## State report: Oconee spending tops revenues again

But spike in revenues also offers positive signs for economy

## BY CARLOS GALARZA-VEVE

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WALHALLA — Total government revenues in Oconee County, including money taken in by the School District of Oconee County and the county's municipalities, topped \$227.4 million in fiscal year 2014 to eclipse FY 2013 revenues by 10.3 percent, the South Carolina Local Government Finance Report released this week shows.

On a positive note, the spike in revenues signals the local economy is continuing to pick up steam.

However, on the other side of the ledger, the state's finance report revealed a sobering reminder that seemingly out-of-control government spending is alive and well, even in a conservative bastion like Oconee County.

The trend of rising revenues is very much tied to a surging economy.

In a presentation he made to leaders of the business community during the annual meeting of the Oconee Economic Alliance earlier this month, OEA executive direc-

tor Richard Blackwell delivered an upbeat assessment of FY 2014 — which ended June 30, 2015 — that is not included in the state's finance report.

"Banking and real estate are in a good position, and all the economic indicators across Oconee's footprint (shows) things are looking good," Blackwell told the gathering. "We have more people working in Oconee County than ever before.

"The national media wants to talk about people leaving the workforce. Unemployment in Oconee is going down, labor participation is going up. That's something you don't see across the nation."

Oconee County, its school district and cities ran up a tab of more than \$245.6 million in FY 2014, according to the state report's bottom line on total expenditures. Spending topped revenues in FY 2014 by \$18.2 million, continuing a trend that began in FY 2011. in which expenditures have exceeded revenues, according to the report.

The rate of spending in FY 2014 surpassed FY 2013 expenditures of \$211.6 million by 16.1 percent.

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While revenues have been growing at a six-year compound rate of 3.2 percent, the rate of spending over the same period is 4.6 percent, the report shows.

Revenues from local sources, including \$99.3 million from property taxes, topped \$153.4 million, which made up the lion's share of total revenues collected in Oconee during FY 2014. Oconee received an additional \$58.1 million from state sources, and \$13.7 million from the federal government.

The cost of administration in all levels of local government accounted for \$64.8 million of total expenditures in FY 2014. Close behind in the spending column was \$62.8 million that went toward instruction.

Spending on the purchase of land and facility construction topped \$37.6 million, which is 189.2 percent more than the \$13 million spent the previous year. That particular line item has been growing at a

six-year compound rate of 17.6 percent.

By comparison, spending on essential public safety has been growing at a 5.4 percent compound rate over the past six years, and topped out at \$27.5 million in FY 2014.

The 292-page report looks at the revenue and spending history of all 46 counties in the state. Aside from looking at the combined numbers within each county, the report also separates the performances of county governments, the school districts and cities.

The School District of Oconee County had total revenues in FY 2014 of \$149.6 million, while county government took in \$60.9 million. The school district spent \$156.9 million, which exceeded revenues by \$7.3 million, and the county spent a little more than \$70 million — \$9.1 million more than revenues.

The school district clearly led the way in the purchase of land and facility construction with \$28 million in expenditures — an increase of

almost 19 percent over what was spent the previous year.
Earlier this year, the school district inaugurated a new Walhalla High School campus at a cost of approximately \$55 million.

Over the past seven fiscal years, the school district has spent, on average, \$15.7 million on land purchases and facility construction.

By comparison, the county spent \$8.4 million in FY 2014 in this same line item and has averaged \$2.1 million in such expenditures over the past seven years. Recently, Oconee spent more than \$9 million on its Sewer South project to connect the Golden Corner Commerce Park with sewer.

Oconee County municipalities had a combined total revenue of \$16.8 million and total expenditures of \$18.5 million. These figures don't include the town of Salem, which has not made available data to the state in recent years.

carlos@upstatetoday.com | (864) 973-6684 Follow on Twitter @cgvnewsupstate

## Richard Blackwell