



AGENCY UPDATES



AGENCY UPDATES

- **Bobby Bowers appointed as the technical expert for the federal court in the redistricting case regarding the Jasper County School District.**
- **Group of CMRS Advisory Members and PSAPS representatives met to address legislative issues and identified need for a strategic plan.**
- **Budget Development is assisting the Executive Budget Office with a survey regarding Other Funds.**
- **Reviewing needed legislative changes (December)**
- **Various reports required by provisos**
- **Met with Canty Technology regarding IT issues; awaiting final report.**
- **Contacted by US Census Bureau regarding pre-Census technical work.**



FY 2015-16 BUDGET RECOMMENDATIONS



FY 2015-16 BUDGET REQUEST

- **RFA requests a total budget of \$10,505,492**
 - ❖ **Use anticipated cost-savings of \$279,866 to address budget priorities.**
- **The total amount of General Funds is \$4,616,218**
 - ❖ **This represents a decrease of \$118,000 or 2.5% from the FY 2015 budget.**
- **The total amount of Other Funds is \$5,889,274**
 - ❖ **Represents a 15% increase from FY 2015 revenue budget.**
 - ❖ **Includes authorization for the 2% cost of living and health insurance increase and new contractual obligations proposed from DHHS and various other state entities.**
 - ❖ **Also includes some funding for relocating data center and moving Health and Demographics to the Dennis Building.**



REVENUE AND FISCAL AFFAIRS 2016 PROPOSED BUDGET

Budget Program		FY 2014-15 BUDGET				FY 2015-16 Projections			
Category	General Funds*	Earmarked Funds	Federal Funds	Total Funds	General Funds	Earmarked Funds	Federal Funds	Total Funds	
I ADMINISTRATION									
Executive Director	142,227			142,227	149,000			149,000	
Special Items:				-				-	
BEA Chairman's Allowance	10,000			10,000	10,000			10,000	
BEA Appointee Allowance	16,000			16,000	16,000			16,000	
X C Employee Benefits	64,441			64,441	64,441			64,441	
TOTAL ADMINISTRATION	232,668	-	-	232,668	239,441	-	-	239,441	
II PROGRAM SERVICES									
Classified Positions	2,447,874	1,497,847	10,779	3,956,500	2,447,874	1,610,279		4,058,153	
Unclassified Positions	220,507	38,760		259,267	220,507	38,760		259,267	
Other Personal Services	47,500	502,995	55,000	605,495	47,500	856,909		904,409	
Other Operating	944,292	2,370,901	10,327	3,325,520	829,966	2,496,289		3,326,255	
X C Employee Benefits	841,377	710,449	19,734	1,571,560	948,930	887,037		1,835,967	
TOTAL PROGRAM SERVICES	4,501,550	5,120,952	95,840	9,718,342	4,494,777	5,889,274	-	10,384,051	
AGENCY TOTAL	4,734,218	5,120,952	95,840	9,951,010	4,734,218	5,889,274	-	10,623,492	

FY 2014-15 general funds includes 2% pay and health insurance increases.

FY 2014-15 other fund increase includes request for authorization for 2% pay and health insurance increases and expected increase in customer contracts.

As of 9-19-2014, proposed budget does not expect any grants to be extended into FY-16. If grants are awarded, additional authorization may be required.



FY 2015-16 BUDGET PRIORITIES

Compensation

- **Pay adjustments and bonuses for additional responsibilities due to restructuring vacancies and performance.**

Health and Demographics Customers

- **Requesting additional authorization to meet increased contract requirements from customers to meet new information security and project requirements.**

Information Technology and Security

- **Additional Security Resources and Tools**
- **Consolidation and Relocation at Data Center**

Process Improvement

- **Strategic Plan for Wireless E-911 Program (Consultant)**
- **Statewide E911 Data Management System**



COST SAVINGS FOR FY 2014-15 & 2015-16

- **Identified savings by reviewing purchases, reallocating of rent to Other Funds, keeping two positions from recent departures vacant, realigning processes, and reallocating duties.**

	<u>FY 2015</u>	<u>FY 2016</u>[*]
General Funds	\$117,244	\$223,674
Other Funds	\$30,170	\$56,192
Total Funds	\$147,414	\$279,866

***FY 2016 cost savings include FY 2015 estimates**

- **Continue to reassess vacancies with use of temporary and part-time staffing or reallocation of duties for potential savings.**



FY 2014-15 APPROPRIATION ACT

General Funds

- **2% Cost-Of-Living Adjustment** **\$63,379**
- **Health Insurance Premium Increase** **\$32,503**
- **County Boundary (S.988)** **\$250,000**
 - ❖ **Approximately 1,250 Miles**
 - ❖ **Contracting with four firms for field surveys**
 - ❖ **Developing options to manage process and implementation**
- **Restructuring** **\$250,000**
 - ❖ **Analysts to support legislative process**
 - ❖ **Information Technology Security Improvements**
 - ❖ **Relocation of Data Center and process**

Other Funds (requesting authorization per Proviso 112.2)

- **2% Cost-Of-Living Adjustment** **\$39,992**
- **Health Insurance Premium Increase** **\$13,603**



AGENCY HEAD PERFORMANCE PLANNING DOCUMENT



AGENCY HEAD PERFORMANCE PLANNING DOCUMENT

- **Initial document for new agency**
- **Focus is on developing and implementing plans for a strategic direction and continuous improvement.**
- **Other objectives include workforce development and customer focus.**



E911 WIRELESS PROGRAM



WIRELESS E911

- **Historical funding for E911**
- **Request by CMRS Advisory Committee to increase the reimbursement percentage from 70% to 80% for compliance costs.**
- **Strategic Plan**
- **Adopt annual wireless fee pursuant to §23-47-50(F).**

