



SOUTH CAROLINA
REVENUE AND FISCAL AFFAIRS OFFICE
Transforming data into solutions for South Carolina

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MEMORANDUM

To: The Honorable Henry McMaster, Governor of South Carolina
The Honorable Harvey S. Peeler, Jr., Chairman, Senate Finance Committee
The Honorable Bruce W. Bannister, Chairman, Ways and Means Committee

cc: Ms. Melanie Barton, Governor's Office
Mr. Kevin Etheridge, Executive Budget Office
Mr. Quentin Hawkins, Senate Finance Committee
Ms. Meredith Ross, Ways and Means Committee
Ms. Amanda Martin, Legislative Council
South Carolina Association of Counties
Municipal Association of South Carolina

From: Frank A. Rainwater, Executive Director, Revenue and Fiscal Affairs Office

A handwritten signature in blue ink, appearing to read "FAR", is located to the right of the "From:" line.

Date: February 12, 2026

Subject: Local Government Fund Estimates for FY 2026-27

Pursuant to S.C. Code of Laws §6-27-30 and based upon the Board of Economic Advisors' forecast as of February 12, 2026, we are confirming that the projected percentage adjustment for the FY 2026-27 Local Government Fund appropriation should be 5 percent. Using this figure, the Local Government Fund appropriation increases by \$15,294,812 from \$305,896,242 in FY 2025-26 to \$321,191,054 in FY 2026-27.

This estimate is based upon 7.09 percent growth from the current year's General Fund expenditure base of \$13,246,162,593 to the Board of Economic Advisors' projection of recurring net General Fund revenue of \$14,185,237,021 as of February 12, 2026, which is unchanged from November 2025. Since growth in the Local Government Fund may not exceed 5 percent according to statute, we have based the FY 2026-27 appropriation estimate upon 5 percent.