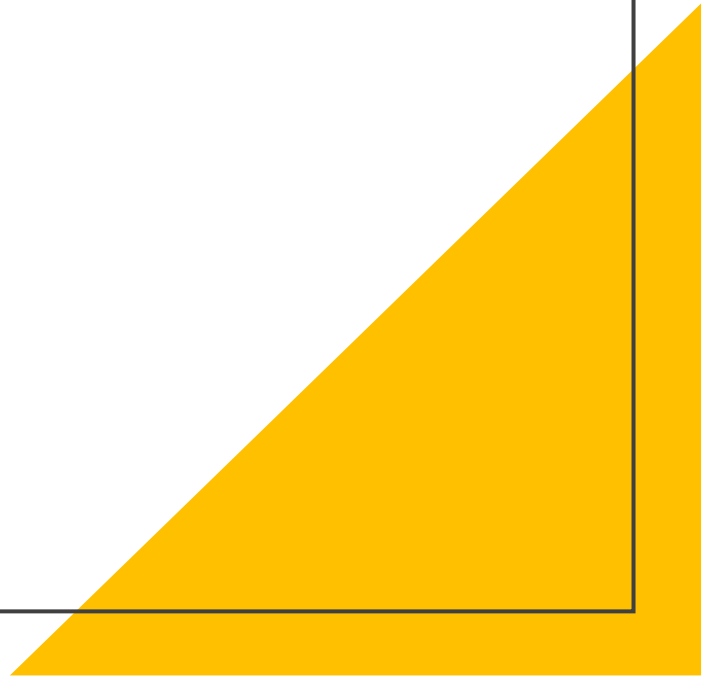


2026 Elected Officials Forum

Catawba Regional Council of Governments
January 8, 2026

Marc Truesdale, Budget Director
Ways and Means Committee
SC House of Representatives





Not just
numbers on a
spreadsheet

“The budget is a reflection of our priorities as a nation.”

-George W. Bush

“Don’t tell me what you value. Show me your budget, and I’ll tell you what you value.”

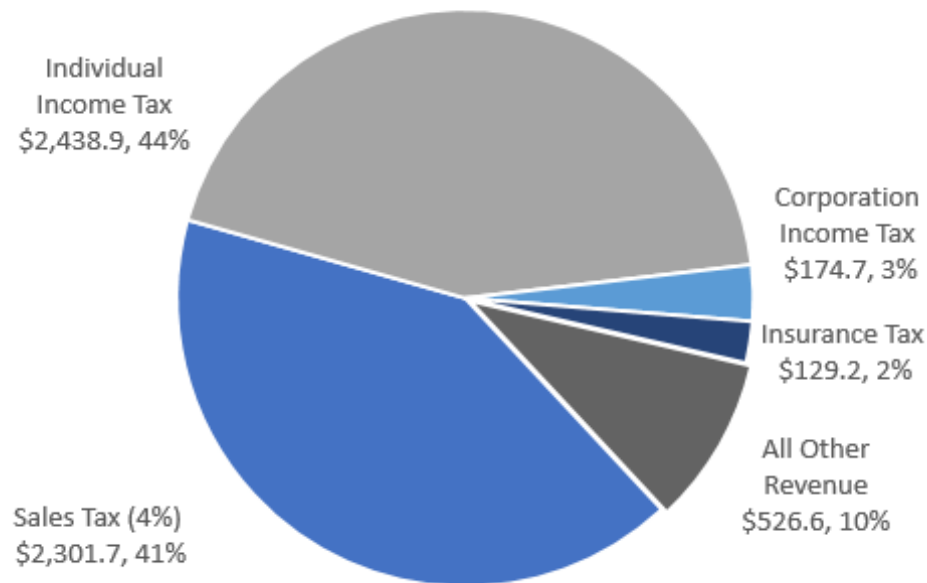
-Joe Biden



General Fund Revenue by Category - FY 04 versus FY 24

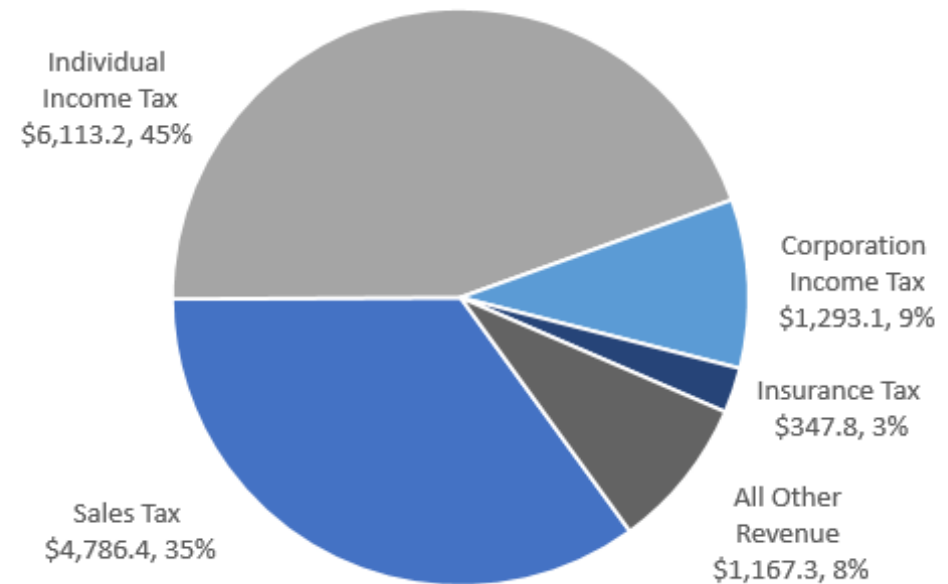
The percentage of General Fund revenue shifted from sales tax to corporate income tax by 6%

FY 2003-04 GENERAL FUND REVENUE
Percentage Distribution By Revenue Type (\$ Millions)