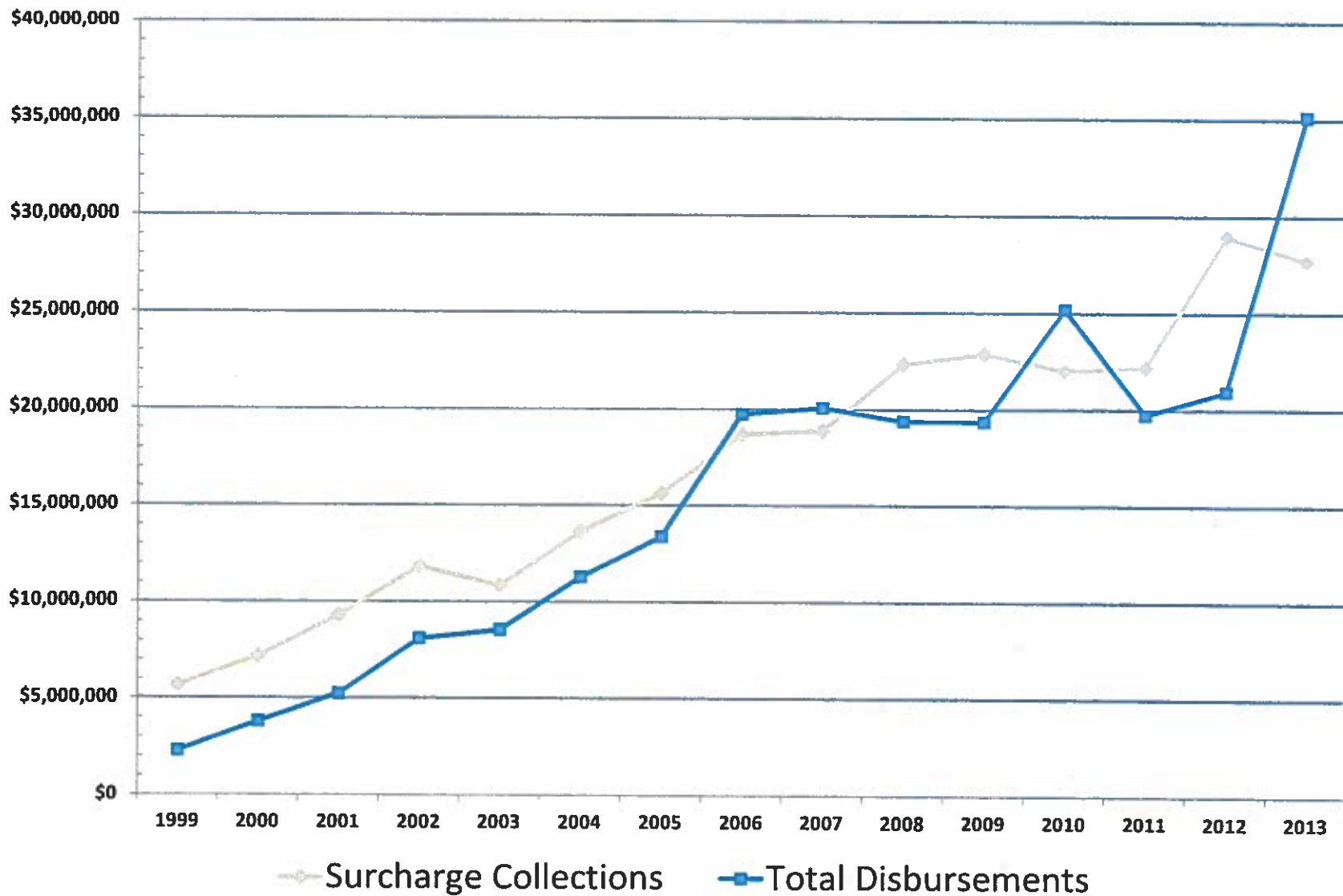


HISTORICAL FUNDING FOR E911

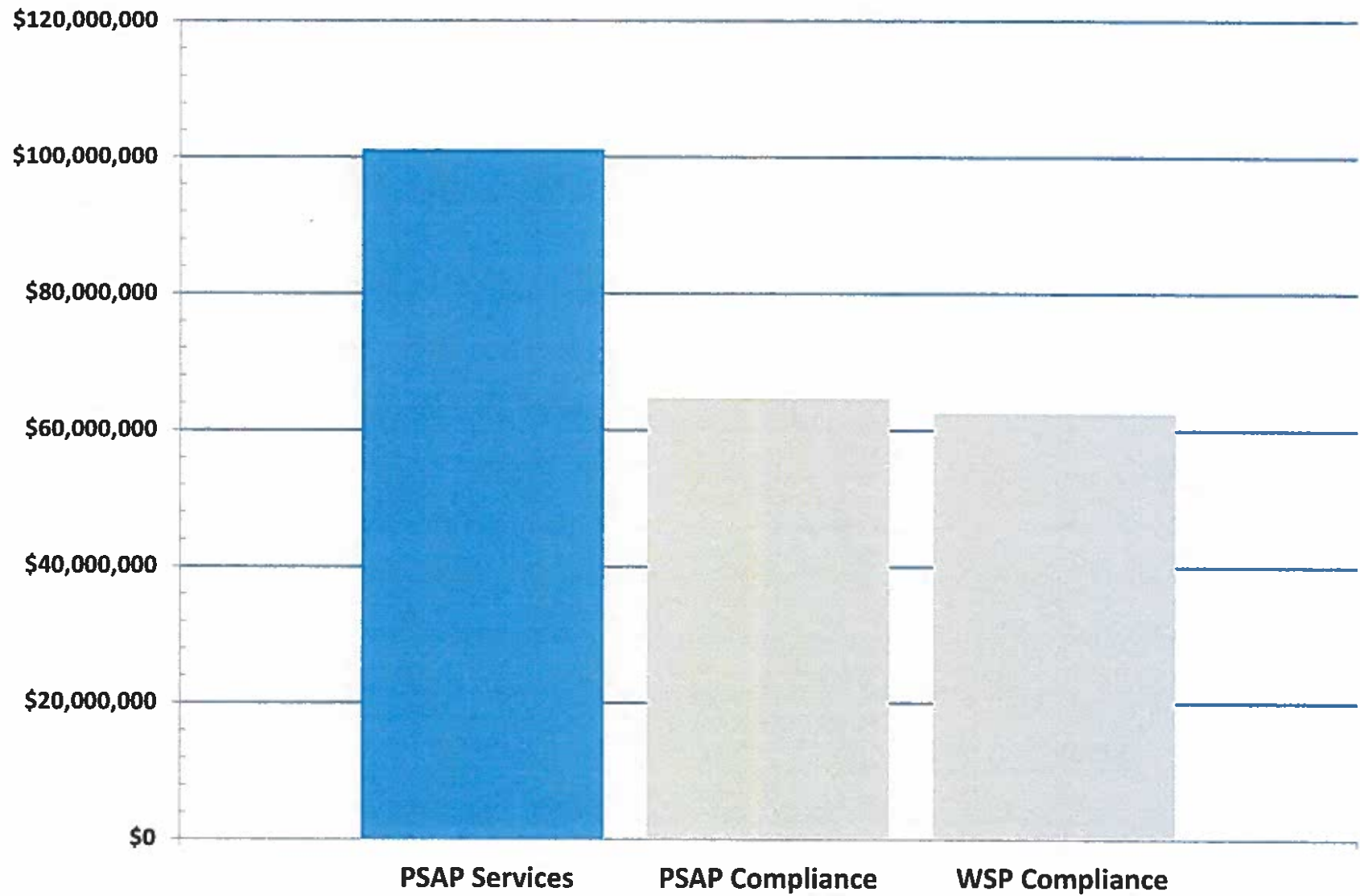
- **In the beginning, cost recovery typically involved just the purchase of new 911 equipment or upgrades to the equipment. Most counties were unaware they could request reimbursement for maintenance of those items.**
- **In 2009, the committee recommended that the network service charges become a reimbursable item. These are the monthly bills for the actual 911 phone lines and the ANI/ALI database administration. These represent a significant amount of costs incurred by the PSAPs on a monthly basis.**
- **The number of cost recovery requests has significantly increased over the last 5 years.**
- **Reimbursement percentages have previously been set to mirror the percentage of wireless calls the PSAPs receive. Over the years percentages have ranged from 10% to most recently 70%.**



