Agency Name:	State Board For Technical & Comprehensive Education		
Agency Code:	H590	Section:	25

Fiscal Year FY 2026-2027
Agency Budget Plan

FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS (FORM B1)	For FY 2026-2027, my agency is (mark "X"):
X	Requesting General Fund Appropriations.
	Requesting Federal/Other Authorization.
	Not requesting any changes.

NON-RECURRING REQUESTS (FORM B2)	For FY 2026-2027, my agency is (mark "X"):
X	Requesting Non-Recurring Appropriations.
	Requesting Non-Recurring Federal/Other Authorization.
	Not requesting any changes.

CAPITAL REQUESTS (FORM C)	For FY 2026-2027, my agency is (mark "X"):
X	Requesting funding for Capital Projects.
	Not requesting any changes.

PROVISOS (FORM D)	For FY 2026-2027, my agency is (mark "X"):
	Requesting a new proviso and/or substantive changes to existing provisos.
	Only requesting technical proviso changes (such as date references).
X	Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	Name	Phone	Email
PRIMARY CONTACT:	Randy Johnson	(803) 896-5316	johnsonr@sctechsystem.edu
SECONDARY CONTACT:	Lyn Ferguson	(803) 896-5307	fergusone@sctechsystem.edu

I have reviewed and approved the enclosed FY 2026-2027 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	Agency Director	Board or Commission Chair
SIGN/DATE:	Tim Hardee	[signature]
TYPE/PRINT NAME:	Tim Hardee	Roger Schrum

This form must be signed by the agency head – not a delegate.

Agency Name:	State Board For Technical & Comprehensive Education
Agency Code:	H590
Section:	25

BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	Instructional and Workforce Development Programs	31,800,000	0	0	0	31,800,000	0.00	0.00	0.00	0.00	0.00
2	B2 - Non-Recurring	South Carolina Workforce Industry Needs Scholarship (SCWINS)	0	0	0	95,000,000	95,000,000	0.00	0.00	0.00	0.00	0.00
3	B2 - Non-Recurring	Lottery Tuition Assistance Program	0	0	0	53,000,000	53,000,000	0.00	0.00	0.00	0.00	0.00
4	B2 - Non-Recurring	Equipment for High Demand Job Skills Training	75,000,000	0	0	0	75,000,000	0.00	0.00	0.00	0.00	0.00
5	B2 - Non-Recurring	readySC	15,000,000	0	0	0	15,000,000	0.00	0.00	0.00	0.00	0.00
6	C - Capital	Individual College Initiatives	621,107,877	0	0	0	621,107,877	0.00	0.00	0.00	0.00	0.00
TOTALS			742,907,877	0	0	148,000,000	890,907,877	0.00	0.00	0.00	0.00	0.00

Agency Name:	State Board For Technical & Comprehensive Education		
Agency Code:	H590	Section:	25

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	**1**

Provide the Agency Priority Ranking from the Executive Summary.

TITLE	**Instructional and Workforce Development Programs**

Provide a brief, descriptive title for this request.

AMOUNT	**General: $31,800,000** **Federal: $0** **Other: $0** **Total: $31,800,000**

What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	**0.00**

Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST

Mark "X" for all that apply:

X	Change in cost of providing current services to existing program audience
X	Change in case load/enrollment under existing program guidelines
X	Non-mandated change in eligibility/enrollment for existing program
	Non-mandated program change in service levels or areas
	Proposed establishment of a new program or initiative
	Loss of federal or other external financial support for existing program
	Exhaustion of fund balances previously used to support program
	IT Technology/Security related
	HR/Personnel Related
	Consulted DTO during development
	Related to a Non-Recurring request – If so, Priority #

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES

Mark "X" for primary applicable Statewide Enterprise Strategic Objective:

X	Education, Training, and Human Development
	Healthy and Safe Families
	Maintaining Safety, Integrity, and Security
	Public Infrastructure and Economic Development
	Government and Citizens