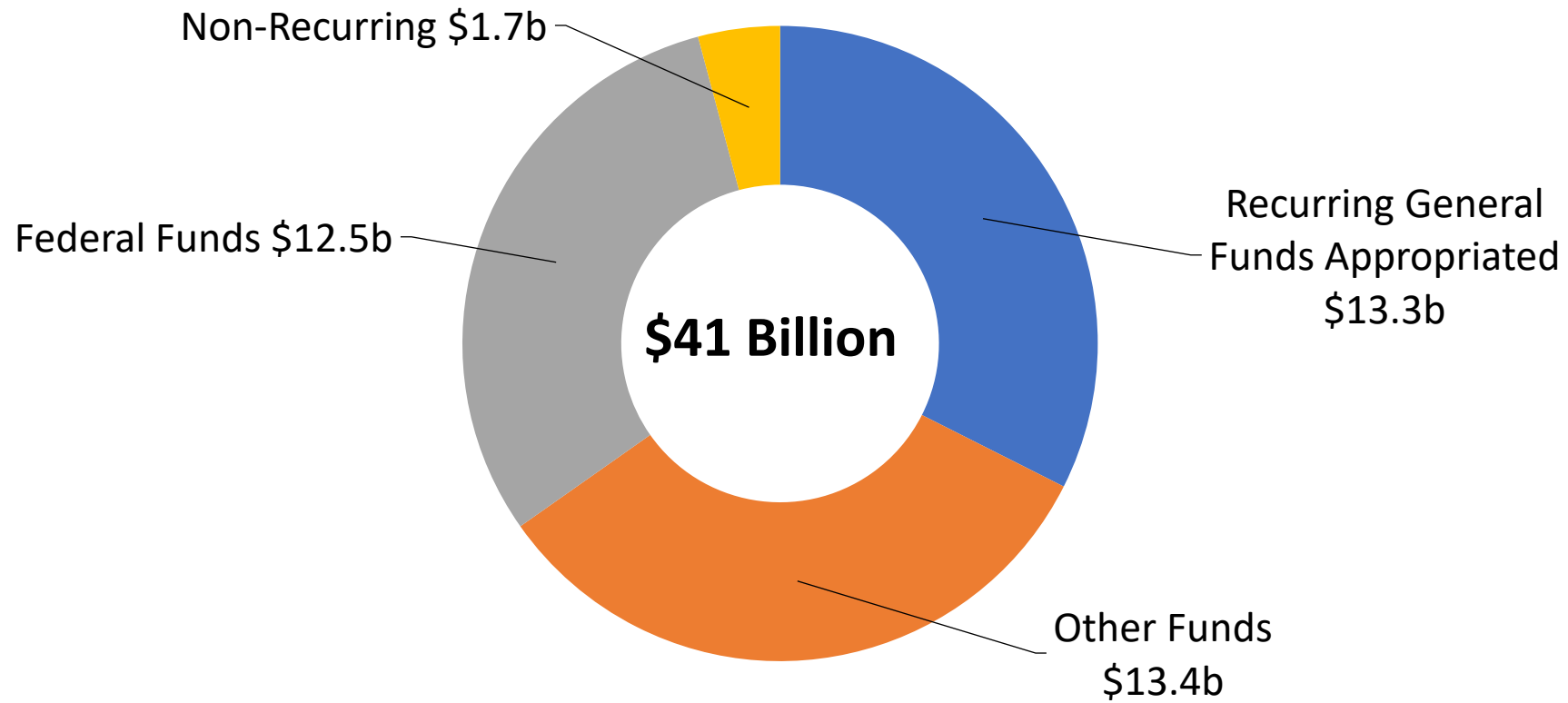
Source: S.C. Revenue and Fiscal Affairs 30 - lhj/03/10/2025

FY 2023-24 GENERAL FUND REVENUE
Percentage Distribution By Revenue Type (\$ Millions)



Source: S.C. Revenue and Fiscal Affairs 30 - kav/11/14/2024

FY 2025-26 Budget – Total Funds



Types of Funds

General Funds

- Individual Income Tax (47%)
- Sales & Use Tax (32%)
- Corporate Income Tax (9%)
- Other Taxes & Fees. (12%)

Nonrecurring Funds

- General funds collected that aren't certified as recurring by the State BEA.
- Examples: Litigation Recoveries, prior years surplus, and the Capital Reserve Fund.

Federal Funds Auth.

- Medicaid, Federal K12 Dollars, Higher Ed Funding, Federal Highway funding

Other Auth.

- Tuition & Fees – Universities & Tech Schools
- Special Purpose Taxes - Gas, Cigarette, EIA penny sales tax
- Lottery Revenues
- Agency Generated Revenue - DNR Hunting licenses, PRT state park fees, etc

Total Recurring
Appropriations & Authorizations

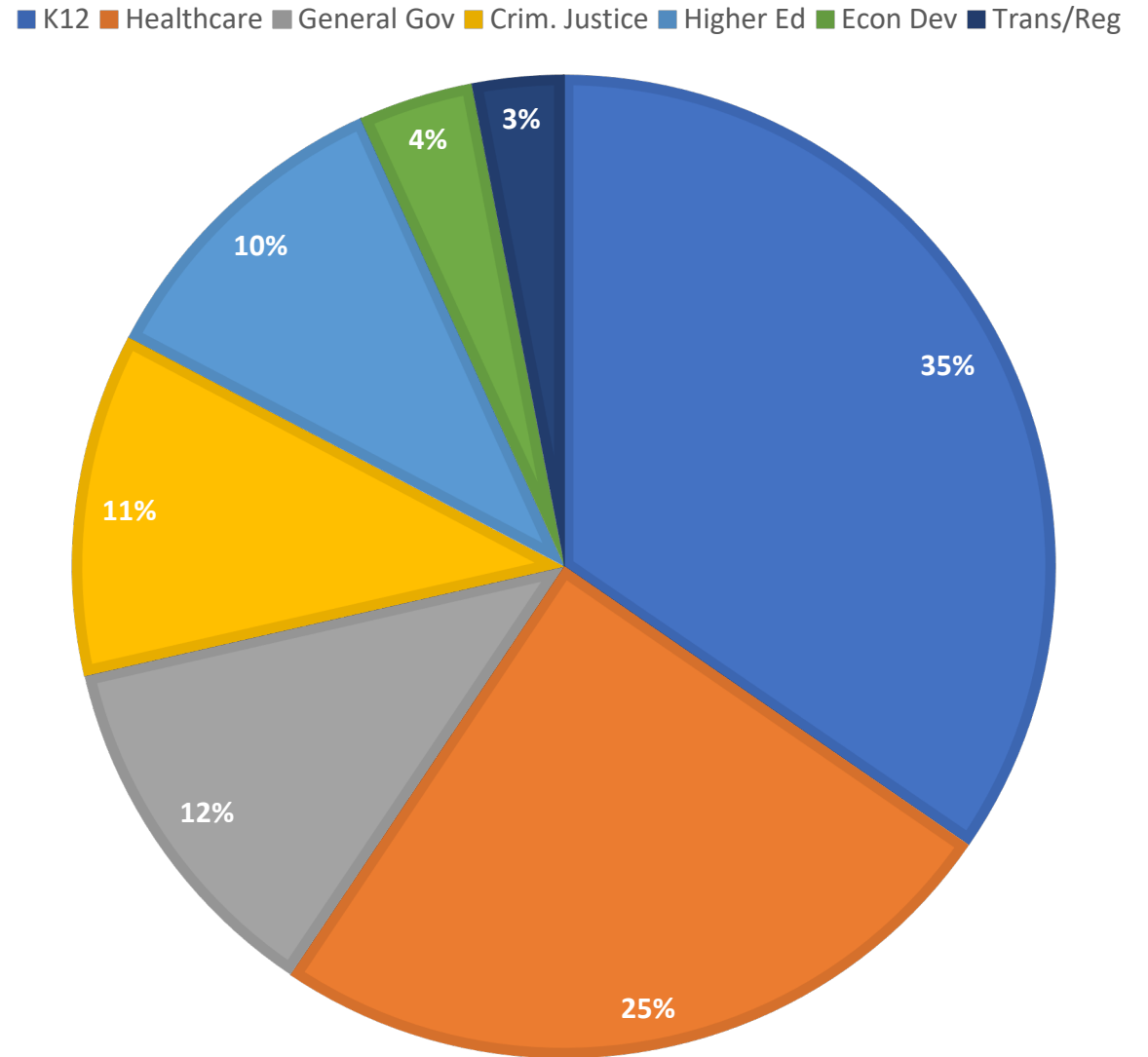
1) Healthcare-	\$14.5b
2) K12-	\$7.9b
3) Higher Ed-	\$7.6b
4) Trans/Regulatory-	\$3.9b
5) General Gov-	\$2.2b
6) Criminal Justice-	\$1.9b
7) Econ Dev.-	<u>\$1.1b</u>
	\$39.2b