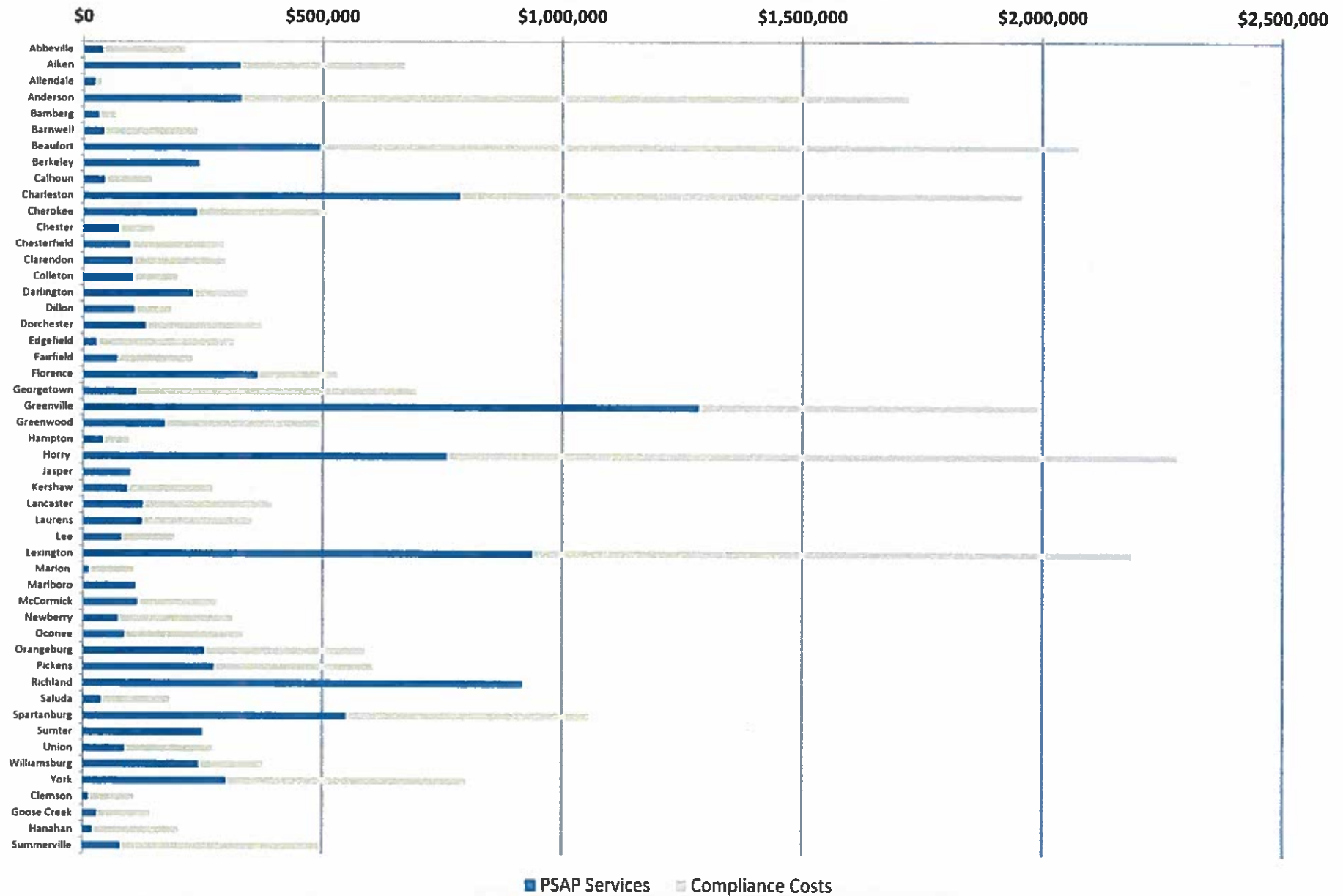
Wireless E911 Program Collections and Disbursements CY1999 - CY2013



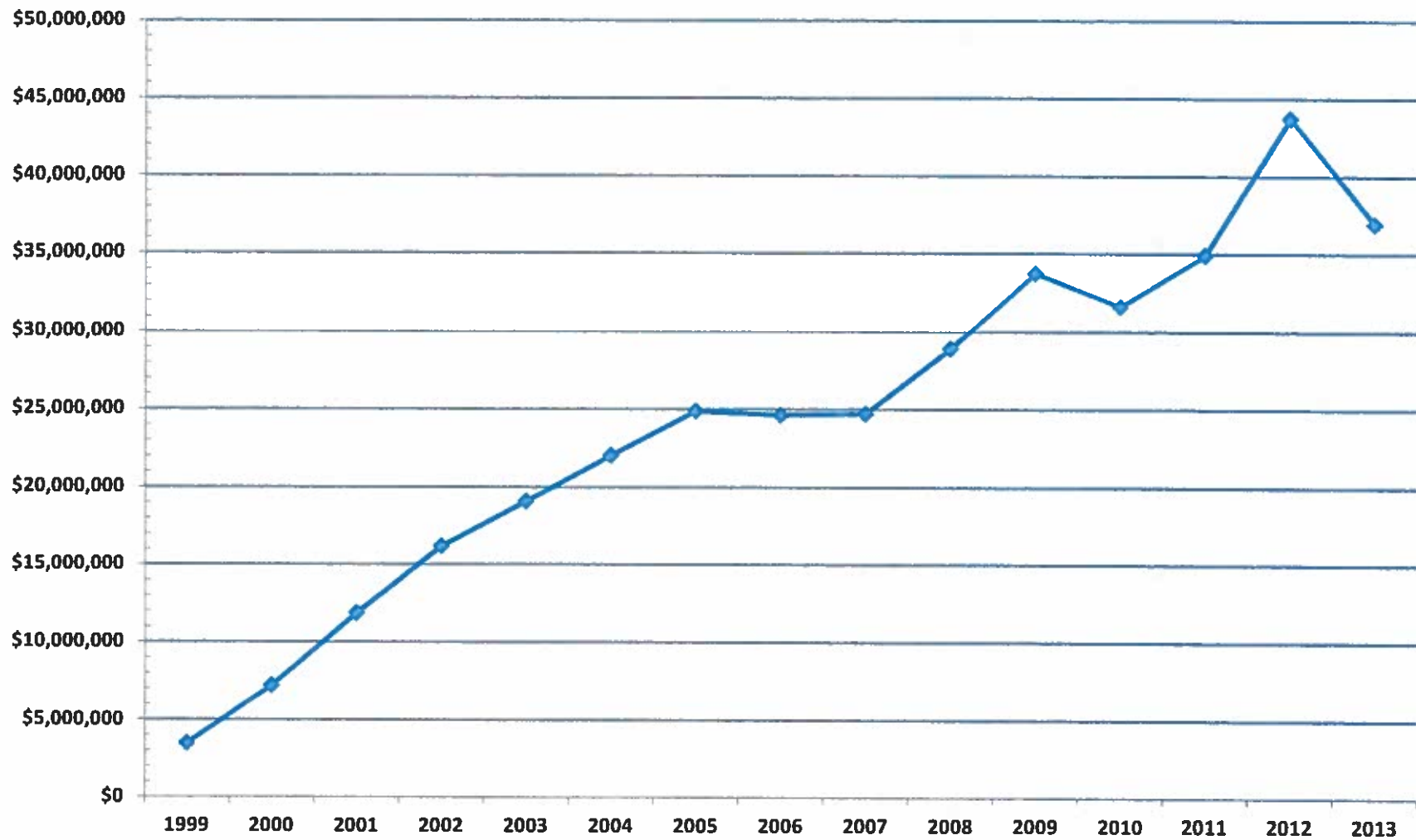
Wireless E911 Distributions CY1999 - CY2013



