



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: S.142
 Author: Coleman
 Requestor: Senate Finance
 Date: April 27, 2015
 Subject: Highway Fund
 RFA Analyst(s): Martin

Estimate of Fiscal Impact

	FY 2015-16	FY 2016-17
State Expenditure		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	N/A
Other and Federal	N/A	N/A
Local Expenditure	N/A	N/A
Local Revenue	N/A	N/A

Fiscal Impact Summary

This bill would not affect General Fund revenues in FY2015-16, but would affect future appropriations from the loss of the Contingency Reserve Fund as a source of funding for other state projects.

Explanation of Fiscal Impact

State Expenditure

Since this legislation makes no substantive changes to existing programs or resources, the Office of the Comptroller General and the Department of Transportation can administer the legislative changes with existing resources.

State Revenue

Act 115 of 2007 established the Contingency Reserve Fund as a separate and distinct fund in the state treasury from the general fund of the State, the Capital Reserve Fund, and all other funds. Each fiscal year, all general fund revenues accumulated in excess of general appropriations and supplemental appropriations must be credited to this fund. Once the amount to be deposited in the Contingency Reserve Fund has been determined by the Comptroller General and subsequent recognition of the amount of the funds by the Board of Economic Advisors, the General Assembly may appropriate these revenues in a fiscal year. This bill would suspend this provision.

This bill would add Section 11-11-221 to provide that all general fund revenues accumulated in a fiscal year in excess of general appropriations and supplemental appropriations must be credited

to the State Highway Fund. These funds must be used solely for improvements to existing mainline interstates and improvements to existing state and local roads in the state. The table below describes the actual cash levels of the Contingency Reserve Fund during the latest six fiscal years. The certified balances are highly variable and may even be negative during fiscal years when there is a budgetary shortfall. This may prove to be an unreliable source of funding for road improvements for the State Highway Fund. This bill would not affect General Fund revenues in FY2015-16, but would affect future appropriations from the loss of the Contingency Reserve Fund as a source of funding for other state projects.

Table 1. Contingency Reserve Fund

Fiscal Year	Fund Balance (As of September)
2008-09	(\$98,216,617)
2009-10	\$71,000,600
2010-11	\$122,736,531
2011-12	(\$14,710,257)
2012-13	\$61,770,147
2013-14	\$31,740,576

Source: S.C. Office of the Comptroller General

This act takes effect July 1, 2015.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director