Total General Fund + Other Authorizations
(Federal Funds Excluded)

1) Higher Ed-	\$6.7b
2) K12-	\$6.0b
3) Healthcare-	\$5.8b
4) Trans/Regulatory-	\$3.6b
5) General Gov-	\$2.0b
6) Criminal Justice-	\$1.7b
7) Econ Dev.-	<u>\$0.9b</u>
	\$26.7b

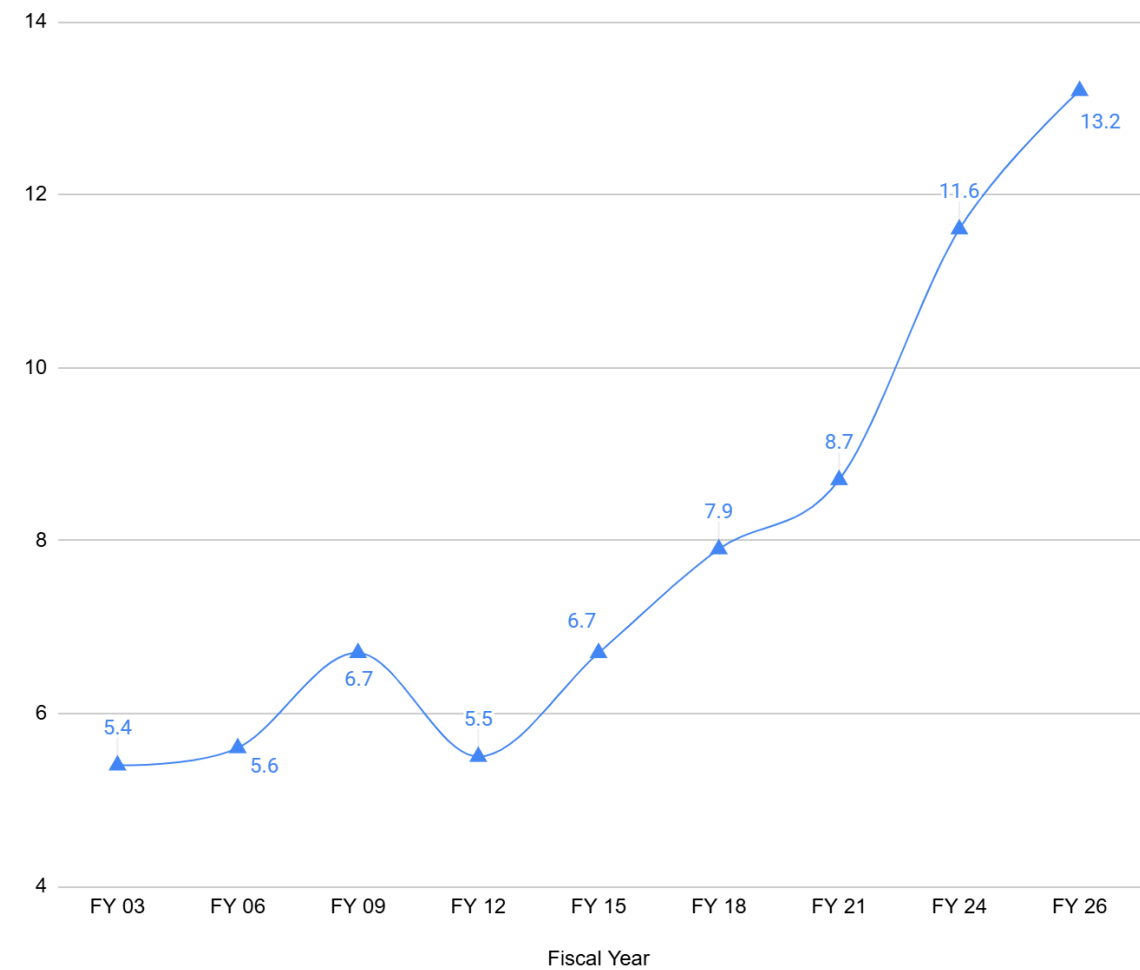
General Fund Appropriations

1) K12-	\$4.6b
2) Healthcare-	\$3.3b
3) General Gov-	\$1.6b
4) Criminal Justice-	\$1.5b
5) Higher Ed-	\$1.4b
6) Econ Dev.	\$0.5b
7) Trans/Reg-	<u>\$0.4b</u>
	\$13.3b

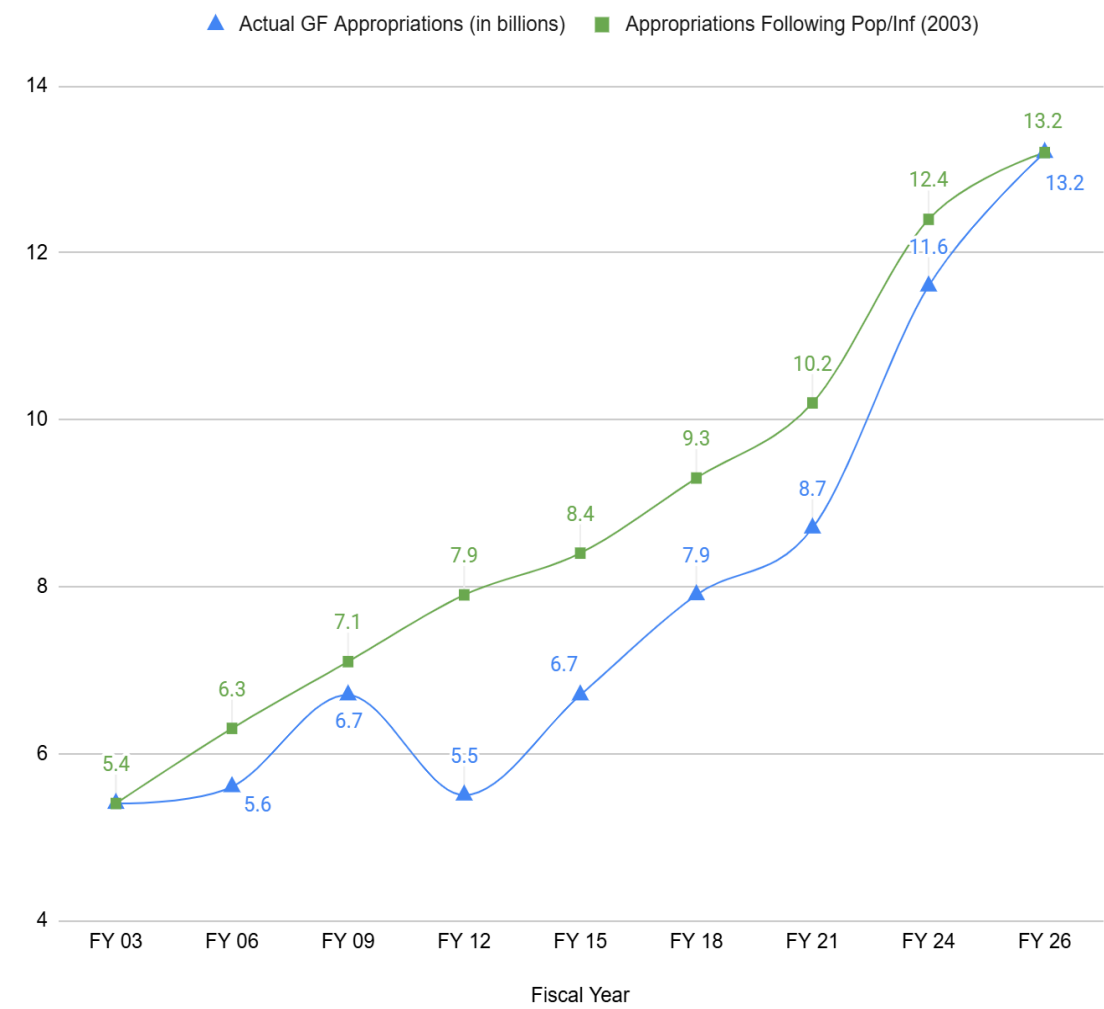


Past Funding Levels in South Carolina

Recurring General Fund Appropriations Since 2003 (in Billions)



Recurring General Fund Appropriations (Actual vs. Population/Inflation)



Why Larger Budgets?