Total Disbursements By County CY2013

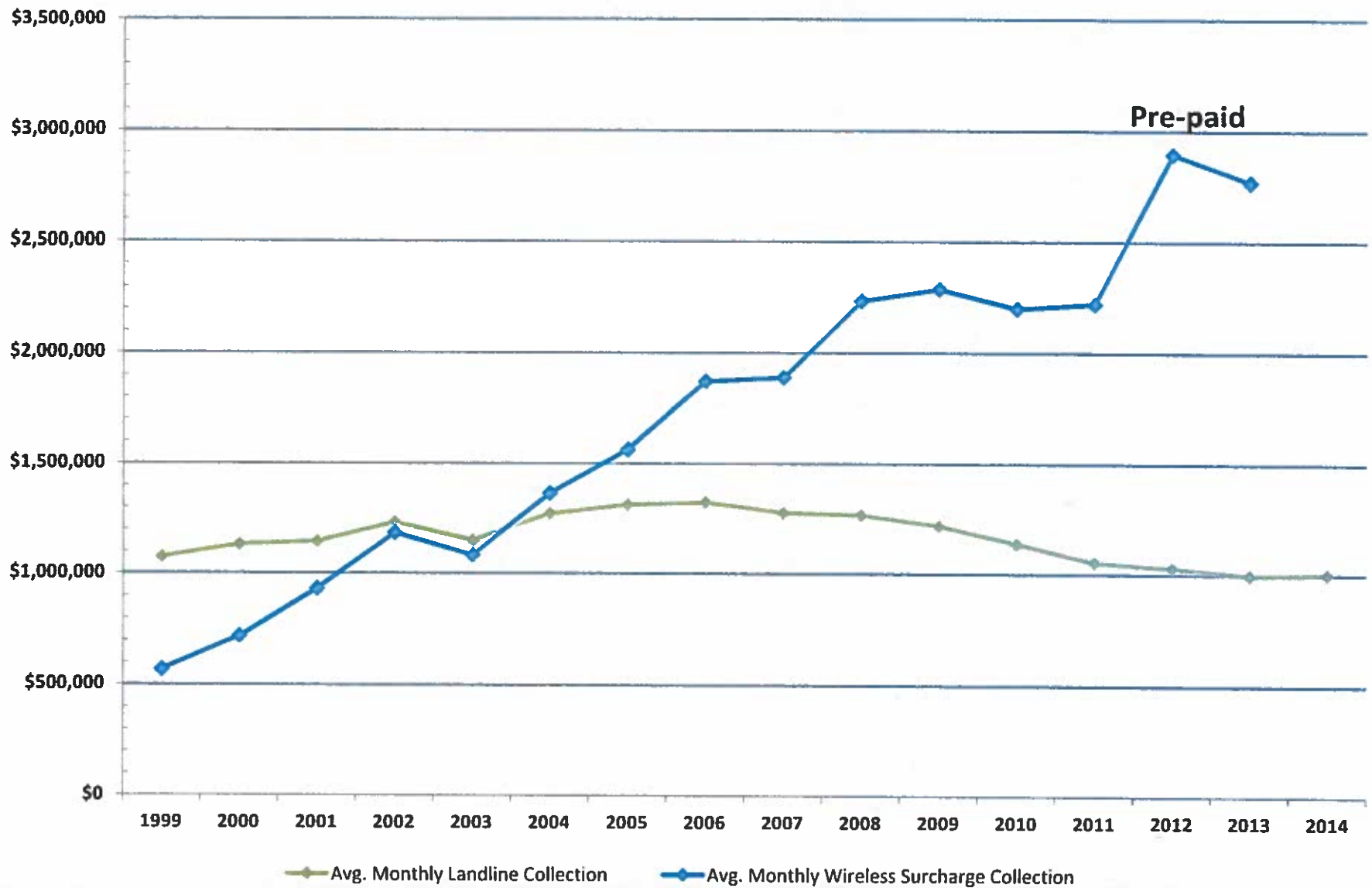


Wireless E911 Program Total Year End Cumulative Fund Balance CY1999 - CY2013

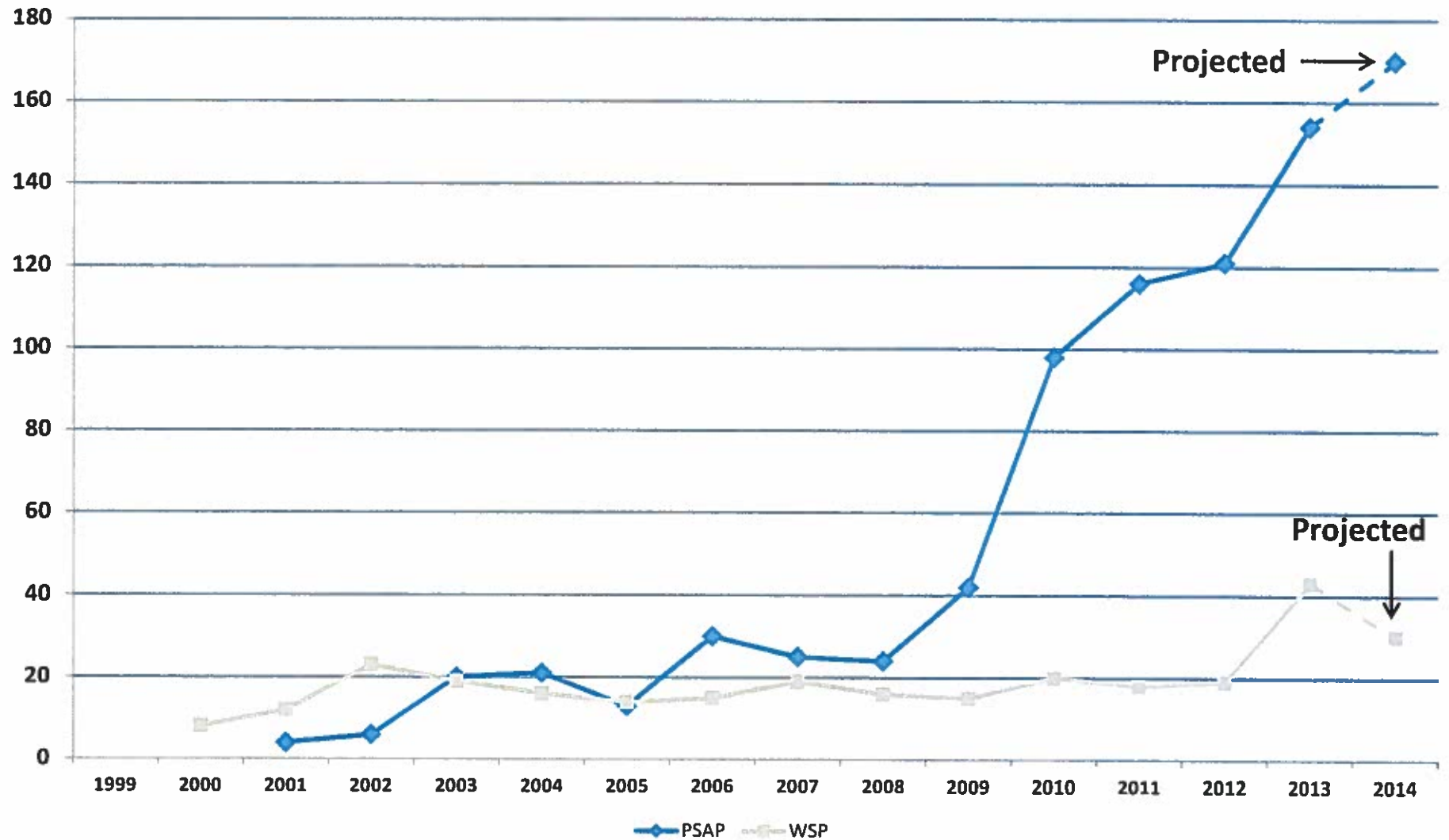