ACCOUNTABILITY OF FUNDS

Funds would support the following strategies:

1.2 Maintain accessibility and affordability of higher education for South Carolina citizens.

1.3 Provide responsible and flexible access to education, training, and retraining through distance learning technology.

1.4 Provide responsible and flexible access to education and training through dual enrollment opportunities.

6.1 Ensure instruction programs performance goals are met by the colleges through use of performance funding model.

What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template *of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?*

RECIPIENTS OF FUNDS	The additional funding will be allocated to the 16 technical colleges in an equitable manner using the existing allocation model with a set percentage maintained at System Office for funding of statewide initiatives and administration. The additional funding will help ensure a quality technical college education remains accessible, affordable, and relevant.

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST

The System's recurring funding request is designed to strengthen the ability of the System and its 16 colleges to meet South Carolina's workforce demands. This year's $38.1 million request reflects the rising costs of delivering high-quality education and training aligned with industry needs. The amount is based on four primary cost drivers:

1. Increased payroll costs – assuming a 3% salary increase for all employees, net of the 30% provided by the state to cover the increase for state-funded positions.

   - Calculated cost increase (net of state funding): $8,841,651

2. Higher employer-paid health insurance premiums – assuming a 5% increase.

   - Calculated cost increase: $1,608,352

3. Rising non-payroll expenses – such as utilities and contractual services, based on the estimated Higher Education Price Index (HEPI) of 3.7%.

   - Calculated cost increase: $7,217,971

4. Annual high-demand equipment acquisitions – representing the average of annual acquisitions across all colleges during the past four fiscal years.

   - Four-year average acquisitions: $20,410,580

This investment will help our colleges remain responsive, competitive, and fully equipped to prepare students for the in-demand careers that drive South Carolina's economic growth.

The amounts for each cost driver were calculated using fiscal year 2025 information provided by college finance staff. The annual equipment cost figure was derived from fiscal year 2025 acquisition information supplied by the colleges, combined with audited financial statement information for fiscal years 2022 through 2024.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

Agency Name:	State Board For Technical & Comprehensive Education		
Agency Code:	H590	Section:	25

FORM B2 – NON-RECURRING OPERATING REQUEST

AGENCY PRIORITY	2
	Provide the Agency Priority Ranking from the Executive Summary.
TITLE	South Carolina Workforce Industry Needs Scholarship (SCWINS)
	Provide a brief, descriptive title for this request.
AMOUNT	$95,000,000
	What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.

FACTORS ASSOCIATED WITH THE REQUEST

Mark "X" for all that apply:

	Change in cost of providing current services to existing program audience
	Change in case load/enrollment under existing program guidelines
	Non-mandated change in eligibility/enrollment for existing program
	Non-mandated program change in service levels or areas
	Proposed establishment of a new program or initiative
	Loss of federal or other external financial support for existing program
	Exhaustion of fund balances previously used to support program
	IT Technology/Security related
	Consulted DTO during development
	HR/Personnel Related
X	Request for Non-Recurring Appropriations
	Request for Federal/Other Authorization to spend existing funding
	Related to a Recurring request – If so, Priority #

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES

Mark "X" for primary applicable Statewide Enterprise Strategic Objective:

X	Education, Training, and Human Development
	Healthy and Safe Families
	Maintaining Safety, Integrity, and Security
	Public Infrastructure and Economic Development
	Government and Citizens

ACCOUNTABILITY OF FUNDS

The SCWINS program directly supports the Technical College System's mission of maintaining accessibility and affordability of higher education for South Carolina's citizens (Strategy 1.2).

What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS

Funds will be allocated to all 16 colleges and used to provide grants to South Carolina residents enrolled in career education programs based on eligibility criteria detailed in SC Code Section 59-150-365.

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon

predetermined eligibility criteria?