Population Growth



Economic Development



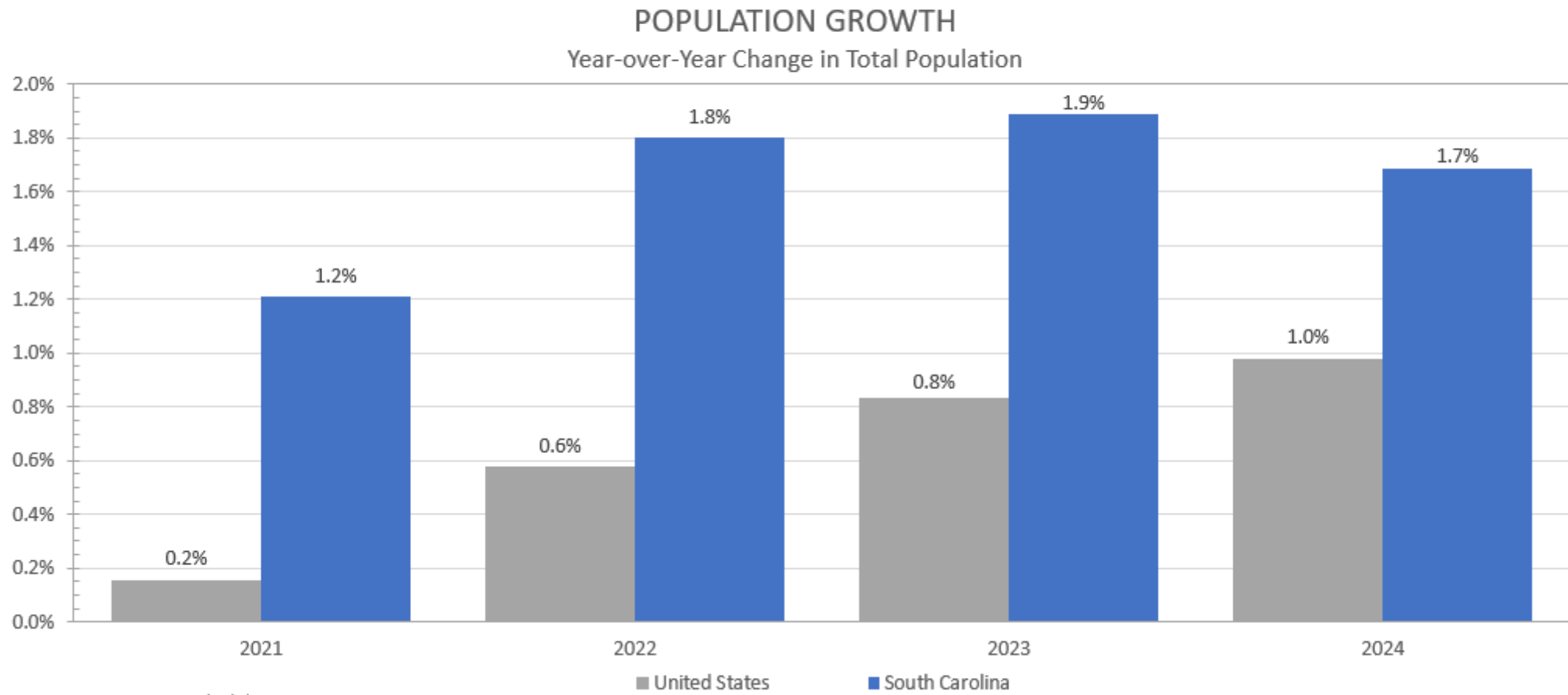
Personal Income Growth



Inflation

Population Growth – US Versus SC

South Carolina continues to grow faster than the nation

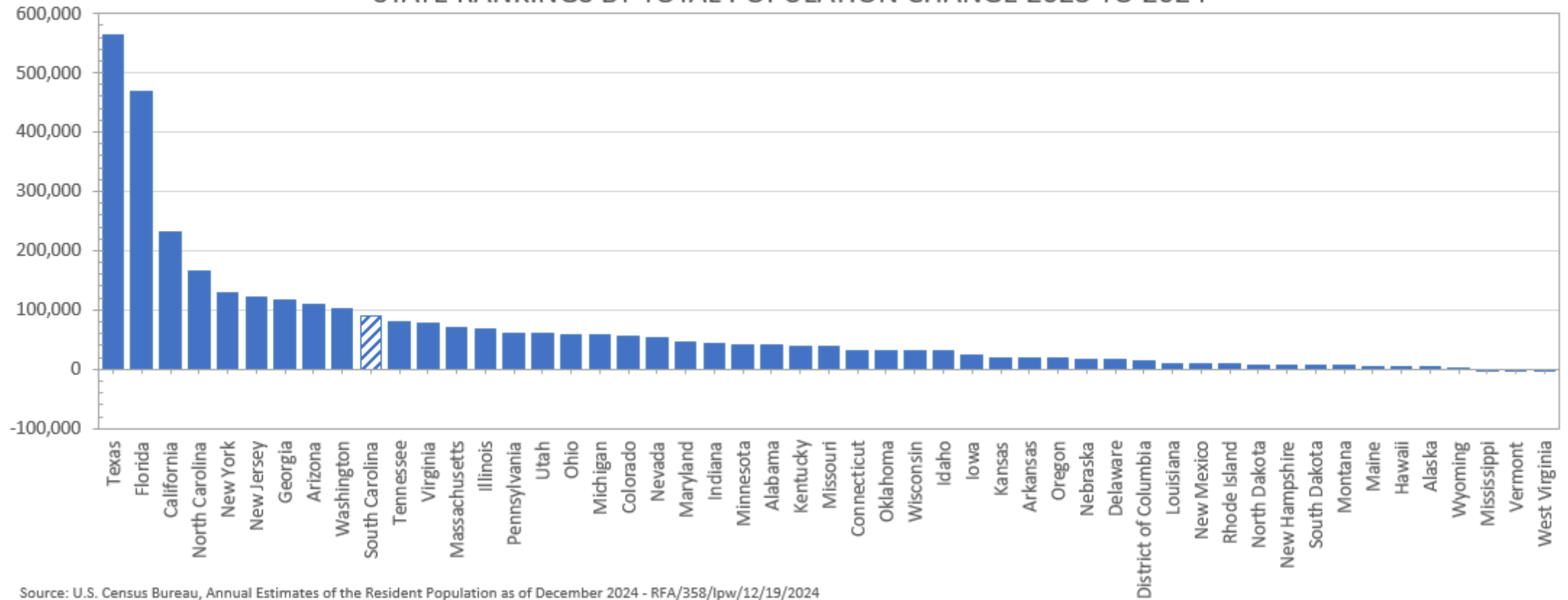


Source: Census Bureau - kv/11/7/2025

South Carolina had the 10th Largest Population Increase in the US

Population increased by 91,001 (1.7%) from 2023 to 2024

STATE RANKINGS BY TOTAL POPULATION CHANGE 2023 TO 2024

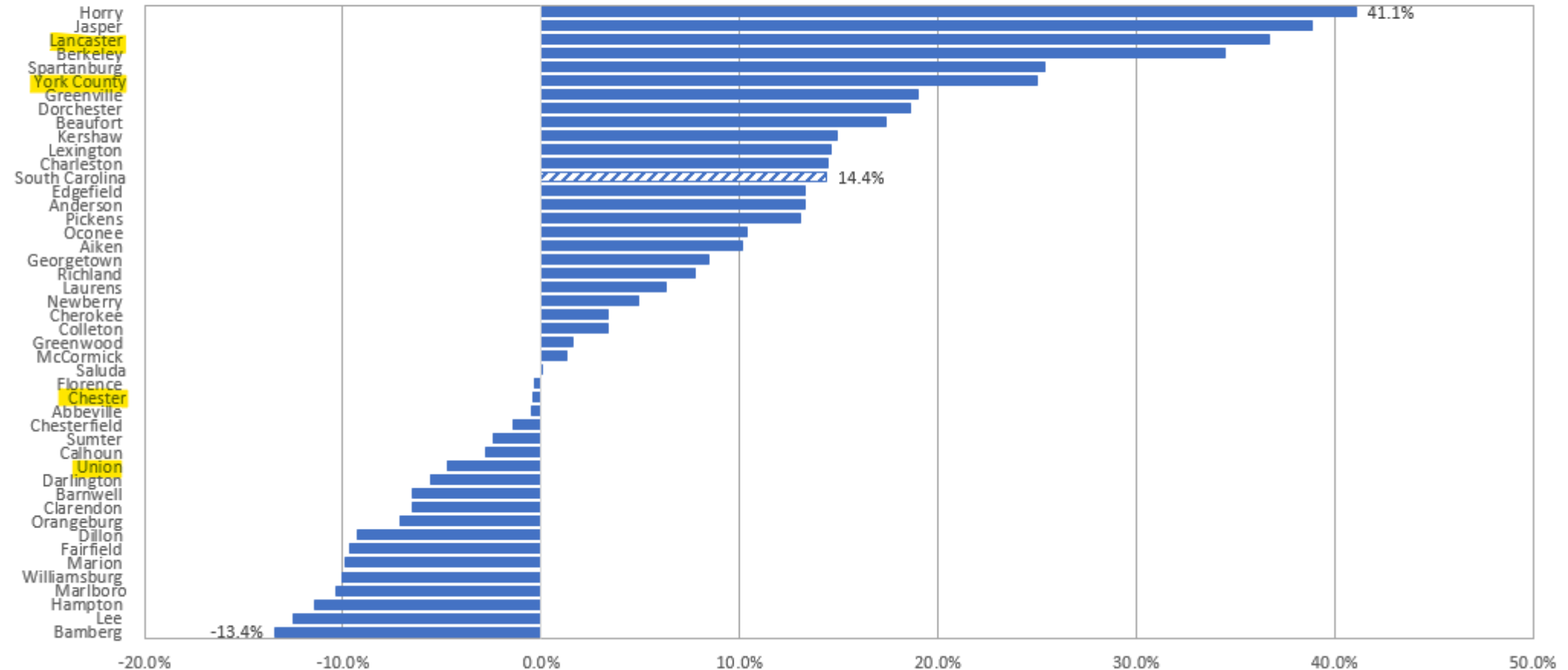