Note: Year-end balance includes interest earnings retained by the E911 Fund.

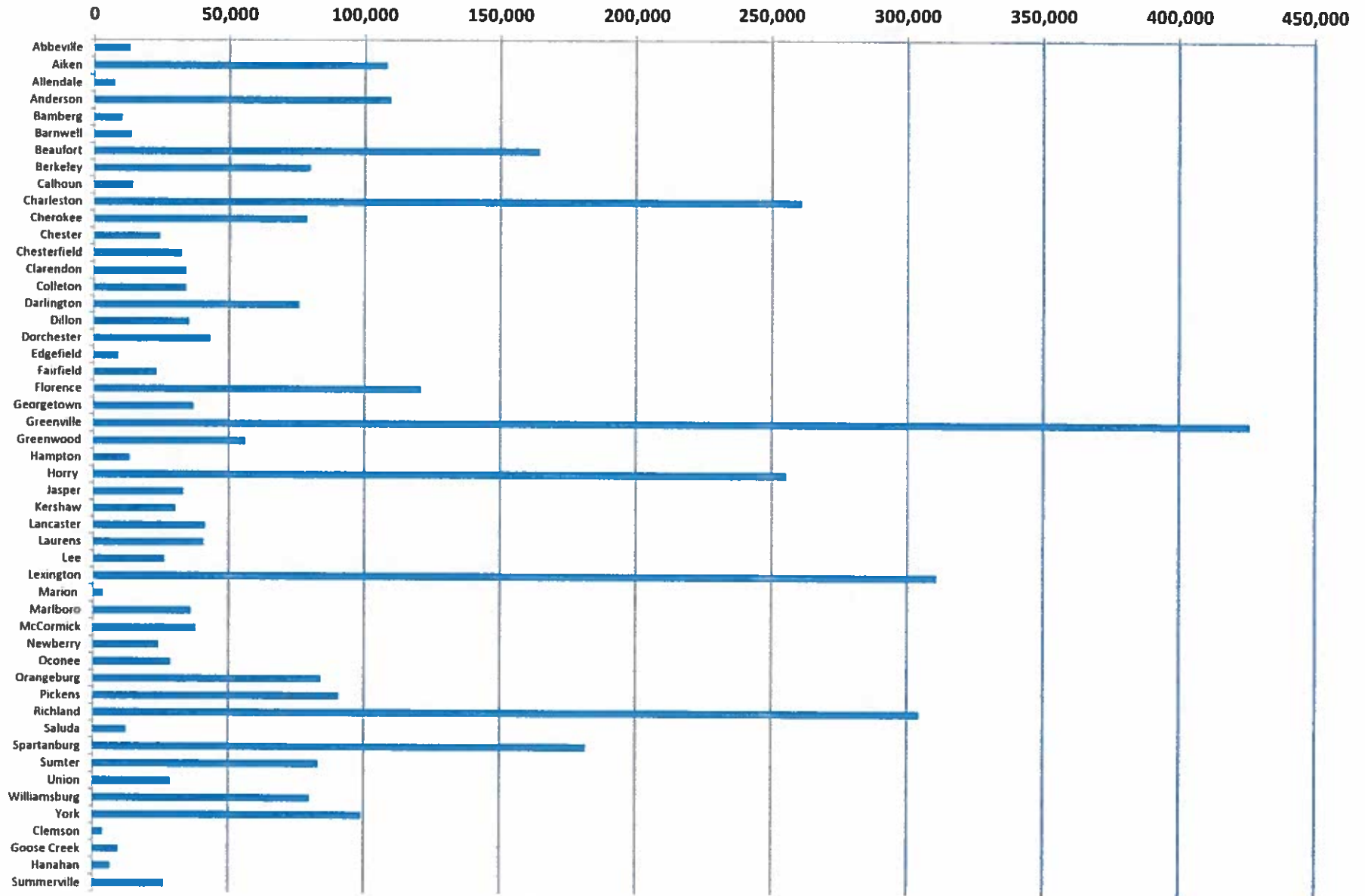
Average Monthly Collections - Landlines vs. Wireless Charges