JUSTIFICATION OF REQUEST	South Carolina's technical colleges prepare students for in demand, high paying jobs good jobs with great futures, good wages, and opportunities for advancement in any climate. Our state currently has thousands of jobs available in critical employment areas, with many more to follow as we adapt and pivot to address new needs. Renewed funding of the SCWINS Program will enable us to continue providing aid to thousands of students who enrolled in high demand job skills programs, enabling these students to then fill critical gaps in our workforce.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

Agency Name:	State Board For Technical & Comprehensive Education		
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FORM B2 – NON-RECURRING OPERATING REQUEST

AGENCY PRIORITY	3

Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Lottery Tuition Assistance Program

Provide a brief, descriptive title for this request.

AMOUNT	$53,000,000

What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.

FACTORS ASSOCIATED WITH THE REQUEST

	Mark "X" for all that apply:
	Change in cost of providing current services to existing program audience
	Change in case load/enrollment under existing program guidelines
	Non-mandated change in eligibility/enrollment for existing program
	Non-mandated program change in service levels or areas
	Proposed establishment of a new program or initiative
	Loss of federal or other external financial support for existing program
	Exhaustion of fund balances previously used to support program
	IT Technology/Security related
	Consulted DTO during development
	HR/Personnel Related
X	Request for Non-Recurring Appropriations
	Request for Federal/Other Authorization to spend existing funding
	Related to a Recurring request – If so, Priority #

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES

	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:
X	Education, Training, and Human Development
	Healthy and Safe Families
	Maintaining Safety, Integrity, and Security
	Public Infrastructure and Economic Development
	Government and Citizens

ACCOUNTABILITY OF FUNDS

The Lottery Tuition Assistance Program directly supports the Technical College System's strategy of maintaining accessibility and affordability of higher education for South Carolina's citizens (Strategy 1.2).

What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS

Funding will be used to provide tuition assistance to eligible students.

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon

predetermined eligibility criteria?

JUSTIFICATION OF REQUEST	The lottery tuition assistance appropriation for fiscal year 2024-2025 was $53 million in each fiscal year, so we are asking that the amount be maintained for the upcoming fiscal year. The Lottery Tuition Assistance Program (LTAP) benefits eligible students at technical colleges (approximately 92% of funding) as well as other two year institutions (approximately 8% of funding), and at the current funding level, allows for awards of $75 per credit hour to eligible students. From smaller class sizes and campuses to the flexibility provided by a variety of learning options, technical colleges offer not only a quality education at an affordable price but a safe and stable alternative for those considering their college options in these unprecedented times. Technical colleges deliver quality, relevant instruction at an affordable cost helping to keep education moving forward without adding burden to the financial strain many families are feeling. Nearly a third of technical college students rely on LTAP, and over 400,000 technical college students have benefited from the program since its inception. Because of programs like LTAP, most students leave with little or no debt. South Carolina's technical colleges provide one of the state's most affordable college options.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

Agency Name:	State Board For Technical & Comprehensive Education		
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FORM B2 – NON-RECURRING OPERATING REQUEST

AGENCY PRIORITY	4

Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Equipment for High Demand Job Skills Training

Provide a brief, descriptive title for this request.

AMOUNT	$75,000,000

What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.

FACTORS ASSOCIATED WITH THE REQUEST

Mark "X" for all that apply:

	Change in cost of providing current services to existing program audience
	Change in case load/enrollment under existing program guidelines
	Non-mandated change in eligibility/enrollment for existing program
	Non-mandated program change in service levels or areas
	Proposed establishment of a new program or initiative
	Loss of federal or other external financial support for existing program
	Exhaustion of fund balances previously used to support program
	IT Technology/Security related
	Consulted DTO during development
	HR/Personnel Related
X	Request for Non-Recurring Appropriations
	Request for Federal/Other Authorization to spend existing funding
	Related to a Recurring request – If so, Priority #

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES

Mark "X" for primary applicable Statewide Enterprise Strategic Objective:

X	Education, Training, and Human Development
	Healthy and Safe Families
	Maintaining Safety, Integrity, and Security
	Public Infrastructure and Economic Development
	Government and Citizens

ACCOUNTABILITY OF FUNDS

This funding request supports strategies 1.2 and 3.1 by providing for the purchase of equipment to facilitate better training of students to meet business needs, thus targeting the system goals of providing high quality relevant programs and developing a world class workforce to fulfill the demands of an evolving and diversified state economy.