Source: U.S. Census Bureau, Annual Estimates of the Resident Population as of December 2024 - RFA/358/lpw/12/19/2024

Population Growth by County over the Past 10 Years

Geographic dispersion of population varies significantly

POPULATION GROWTH BY COUNTY, 2014 TO 2024

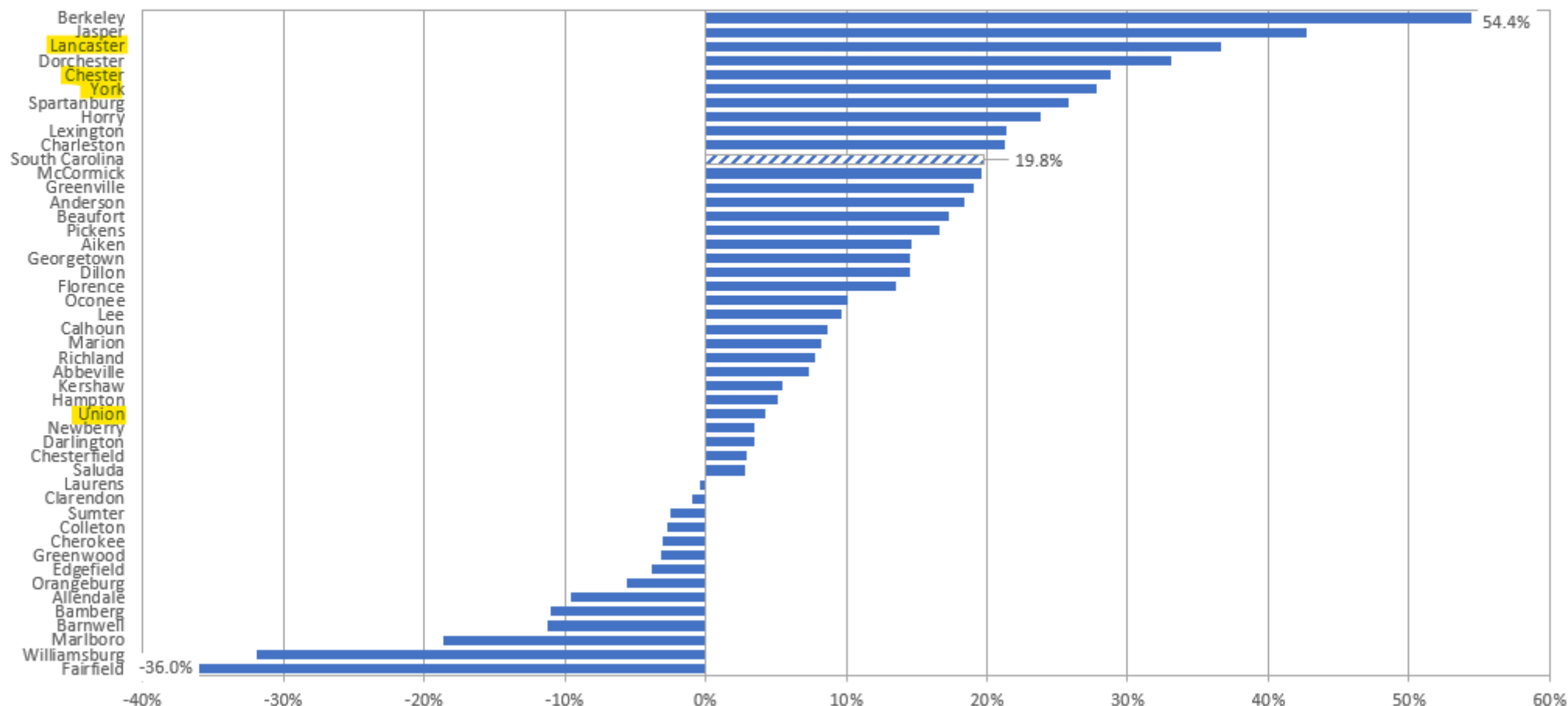


Source: U.S. Census Bureau; 2014 population estimate, Intercensal Estimates of the Resident Population; 2024 population estimate, Annual Estimates of the Resident Population 365-RFA/lpw/3/14/2025