Number of Cost Recovery Requests CY1999 - CY2013



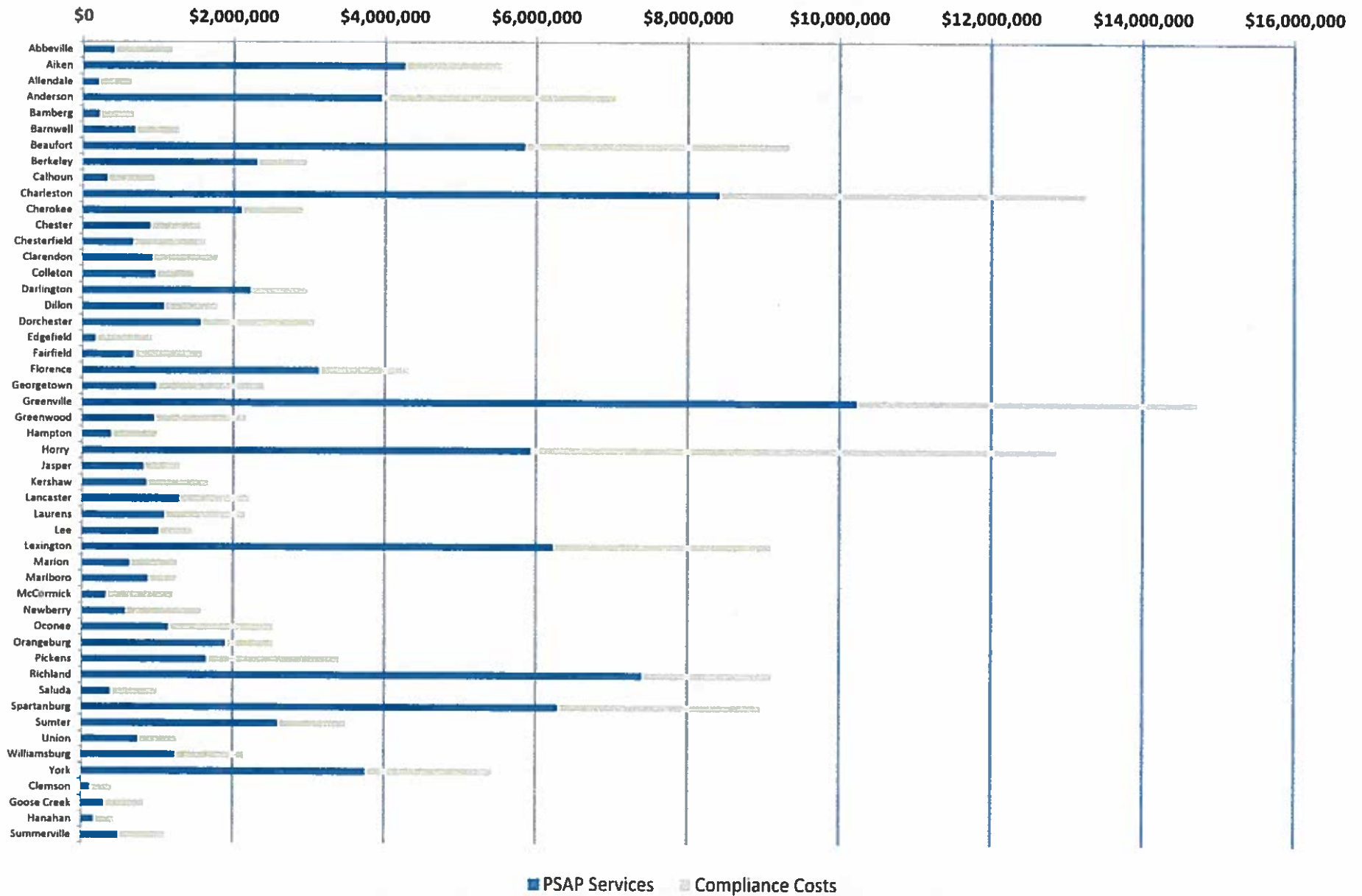
Total Wireless Calls By County CY2013



South Carolina Revenue and Fiscal Affairs Office

■ Calls

Total Disbursements By County CY1999 – CY2013



REQUEST TO INCREASE REIMBURSEMENT PERCENTAGE FROM 70% TO 80%

- **The CMRS Advisory Committee requests that the reimbursement percentage for allowable costs be increased from 70% to 80% to match the percentage wireless calls constitute of total call volume (effective for costs incurred on or after January 1, 2015.)**



E911 WIRELESS STRATEGIC PLAN OVERVIEW

- **Since the enactment of the E911 Wireless program in 1998, changes in technology and operations have changed significantly and various code cites may be outdated.**
- **With new technologies and the transition to Next Generation requirements, a new understanding and approach to funding may be required.**
- **In the August CMRS Advisory Committee meeting, a legislative subcommittee was formed to explore possible legislative changes.**
- **The CMRS Advisory Committee is recommending that RFA issue an RFP for a consultant to assist the Committee and office in developing a strategic plan for the E911 Wireless program.**



E911 WIRELESS STRATEGIC PLAN – SPECIFIC ISSUES

- **We are currently working on an RFP for a consultant to develop a strategic plan. While creating the strategic plan, the consultant will work with input from RFA, CMRS Advisory Committee, and the SC 911 community.**
- **What are the standards and expectations for Next Generation 911?**
- **Identify best practices and cost efficiencies. What are other states doing? What existing methods have proven to be most effective, efficient, and practical?**
- **Identify legislative changes. Changes in technology and the emergence of NG911 technologies have contributed to outdated legislation.**