What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS

Equipment would be purchased from vendors, but the ultimate beneficiaries would be the students trained on the equipment, as well as businesses and other entities that hire the better trained employees.

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon

predetermined eligibility criteria?

JUSTIFICATION OF REQUEST	High-skill, high-demand jobs often require high-cost equipment to ensure students train on the same technology they will use in the workplace. As industries rapidly adopt new tools, automation, and advanced technologies, our colleges must keep pace to deliver relevant, hands-on training. This request allows our colleges to modernize and expand critical training infrastructure across sectors such as advanced manufacturing, healthcare, IT, and energy, effectively positioning students for job-ready success and strengthening South Carolina's talent pipeline.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

FORM B2 – NON-RECURRING OPERATING REQUEST

AGENCY PRIORITY	5

Provide the Agency Priority Ranking from the Executive Summary.

TITLE	readySC

Provide a brief, descriptive title for this request.

AMOUNT	$15,000,000

What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.

FACTORS ASSOCIATED WITH THE REQUEST

	Mark "X" for all that apply:
	Change in cost of providing current services to existing program audience
	Change in case load/enrollment under existing program guidelines
	Non-mandated change in eligibility/enrollment for existing program
	Non-mandated program change in service levels or areas
	Proposed establishment of a new program or initiative
	Loss of federal or other external financial support for existing program
	Exhaustion of fund balances previously used to support program
	IT Technology/Security related
	Consulted DTO during development
	HR/Personnel Related
X	Request for Non-Recurring Appropriations
	Request for Federal/Other Authorization to spend existing funding
	Related to a Recurring request – If so, Priority #

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES

	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:
	Education, Training, and Human Development
	Healthy and Safe Families
	Maintaining Safety, Integrity, and Security
X	Public Infrastructure and Economic Development
	Government and Citizens

ACCOUNTABILITY OF FUNDS

The agency strategy supported by this request is 3.3. If approved, the funding would directly support customized startup training for new and expanding businesses through the System's readySC program.

What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS

Recipients of these funds would include project employees, companies, vendors, and contractors. Funds are spent as governed by the scope of the approved projects. A project scope outlines what services will be provided, how they will be provided, and who will provide them.

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon

predetermined eligibility criteria?

JUSTIFICATION OF REQUEST	The Technical College System's readySC program was established as an economic development training incentive designed to guarantee South Carolina could remain competitive through changing economic circumstances. It remains a key component of South Carolina's development engine and has been recognized for more than 50 years as one of the nation's premier programs of its kind. This award winning program offers coordinated workforce training in partnership with the state's sixteen Technical Colleges and helps provide well trained employees to companies investing in South Carolina. readySC focuses on the recruiting and initial training needs of new and expanding organizations in South Carolina by providing recruiting, assessment, training development, management, and implementation services to qualifying organizations creating new, permanent, fulltime jobs for the state that offer competitive wages and benefits. Funding for readySC allows the program to fulfill its commitments to its partner companies, commitments that were initiated in the prospect phase and more comprehensively defined in the project development phase. If these funds were not received, the impact to partner companies, the citizens of SC, and the reputation of the State of South Carolina would be considerable. This nonrecurring appropriation does not create a need for recurring funds.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

Agency Name:	State Board For Technical & Comprehensive Education		
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FORM C – CAPITAL REQUEST

AGENCY PRIORITY	6

Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Individual College Initiatives

Provide a brief, descriptive title for this request.