Employment Growth by County over the Past 10 Years

Geographic dispersion of job growth varies significantly

TOTAL EMPLOYMENT GROWTH BY COUNTY, 2014 TO 2024



Source: Bureau of Labor Statistics, U.S. Department of Labor; 2014 Annual Average to First Half of 2024 363-RFA/kav/2/6/2025

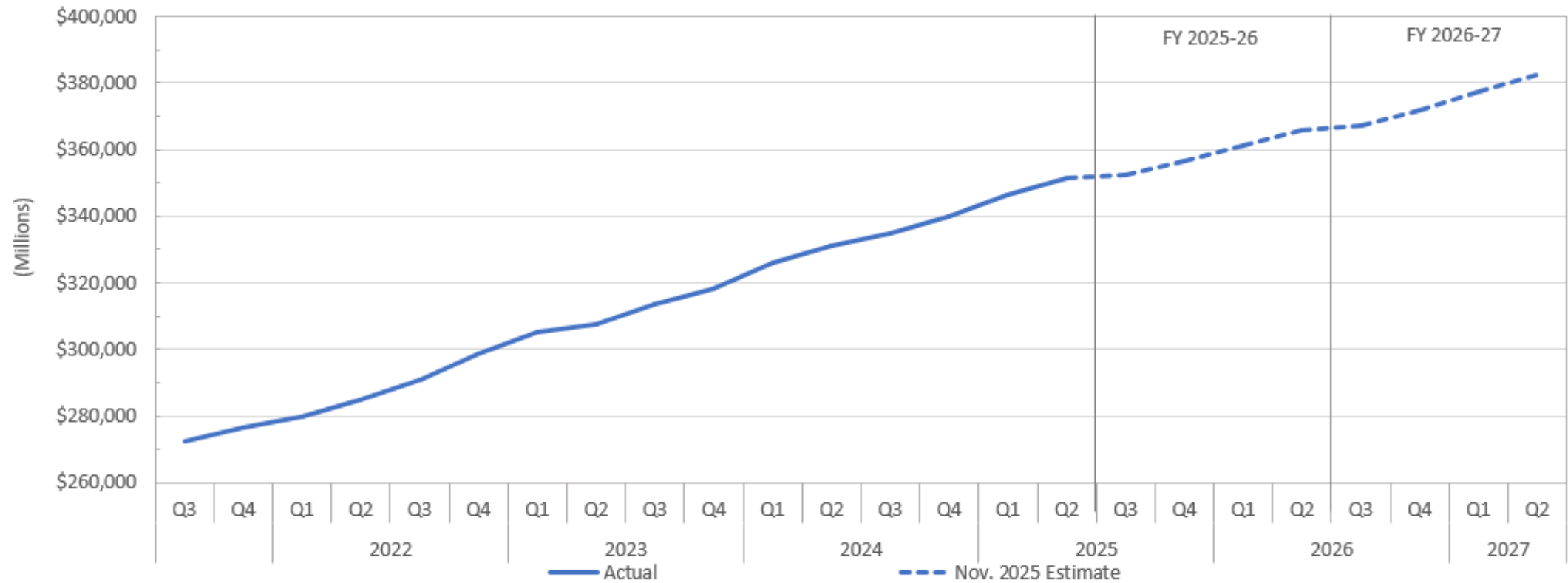
Personal Income – November 2025 Forecast