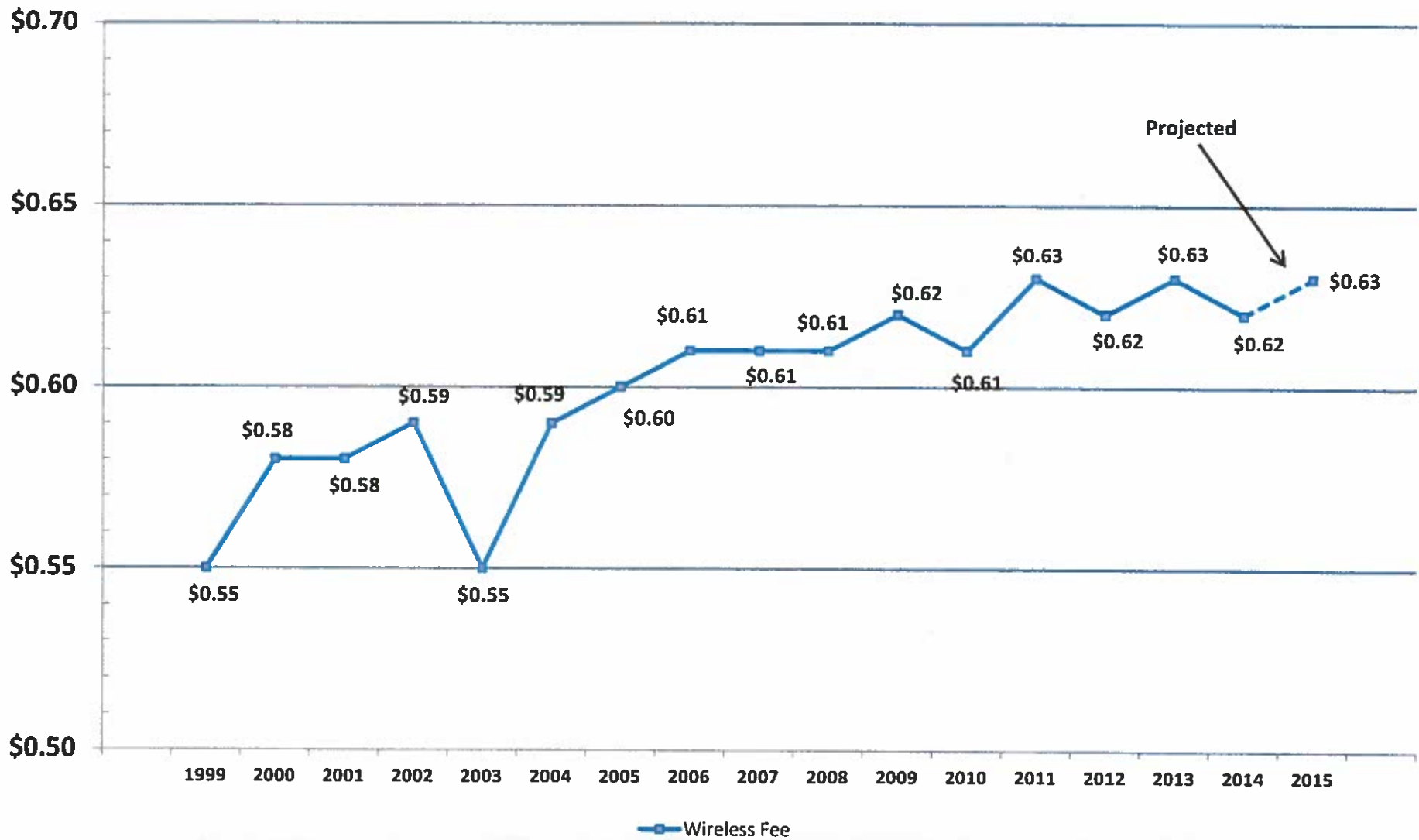


ANNUAL WIRELESS FEE §23-47-50(F)

- **The Board is required to adopt annually the monthly surcharge on wireless phones.**
- **The surcharge cannot exceed the average monthly telephone 911 charges in South Carolina.**
- **The CMRS Advisory Committee recommends that the fee be set at the maximum allowable rate of \$0.63.**
- **The strategic plan will provide further insight on setting the fee for 2016.**



Annual E911 Wireless Surcharge



OTHER MATTERS



FUTURE MEETINGS



FUTURE MEETINGS

- **November 10, 2014, 2:00pm**
- **December 16, 2014, 2:00pm**
 - ❖ **Legislative Recommendations**





South Carolina Revenue and Fiscal Affairs Office

FIRST QUARTER RESULTS JULY – SEPTEMBER FY 2014-15

- **For the first quarter, General Fund Revenues totaled \$1,803.4 million and exceeded the quarterly estimate by \$23.9 million.**
- **FYTD growth was 5.0% compared to the quarterly growth estimate of 3.6%; annual growth is estimated at 2.4%.**
- **Most of the \$23.9 million excess, however, was affected by one-time factors (audit, timing).**



FIRST QUARTER RESULTS JULY – SEPTEMBER FY 2014-15

Sales Tax

- **FYTD growth rate was 3.2% compared to the estimated quarterly rate of 2.1%; Revenues exceeded estimated collections by \$12.3 million.**

Individual Income

- **For the first quarter, Individual Income Tax revenue grew 4.3% compared to the estimated quarterly growth rate of 4.5%; Revenues were \$2.1 million below estimated collections.**
- **Withholdings grew 3.2% which was below the estimated quarterly growth of 5.1% and was \$19.0 million below estimates. Part of the shortfall was due to timing of tax credits.**
- **Declarations, Payments with Returns, and Refunds performed better than expected and reduced the shortfall in Withholdings.**



FIRST QUARTER RESULTS

JULY – SEPTEMBER FY 2014-15

Corporate Income

- **Corporate Income Tax grew 11.2% in the first quarter which was above the estimated quarterly rate of 9.0%; Revenues exceeded collections by \$1.6 million.**
- **In September, Payments with Returns exceeded estimates by \$16.2 million; \$12 million of which was a single audit.**

Corporate License

- **For the first quarter, Corporate License revenue exceeded the estimate by \$8.0 million partly due to faster processing by DOR.**

Other Items

- **Insurance Taxes exceeded quarterly estimates by \$3.9; Bank Tax revenue was \$2.9 million below quarterly estimates.**



Appendix



October 15, 2014

**State of South Carolina
Revenue and Fiscal Affairs Office
Board of Economic Advisors
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SOUTH CAROLINA GENERAL FUND REVENUE

**SEPTEMBER
FISCAL YEAR
2014-15**

OCTOBER 15, 2014



South Carolina Revenue and Fiscal Affairs Office

GENERAL FUND REVENUE MONTHLY SUMMARY: FISCAL YEARS 2013-14 & 2014-15

MONTH OF SEPTEMBER

TABLE 1

REVENUE CATEGORIES	FY 2013-14	FY 2014-15	\$ CHANGE	% CHANGE
Retail Sales and Use Tax 1/	\$214,535,545 +	\$220,707,288	\$6,171,743	2.9
Excise Tax, Casual Sales 1/	1,870,149	1,257,589	(612,560)	(32.8)
Individual Income Tax	403,852,394	422,810,881	18,958,487	4.7
Corporation Income Tax	61,891,529	78,379,524	16,487,995	26.6
Admissions Tax 2/	3,309,480	4,340,347	1,030,867	31.1
Admissions Tax - Bingo 2/	278,269	425,983	147,714	53.1
Aircraft Tax	0	0	0	---
Alcoholic Liquor Tax 2/	4,788,846	5,773,542	984,696	20.6
Bank Tax	7,591,355	5,897,947	(1,693,408)	(22.3)
Beer and Wine Tax 2/	9,310,482	9,034,233	(276,249)	(3.0)
Business License Tax (Tobacco) 2/	2,161,052	2,126,527	(34,525)	(1.6)
Coin-Operated Device Tax	6,319	13,890	7,571	119.8
Corporation License Tax	13,673,858	6,438,491	(7,235,367)	(52.9)
Departmental Revenue 3/	(71,546) +	774,757	846,303	1,182.9
Documentary Tax 2/	3,223,410	3,611,752	388,342	12.0
Earned on Investments **	1,608,392	1,431,606	(176,786)	(11.0)
Insurance Tax	41,672,217 +	69,905,222	28,233,005	67.8
Motor Vehicle Licenses	914,660	648,010	(266,650)	(29.2)
Private Car Lines Tax	(4,327)	1,571	5,898	136.3
Public Service Authority	0	0	0	---
Retailers License Tax	52,568	41,129	(11,439)	(21.8)
Savings and Loan Assoc. Tax	283,410	235,241	(48,169)	(17.0)
Workers Comp. Insurance Tax	3,195,417	2,887,520	(307,897)	(9.6)
Circuit/Family Court Fines	830,765	703,579	(127,186)	(15.3)
Debt Service Transfers	0	0	0	---
Indirect Cost Recoveries	90,616	563,085	472,469	521.4
Parole and Probation Fees	0	282,734	282,734	---
Unclaimed Property Fund	3,750,000	3,750,000	0	0.0
Gross General Fund Revenue 4/	\$778,814,860 +	\$842,042,448	\$63,227,588	8.1

1/: Excludes Education Improvement Act (1%), Accommodations (2%), Homestead Exemption Fund (1%) and Local Option taxes. Modified accrual since FY'91.