AMOUNT	$621,107,877

How much is requested for this project in FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.

CPIP PRIORITY	Projects listed are for all technical colleges and they mirror what was included on each college's CPIP for Plan Years 2026-2030, as Plan Year 2 (FY2027) projects. Note that all 16 colleges have FY2026 proposed projects for which the college is requesting state funding. Individual college initiative worksheets submitted via email to the EBO include project descriptions and other details. Some colleges include proposed matches, but many are primarily or entirely dependent upon approved state funding.

Identify the project's CPIP plan year and priority number, along with the first year in which the project was included in the agency's CPIP. If not included in the agency's CPIP, please provide an explanation. If the project involves a request for appropriated state funding, briefly describe the agency's contingency plan in the event that state funding is not made available in the amount requested.

OTHER APPROVALS	The Individual Capital Facilities Requests have been or will be approved by each college's Area Commission and the State Board. If this request is honored, any capital projects will flow through CHE, JBRC, and SFFA for appropriate approvals as needed.

What approvals have already been obtained? Are there additional approvals that must be secured in order for the project to succeed? (Institutional board, JBRC, SFAA, etc.)

LONG-TERM PLANNING AND SUSTAINABILITY	Each college determines its capital facilities needs based on an assessment of requirements necessary to meet the educational and training needs on its campuses. The colleges are continually planning in response to the business and industry needs in their service areas. As part of this evaluation, each college has determined the fiscal requirements related to each proposed project.

What other funds have already been invested in this project (source/type, amount, timeframe)? Will other capital and/or operating funds for this project be requested in the future? If so, how much, and in which fiscal years? Has a source for those funds been identified/secured? What is the agency's expectation with regard to additional annual costs or savings associated with this capital improvement? What source of funds will be impacted by those costs or savings? What is the expected useful life of the capital improvement?

	The Individual College Initiatives represent capital facilities requests for all 16 colleges. The Capital Facilities needs gives South Carolinians the facilities necessary to successfully prepare for future workforce needs and includes projects that have been carefully considered, properly vetted, and approved by our colleges and the State Board.The projects are included, and have been prioritized, on the CPIP for each technical college. Details for the individual college initiatives are found in a separately attached document (sent via email to the EBO).

SUMMARY

Provide a summary of the project and explain why it is necessary. Please refer to the budget guidelines for appropriate questions and thoroughly answer all related items.

Agency Name:	State Board For Technical & Comprehensive Education		
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FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION CONTINGENCY PLAN

TITLE	Agency Cost Savings and General Fund Reduction Contingency Plan

AMOUNT	$7,871,873

What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.

ASSOCIATED FTE REDUCTIONS	Potential reductions for the SBTCE would be around 102 FTEs, an estimated 92 at the colleges and 10 at System Office.

How many FTEs would be reduced in association with this General Fund reduction?

PROGRAM / ACTIVITY IMPACT	A vast majority of our general funds are used to fund a portion of the faculty and administrative salaries and fringe benefits; therefore, the ability of all colleges and System Office to fill vacant positions would be affected and a reduction could potentially result in furloughs and/or losses of faculty positions. At many of our smaller colleges, some programs have only one to two faculty members, so a reduction in positions could result in ending a program or programs.

What programs or activities are supported by the General Funds identified?

SUMMARY	Our agency divided the total of the 3% reduction into two parts. 90.45% of our total budget each year is distributed to the colleges and 9.55% of our total budget each year is distributed to the System Office. We then split the total reduction by 90.45% ($7,120,109) for the colleges and 9% for the System Office ($751,764) and calculated the number of potential impacted FTEs based on an average salary of $55K plus 40% fringe.

Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.

AGENCY COST SAVINGS PLANS	Our 16 technical colleges are constantly reviewing academic and continuing education programs to assess viability and effectiveness. Programs that are deemed no longer needed are discontinued

What measures does the agency plan to implement to reduce its costs and operating expenses by more than $50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?