Personal income growth is expected to slow over the next two fiscal years

FY 25: 6.5%; FY 26: 4.6%; FY 27: 4.4%

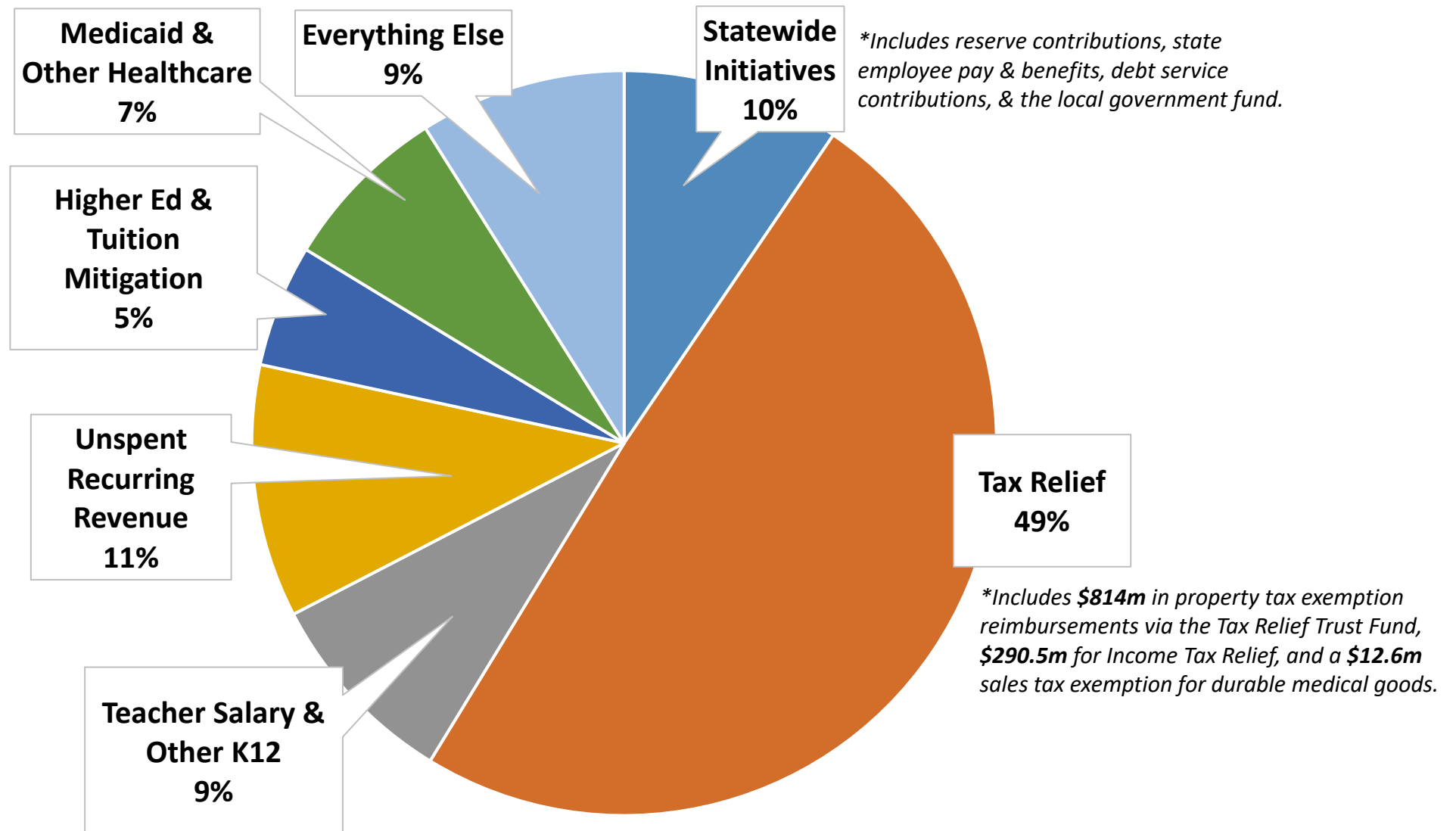
SOUTH CAROLINA PERSONAL INCOME

Actual, Estimate, and Trend

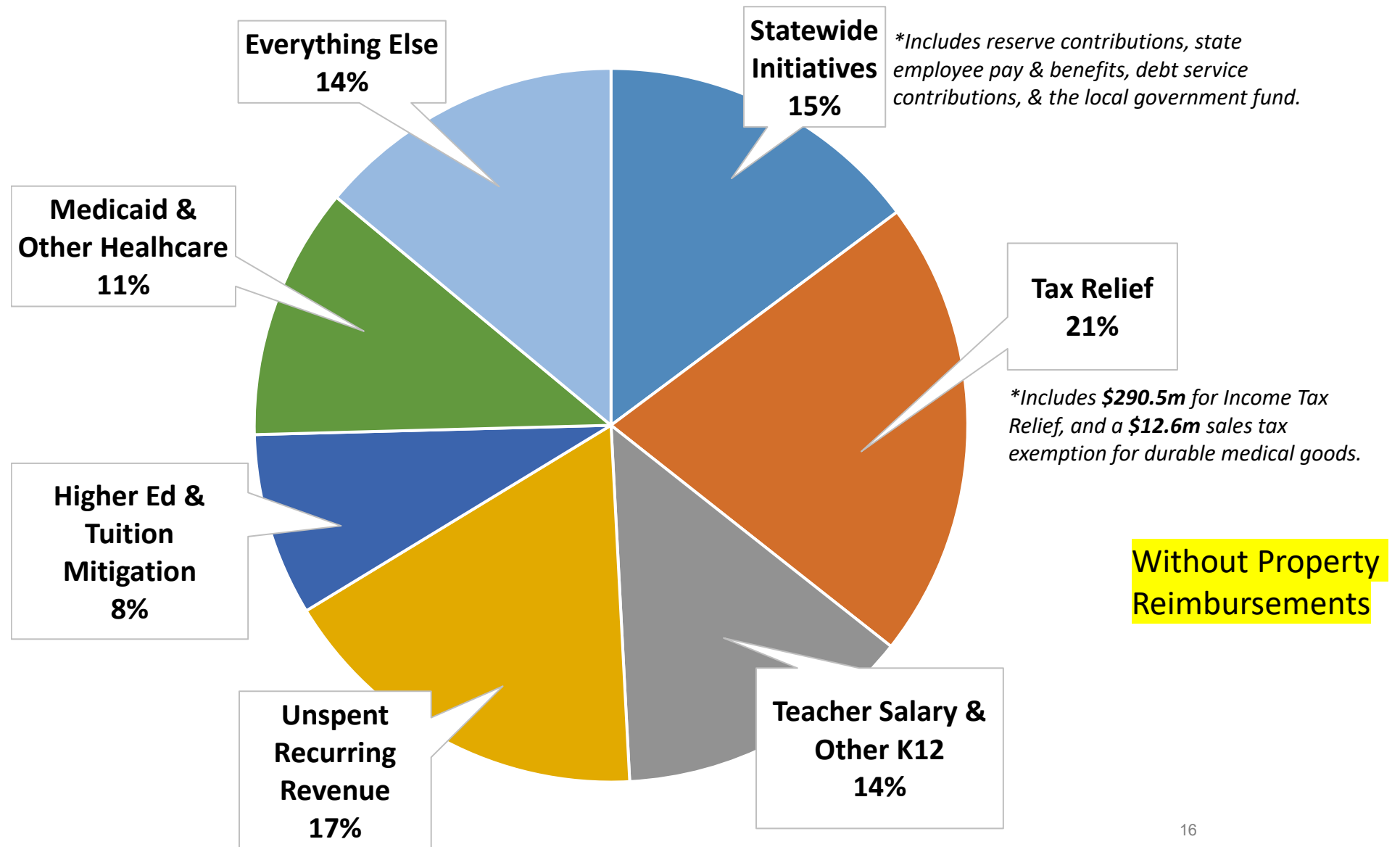


Source: U.S. Department of Commerce, Bureau of Economic Analysis; S.C. Board of Economic Advisors - RFA/kav/10/20/2025

Fiscal 25/26 Recurring (of \$2.27b available)

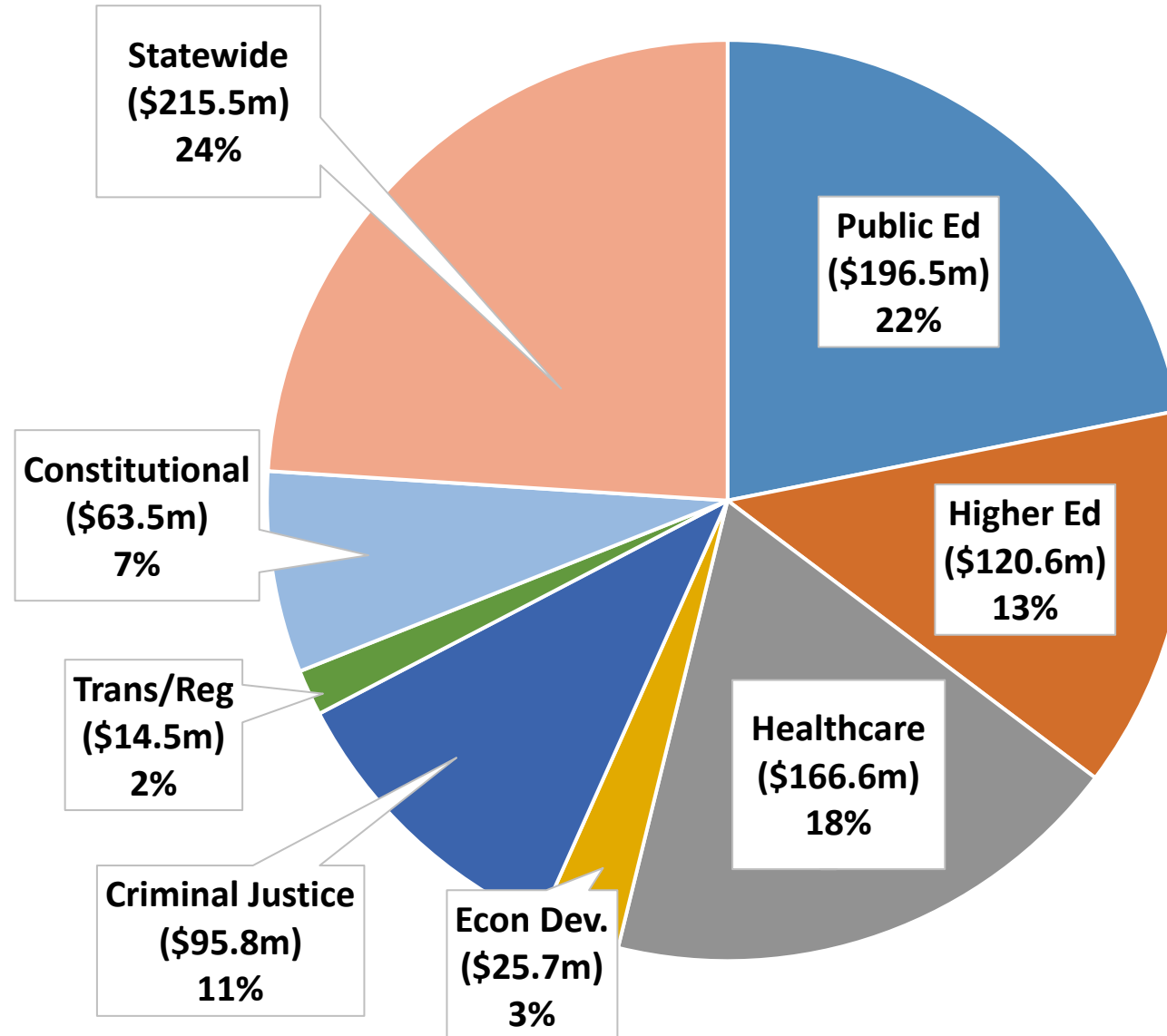


Fiscal 25/26 Recurring (of \$1.45b available)