2/: End-of-year modified accrual since FY 1992-93 except for Documentary Tax, which began in FY 2001-02.

3/: Includes current and former "non-recurring revenue" shown separately in prior fiscal years.

4/: Format corresponds to BEA Official Revenue Estimate.

**: Results for earnings are subject to maturity differentials. +: As restated. N/A: Not available. *: Greater than +/- 9,999.

Source: S. C. Board of Economic Advisors (BEA).

File: WGM1014_Sep_MTH_FY15.xlsx

GENERAL FUND REVENUE MONTHLY SUMMARY: FISCAL YEARS 2013-14 & 2014-15

JULY - SEPTEMBER

TABLE 2

REVENUE CATEGORIES	FY 2013-14	FY 2014-15	\$ CHANGE	% CHANGE
Retail Sales and Use Tax 1/	\$430,678,098 +	\$446,277,750	\$15,599,652	3.6
Excise Tax, Casual Sales 1/	3,709,540	2,511,841	(1,197,699)	(32.3)
Individual Income Tax	1,071,184,262	1,117,397,810	46,213,548	4.3
Corporation Income Tax	73,179,547	81,400,886	8,221,339	11.2
Admissions Tax 2/	(455,545)	1,397,704	1,853,249	406.8
Admissions Tax - Bingo 2/	691,951	717,720	25,769	3.7
Aircraft Tax	119,112	587,042	467,930	392.8
Alcoholic Liquor Tax 2/	9,906,872	11,119,753	1,212,881	12.2
Bank Tax	8,245,112	7,051,827	(1,193,285)	(14.5)
Beer and Wine Tax 2/	18,969,359	19,502,595	533,236	2.8
Business License Tax (Tobacco) 2/	4,447,484	4,670,832	223,348	5.0
Coin-Operated Device Tax	121,774	115,971	(5,803)	(4.8)
Corporation License Tax	20,207,113	13,821,252	(6,385,861)	(31.6)
Departmental Revenue 3/	3,409,924 +	1,777,338	(1,632,586)	(47.9)
Documentary Tax 2/	6,367,764	7,184,470	816,706	12.8
Earned on Investments **	5,292,385	4,491,823	(800,562)	(15.1)
Insurance Tax	46,370,700 +	71,991,760	25,621,060	55.3
Motor Vehicle Licenses	1,632,615 +	1,168,011	(464,604)	(28.5)
Private Car Lines Tax	8,726	44,837	36,111	413.8
Public Service Authority	0	0	0	---
Retailers License Tax	179,753	162,798	(16,955)	(9.4)
Savings and Loan Assoc. Tax	360,035	662,374	302,339	84.0
Workers Comp. Insurance Tax	2,406,135	1,088,745	(1,317,390)	(54.8)
Circuit/Family Court Fines	2,100,063	2,033,490	(66,573)	(3.2)
Debt Service Transfers	0	0	0	---
Indirect Cost Recoveries	1,758,532	1,590,818	(167,714)	(9.5)
Parole and Probation Fees	3,392,808	848,202	(2,544,606)	(75.0)
Unclaimed Property Fund	3,750,000	3,750,000	0	0.0
Gross General Fund Revenue 4/	\$1,718,034,119 +	\$1,803,367,649	\$85,333,530	5.0

1/: Excludes Education Improvement Act (1%), Accommodations (2%), Homestead Exemption Fund (1%) and Local Option taxes. Modified accrual since FY'91.

2/: End-of-year modified accrual since FY 1992-93 except for Documentary Tax, which began in FY 2001-02.

3/: Includes current and former "non-recurring revenue" shown separately in prior fiscal years.

4/: Format corresponds to BEA Official Revenue Estimate.

**: Results for earnings are subject to maturity differentials. +: As restated. N/A: Not available. *: Greater than +/- 9,999.

Source: S. C. Board of Economic Advisors (BEA).

File: WGM1014_Sep_MTH_FY15.xlsx

Board of Economic Advisors Revenue Plan Summary: FY 2014-15

Revenues vs. 08/28/14 BEA Adjusted Estimate of \$7,205 Million in FY 2014-15 1/

JULY - SEPTEMBER Of FY 2014-15			Revenue Growth Rates (%)		
	(\$ in Millions)				
	Actual	Expected	Excess /	Estimate	
	Revenues	Revenues	(Shortfall)	Full Fiscal Yr.	
				Actual	
				Yr. to Date	
Total General Fund Revenue	1,803.4	1,779.5	23.9	2.4	5.0
Sales Tax	448.8	436.5	12.3	2.9	3.3
Individual Income Tax	1,117.4	1,119.5	(2.1)	2.6	4.3
Corporate Income Tax	81.4	79.8	1.6	7.2	11.2
All Other Revenues #	147.6	136.6	10.9	(1.6)	15.0
Admissions Tax - Total	2.1	0.1	2.1	4.9	794.8
Alcoholic Liquors Tax	11.1	10.0	1.1	1.0	12.2
Bank Tax	7.1	10.0	(2.9)	20.8	(14.5)
Beer and Wine Tax	19.5	19.0	0.5	0.02	2.8
Business License Tax	4.7	4.7	(0.0)	5.8	5.0
Corporation License Tax	13.8	5.8	8.0	(12.4)	(31.6)
Departmental Revenue 2/	1.8	2.7	(0.9)	(56.4)	(47.9)
Documentary Tax	7.2	5.9	1.3	(7.1)	12.8
Earnings on Investments	4.5	4.9	(0.4)	(7.9)	(15.1)
Insurance Tax	72.0	68.1	3.9	17.5	55.3
Workers' Comp. Insurance Tax	1.1	3.0	(1.9)	24.1	(54.8)
All Other Balance	1.5	0.7	0.7	10.5	118.2
Residual Revenue not shown #	1.3	1.8	(0.5)	1.7	(26.8)
Miscellaneous Revenue	8.2	7.1	1.1	(8.5)	(25.3)
Unclaimed Property Fund	3.8	3.8	0.0	0.0	0.0
Miscellaneous Revenue Balance	4.5	3.3	1.1	(13.3)	(38.3)

1/: BEA format: includes certified adjustments and excludes non-recurring cash transfers and certain 'other source' revenues, where applicable.

2/: Includes nominal amounts from former recurring revenues.

Notes: Detail may not sum to total due to rounding. #: Residual Revenue includes Coin-Op., Estate and Motor Vehicle Licenses.