Agency Name:	State Board For Technical & Comprehensive Education		
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FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE	State Aid Programs
	Provide a brief, descriptive title for this request.
EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	Our requested funding for the LTAP and SCWINS programs would allow SBTCE to continue offering citizens the opportunity to receive education and training in high demand job skills areas at little to no cost to the students. The long term benefits include a better trained workforce made up of individuals who were provided the opportunity to complete their technical education quickly and with no debt.
	What is the expected savings to South Carolina's businesses and citizens that is generated by this proposal? The savings could be related to time or money.
FACTORS ASSOCIATED WITH THE REQUEST	**Mark "X" for all that apply:** [ ] Repeal or revision of regulations. [ ] Reduction of agency fees or fines to businesses or citizens. [ ] Greater efficiency in agency services or reduction in compliance burden. [X] Other
METHOD OF CALCULATION	The requested appropriation of $95 million for SCWINs would likely benefit approximately 38,000 students (assuming an average award of $2,500 per student) and the requested appropriation for LTAP of $53 million would likely allow for an award to eligible students of $75 per credit hour.
	Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.
REDUCTION OF FEES OR FINES	Eligibles students would pay less out of pocket for tuition and other education related fees.
	Which fees or fines does the agency intend to reduce? What was the fine or fee revenue for the previous fiscal year? What was the associated program expenditure for the previous fiscal year? What is the enabling authority for the issuance of the fee or fine?
REDUCTION OF REGULATION	N/A
	Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?
SUMMARY	Eligible students benefit through increased access to affordable, quality education, while the State of South Carolina benefits from a better trained workforce.

Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?

FORM H – TUITION MITIGATION (PROVISO 117.178)

TITLE	Tuition Mitigation Proviso 117.178

AMOUNT	$38,100,000

What is the amount needed for Tuition Mitigation for FY27? This amount should correspond to the priority 1 recurring budget request. Tuition Mitigation should ONLY include the state funding necessary to continue existing operations on July 1, 2026 with no in-state undergraduate tuition or mandatory fee increases. Tuition Mitigation should not include any new programs or expansion of existing academic programs that may be contemplated for Fiscal Year 2026-27.

EXPLANATION OF METHODOLOGY

The System's recurring funding request is designed to strengthen the ability of the System and its 16 colleges to meet South Carolina's workforce demands. This year's $38.1 million request reflects the rising costs of delivering high-quality education and training aligned with industry needs.

The requested amount is based on four primary cost drivers that directly impact the System's ability to maintain operations and educational quality without increasing tuition or mandatory fees for students.

1. Increased Payroll Costs
The first cost driver accounts for projected payroll increases. The System assumes a 3% salary increase for all employees, net of the 30% funding contribution provided by the State for state-funded positions.

- Total cost for every 1% increase in pay and related benefits (A): $4,210,310
- Calculation: (A × 3) × 70%
- Result: ($4,210,310 × 3) × 0.7 = **$8,841,651**

2. Increased Employer-Paid Health Insurance Premiums
The second cost driver reflects an anticipated 5% increase in employer-paid health insurance premiums, net of the 30% contribution provided by the State for state-funded positions.

- Total cost for every 1% increase in insurance premiums (B): $459,529
- Calculation: (B × 5) × 70%
- Result: ($459,529 × 5) × 0.7 = **$1,608,352**

3. Increased Non-Payroll Operating Expenses
The third cost driver addresses increased non-payroll expenses such as utilities, maintenance contracts, and other operational services based on the Higher Education Price Index (HEPI) for Fiscal Year 2025, estimated at 3.7%.

- FY 2025 Non-Payroll Expenses (C): $195,080,297
- Calculation: C × 3.7%
- Result: $195,080,297 × 0.037 = **$7,217,971**

4. Annual High-Demand Equipment Acquisitions

The fourth cost driver provides funding for the annual replacement and acquisition of high-demand instructional and training equipment, calculated using the four-year average of college expenditures from FY 2022 through FY 2025.

