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## **With Coronavirus relief still stalled in Washington, city Budget Committee works to close \$18M shortfall for 2021**

**Charleston, S.C.**--As Congress continues to squabble over emergency Covid relief funds for cities and counties, [the city of Charleston Ad Hoc Budget Committee will meet via Zoom at 2 pm today](#) to consider options to balance their 2021 budget in the face of an \$18 million shortfall.

This comes on top of the \$42 million shortfall the city successfully managed in 2020, ending the year with a reaffirmation of Charleston's AAA credit rating by both major ratings agencies.

**The big picture:** To date, Washington has not provided coronavirus-related budget assistance to cities or counties of fewer than 500,000 people. As a result, [only Greenville County, with a population of just over 500,000, has qualified for assistance.](#)

As [reported by the Post and Courier on Oct. 26](#), the lack of emergency coronavirus assistance from Washington has forced cities across South Carolina to make draconian cuts in city services, including partially defunding police departments.

Locally, for example, in order to balance the city's 2021 budget with no new taxes, Charleston would have to make cuts equaling layoffs for 40 police officers, 31 firefighters, 23 recreation department employees, 13 sanitation and streets workers, as well as equally deep personnel cuts across the rest of city government.

**Fast fact:** These reductions would be on top of the 200 non-sworn city positions that have already been eliminated over the last decade, with the city's workforce shrinking from more than 1900 employees to approximately 1700 even as Charleston's population has grown by 30,000 new residents.

**Under consideration today:** This afternoon, the city Budget Committee will consider a 50/50 plan, which would balance the budget with \$9 million in additional cuts and \$9 million in new revenues, which would be used to avoid any defunding of critical city services, including

police, fire and sanitation. The new revenues, a combination of three property mills and a 50% reduction in the Local Option Sales Tax credit, would amount to one dollar and fifty cents a week on an average \$300,000 home.

However, if the logjam in Washington breaks and Congress acts to provide sufficient coronavirus assistance to protect core city services, City Council would be able to take up a refund of the additional revenues under this 50/50 plan.

**Next steps:** Once the Budget Committee has chosen a final balanced budget, it will be presented to full City Council at a budget workshop on Nov. 18. It will then go to the Ways and Means Committee and full City Council for consideration and first reading on Dec. 1.

**Bottom line:** Until or unless Congress extends coronavirus-related assistance to cities and counties of less than 500,000 people, core services such as police, fire and sanitation will remain in jeopardy throughout the state of South Carolina.

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