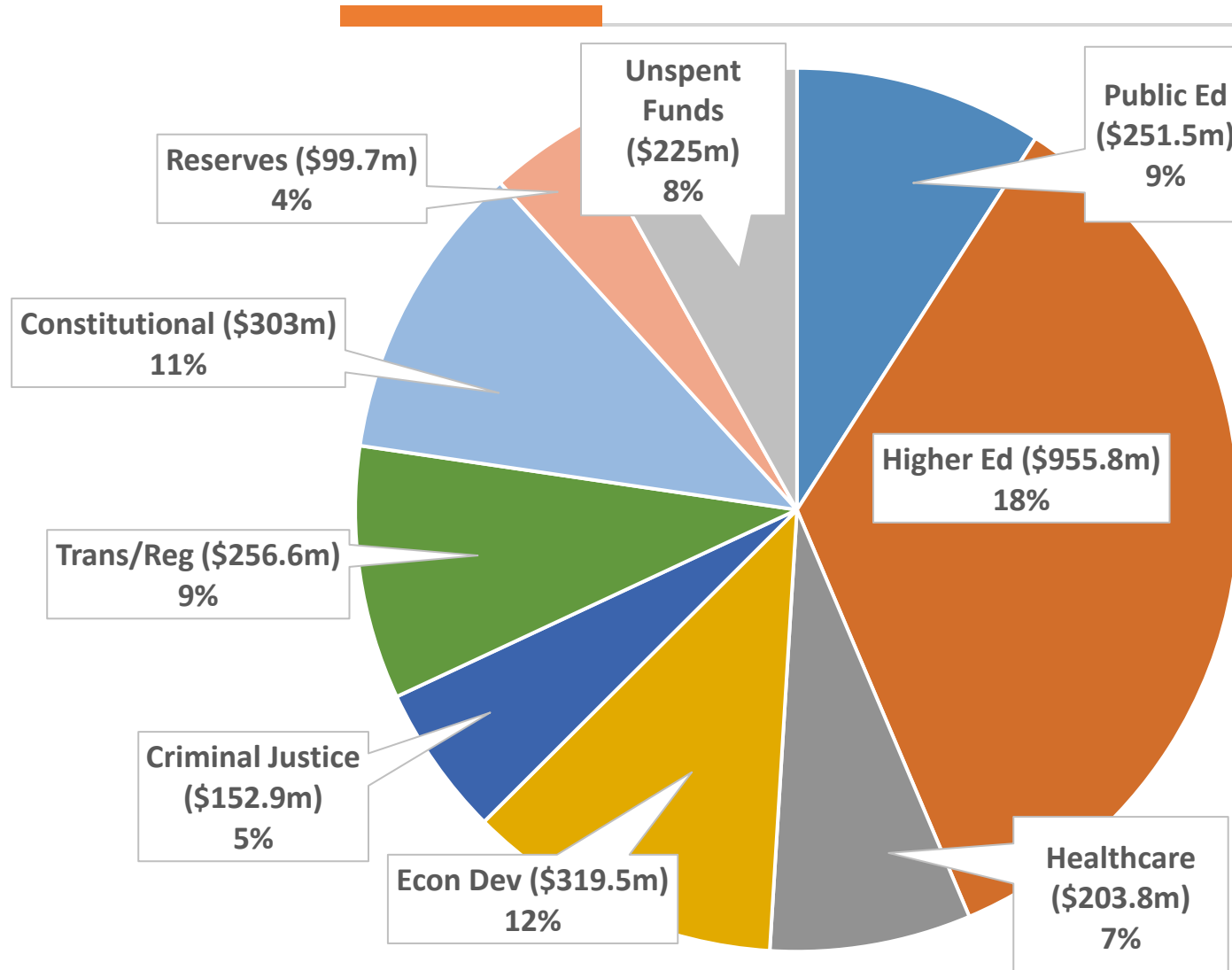


Fiscal 25/26 Recurring Expenditures by W&M Subcommittee (Including EIA)

**\$899m in total
recurring expenditures*



FY 25/26 Non-Recurring Expenditures by W&M Sub (Including EIA, Lottery, & CRF) *\$2.8b available



Largest NR Expenditures

Natural Disaster Relief (EMD, Resilience, SCDOT)	\$273m
Unspent Nonrecurring:	\$225m
Life Scholarships (Lottery):	\$216m
Bridges (SCDOT):	\$200m
Neurological Hospital (HHS):	\$150m
General Reserve Fund:	\$99.7m
SC Wins (Tech System):	\$91.3m
LocateSC (Commerce):	\$80m
Airports (Commerce):	\$80m
Needs Based Grants (Lottery-CHE):	\$80m
Instructional Materials (SDE):	\$61m
Palmetto Fellows (Lottery-CHE):	\$61m
LTAP (Lottery-CHE/Tech Board):	\$53m
NextGen Computing (Clemson):	\$40m
ESAs (SDE):	\$35m*

*+30m recurring



BEA FY 26/27 General Fund Revenue Forecast

RECURRING	
GF Revenue Estimate	\$15 billion
FY 2024-25 Appropriations	(\$13.2 billion)
Tax Relief Trust Fund	(\$824.6 million)
Aid to Fire Districts Shortfall	(\$26.0 million)
Reserve Fund Contributions	(\$179.2 million)
Projected Recurring Revenue	\$733.9 million
Total Recurring Requested	\$1.85 billion

NON-RECURRING	
Projected FY 2025-26 Surplus	\$600.8 million
FY 25-26 Capital Reserve Fund	\$387.4 million
FY 24-25 Contingency Reserve Fund	\$725.9 million
Projected Non-Recurring Revenue	\$1.714 billion
Total Nonrecurring Requested	\$4.3 billion

**Note: This year’s available revenues are bolstered by unspent funds from last fiscal year.
Unspent funds from last fiscal year were **\$249m recurring** and **\$225m nonrecurring**.*



Looking Forward

Local Investments

Will they? Won't they?

Healthcare

Inflationary Pressures (Medicaid,
Medicare, State Health Plan)
Incentivizing Healthcare Jobs

Roads & Infrastructure

Existing Tax & Fees Sufficient?
Penny then vs. Penny Now

K12 Education

Population Shifts & Choice
Traditional Plateau/Decline
Rise in Charter/Private

Higher Education Funding

Enrollment Cliff?

Revenue

-No Income Tax?
-Property Tax Reform?