- Total Equipment Acquisitions (D): $81,642,318
- Calculation: D ÷ 4 years
- Result: $81,642,318 ÷ 4 = **$20,410,580**

This funding ensures colleges can continue to provide students with access to the same advanced tools, machinery, and technology used in today's workplaces, an essential component of workforce-ready training.

Total State Funding Necessary to Maintain Operations Without Tuition or Fee Increases:

Result: $8,841,651 + $1,608,352 + $7,217,971 + $20,410,580 = **$38,078,554**
Rounded to the nearest tenth, the System's recurring funding request totals **$38.1 million**.

NOTE: The amounts for each cost driver were calculated using FY25 information provided by college finance staff. The annual equipment cost figure was derived from FY25 acquisition information supplied by the colleges, combined with audited financial statement information for FY22 through FY24.

Please provide a detailed explanation of the methods used to estimate the FY27 tuition mitigation needs as well as the number of enrolled in-state and out-of-state undergraduates. What standard inflation factor is being used (HEPI, CPI, etc.)? What base budget items is the inflation factor applied to? What is the impact of tuition waivers and abatements, including the amount of foregone revenue, and its impact on the need for additional state funding.

COST SAVINGS

Since FY19, South Carolina's Technical Colleges have implemented a series of strategic cost-saving measures to mitigate the impact of tuition and fee increases on undergraduate students. These actions were designed to address fiscal pressures, improve operational efficiency, and ensure long-term financial sustainability—all while maintaining the high quality of education and workforce training that South Carolina's employers and citizens expect.

Program Consolidation and Rationalization
One of the most significant cost-containment actions has been the termination of more than 400 unsustainable academic programs across the state's 16 technical colleges. These programs were identified as fiscally inefficient or misaligned with student demand and workforce needs. By discontinuing low-enrollment or outdated programs, colleges have been able to redirect faculty resources, classroom space, and operating budgets toward high-demand areas such as advanced manufacturing, healthcare, information technology, and logistics. This strategic reallocation has strengthened program viability, improved job placement outcomes, and stabilized college finances across the System.

Outsourcing of Auxiliary Enterprises
To further reduce operational overhead, many colleges have transitioned auxiliary enterprises, including bookstores, food services, and related operations—from college-managed models to outsourced partnerships with private vendors. This shift eliminated the need for colleges to bear the financial risks and administrative burdens associated with managing these operations internally, such as staffing, inventory, and maintenance. Outsourcing has not only resulted in cost savings but has also improved service quality through professional management and, in some cases, revenue-sharing agreements. This change allows colleges to concentrate their resources on core educational missions rather than ancillary business functions.

System-Wide Procurement and Shared Services
The Technical College System has taken a coordinated, system-wide approach to procurement to maximize economies of scale and standardize key administrative functions. By leveraging collective purchasing power, the System has been able to negotiate volume discounts for supplies, instructional materials, and equipment, achieving significant reductions in per-unit costs. These savings are reinvested in student support, facilities upkeep, and program development. A recent example includes the System Office's recent Request for Proposal (RFP) to acquire a continuing education tracking and reporting system to be deployed across all colleges. Once implemented, this shared system will improve reporting capabilities, enhance accountability, and standardize business processes, yielding both operational efficiencies and improved data integrity.

Personnel Cost Management through Adjunct Faculty Utilization
To maintain instructional flexibility while controlling personnel costs, colleges have strategically increased their reliance on adjunct and part-time faculty for specific courses and short-term programs. Adjunct faculty typically serve on a per-course basis without the associated costs of full-time employment, such as health insurance, retirement contributions, or long-term salary adjustments. This approach has allowed colleges to sustain a wide range of course offerings even amid fiscal constraints, while aligning instructional delivery more closely with enrollment trends.

