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JAMES M. HOLLY
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March 5, 2010

The Honorable Hugh K. Leatherman
Chairman, Senate Finance Committee
111 Gressette Building
Columbia, SC 29201

The Honorable Daniel T. Cooper
Chairman, House Ways & Means Committee
525 Blatt Building
Columbia, SC 29201

Dear Mr. Chairman:

My office has just finished compiling the State's General Fund revenues through February. I am sending that report for your review.

Total General Fund revenues for February were a negative \$35,389,624 due to tax refunds. (The BEA had forecast that total General Fund revenues for February would be a negative \$11,800,000.)

In comparison, total General Fund revenues for February 2009 were a positive \$30,336,719, a month-over-month decline of \$65,726,343.

On a year-to-date basis, General Fund revenues are \$247,665,667 less than for the same period last year, or a decrease of 6.4%.

The report clearly shows that despite some months when there has been a modest slowing in our rate of monthly revenue losses, the State continues to face uncertain and volatile economic conditions. This uncertainty and volatility demonstrates the need for caution in creating next year's budget, and for agencies to voluntarily reduce their spending plans for the remainder of the fiscal year.

Unfortunately, it appears as if still greater budget challenges could present themselves in the coming months and years.

Very truly yours,

Richard Eckstrom, CPA
Comptroller General