Expansion of Short-Term Workforce Training Programs
In response to employer demand and evolving labor market conditions, colleges have significantly expanded short-term workforce training programs. These programs are less resource-intensive than traditional degree pathways, offering rapid, targeted training that equips students with job-ready skills in a matter of weeks or months. This shift has improved the colleges' ability to respond quickly to employer needs, enhanced student employability, and reduced the financial and operational burden of maintaining underutilized degree programs. The focus on short-term, high-impact training supports both economic development and cost efficiency.

Energy Efficiency and Sustainable Infrastructure Investments
Energy efficiency has been a cornerstone of cost containment in recent years. Through capital improvement projects and new construction initiatives, colleges have implemented energy-saving technologies such as high-efficiency HVAC systems, LED lighting, and water conservation systems. These improvements have produced long-term reductions in utility expenses while supporting the state's broader sustainability and environmental goals. By integrating energy efficiency into facilities planning, colleges

have achieved lasting operational savings that free up funds for academic and workforce development initiatives.

Expansion of Online and Hybrid Learning
The growth of online education across the System has provided an additional avenue for cost savings and expanded access. By increasing online and hybrid course offerings, colleges have been able to serve a larger number of students without incurring the capital costs associated with expanding physical infrastructure. Online programs also provide flexibility for working adults and non-traditional learners, expanding the System's reach while reducing facility maintenance and classroom scheduling pressures. This strategy supports enrollment growth, enhances accessibility, and contributes to the long-term financial sustainability of the colleges.

Summary
Since FY19, South Carolina's Technical Colleges have demonstrated a sustained commitment to fiscal stewardship, innovation, and efficiency. Through program rationalization, outsourcing of non-core functions, system-wide procurement, prudent personnel management, and investments in energy efficiency and online learning, the colleges have significantly reduced costs while maintaining educational quality.

These collective efforts have preserved affordability for students and strengthened the System's capacity to deliver the skilled workforce South Carolina's economy depends upon. The Technical College System remains committed to identifying and implementing additional efficiencies to ensure that every state dollar is used effectively in advancing access, opportunity, and economic growth.

Provide a detailed analysis of any cost savings measures taken since FY19 to offset undergraduate tuition and fee increases and attach quantifiable documentation. Please include documentation of actions taken by the board of trustees or board of visitors or by administration. Attach any cost savings studies that have been undertaken and provide an explanation of actions taken to implement these studies. Provide future quantifiable cost savings plans and expectations for implementation.

LOW ENROLLMENT

See attached spreadsheet listing the 414 certificate, degree, and diploma programs that have been terminated across the sixteen technical colleges since FY19. The spreadsheet shows the college name, program type, program name, and reason for termination.

Provide a list of any undergraduate programs, academic or other, that have been reduced or eliminated since FY19. Please document the reasons for the reduction or elimination. If the institution has, or is expected to have, a decline in in-state undergraduate student enrollment, provide analysis on how the institution will ensure the corresponding reduction in tuition will not lead to requests for additional state funding.

AGENCY NAME:	State Board for Technical and Comprehensive Education		
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UNOBLIGATED FUND BALANCE	See attached spreadsheet for calculations of each of the sixteen technical college's unrestricted, undesignated fund balance/net position as of June 30, 2025. While percentages vary by technical college, when considered as a System, the overall unrestricted, undesignated fund balance as a percentage of annual operating expenses is 13.60%, a reasonable percentage given uncertainty surrounding enrollment, state funding, capital needs, etc.

Provide the institution's unobligated fund balance for the most recently completed fiscal year. Attach documentation showing this balance disaggregated to identify amounts that are restricted in their use by external authorities (General Assembly, Federal Government, donors, etc.) and those that are not subject to such restrictions. Provide an explanation of the amount the institution considers to be an appropriate unrestricted fund balance as a percentage of its operating budget and the percentage of the institution's operating budget that the fund balance represents.