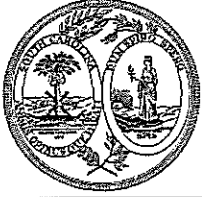


AGENCY NAME: SC Department of Commerce

AGENCY CODE: P320

SECTION: 50



Fiscal Year 2026-27 Agency Budget Plan

FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS (FORM B1)

For FY 2026-27, my agency is (mark "X"):

- ☒ Requesting General Fund Appropriations.
☒ Requesting Federal/Other Authorization.
☐ Not requesting any changes.

NON-RECURRING REQUESTS (FORM B2)

For FY 2026-27, my agency is (mark "X"):

- ☒ Requesting Non-Recurring Appropriations.
☐ Requesting Non-Recurring Federal/Other Authorization.
☐ Not requesting any changes.

CAPITAL REQUESTS (FORM C)

For FY 2026-27, my agency is (mark "X"):

- ☐ Requesting funding for Capital Projects.
☒ Not requesting any changes.

PROVISOS (FORM D)

For FY 2026-27, 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).
☐ Not requesting any proviso changes.

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

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
PRIMARY CONTACT:	Patrick Jarvis	803-737-0462	pjarvis@scommerce.com
SECONDARY CONTACT:	Mark Hendrick	803-737-3949	mhendrick@scommerce.com

I have reviewed and approved the enclosed FY 2026-27 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

SIGN/DATE:

Agency DirectorBoard or Commission Chair

TYPE/PRINT NAME:

 HARRY M. Lightsey, III

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

Agency Name:	Department Of Commerce
Agency Code:	P320
Section:	50

BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B2 - Non-Recurring	Rural Development	25,000,000	0	0	0	25,000,000	0.00	0.00	0.00	0.00	0.00
2	B2 - Non-Recurring	LocateSC	25,000,000	0	0	0	25,000,000	0.00	0.00	0.00	0.00	0.00
3	B1 - Recurring	LocateSC	3,500,000	0	0	0	3,500,000	0.00	0.00	0.00	0.00	0.00
4	B2 - Non-Recurring	Repay Intra-Agency Loan	20,000,000	0	0	0	20,000,000	0.00	0.00	0.00	0.00	0.00
5	B1 - Recurring	Small Business and Trade	582,250	0	0	0	582,250	1.00	0.00	0.00	0.00	1.00
6	B2 - Non-Recurring	Targeted Marketing Initiatives	2,000,000	0	0	0	2,000,000	0.00	0.00	0.00	0.00	0.00
7	B1 - Recurring	Other/Federal Funds/Agency Administration	159,445	15,530	50,985	0	225,960	1.00	0.00	0.00	0.00	1.00
8	B1 - Recurring	Closing Fund	3,700,000	0	0	0	3,700,000	0.00	0.00	0.00	0.00	0.00
TOTALS			79,941,695	15,530	50,985	0	80,008,210	2.00	0.00	0.00	0.00	2.00

Agency Name:	Department Of Commerce		
Agency Code:	P320	Section:	50

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	3
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	LocateSC
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$3,500,000 Federal: \$0 Other: \$0 Total: \$3,500,000
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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
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Please provide the total number of new positions needed for this request.

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
	☐	HR/Personnel Related
	☐	Consulted DTO during development
	☒	Related to a Non-Recurring request – If so, Priority # 2

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
	☒	Public Infrastructure and Economic Development
☐	Government and Citizens	

ACCOUNTABILITY OF FUNDS	Assist with the improvements of available inventory of sites and buildings.
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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	These funds will be awarded as grants to local governments or ally groups.
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FUNDS

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 historic economic success has significantly depleted our inventory of available properties, and it has reached an all-time low. With each new company announcement, another piece of valuable real estate is absorbed. To sustain our momentum in attracting jobs and investment, it is essential for our State to continue investing in itself.

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:	Department Of Commerce		
Agency Code:	P320	Section:	50

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	5
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Small Business and Trade
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$582,250 Federal: \$0 Other: \$0 Total: \$582,250
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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	1.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:	
		Change in cost of providing current services to existing program audience
	X	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
	X	Exhaustion of fund balances previously used to support program
		IT Technology/Security related
	X	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:	
		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	South Carolina’s ranking of states in exports per capita. Building on the strengths of the state’s small businesses and innovative and emerging industries.
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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?

	Companies seeking export assistance based on eligibility.
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RECIPIENTS OF FUNDS	Small Businesses seeking funding through a competitive, capacity-building grant program. Agency Employee hired for the position.
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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	TRADE The South Carolina Opportunities for Promoting Export (SCOPE) program is currently funded at \$125,000. The current level of support has supported 30 companies annually. This request will bring the total recurring appropriation to \$300,000. Funding at this level will allow SC Commerce to support a larger number of companies to increase the number of exports from SC into new or existing markets and increase the sales for SC companies. This increase in funding will allow Commerce to support up to 70 companies annually – a 133% increase compared to today’s funding (30 companies annually to 70). There is more demand for the program than current funding allows, and we expect the demand to continue to grow given the change and uncertainty around national trade policy. SCOPE funding helps South Carolina companies – mostly small businesses – overcome obstacles to selling their SC-made products overseas by offsetting costs associated with entering and expanding into new markets. SCOPE assists SC small businesses by allowing them to: participate in trade missions and trade shows geared to specific industry sectors; conduct product testing for international markets; internationalize their websites via translation and other enhancements; and receive topic-specific export training. The SCOPE program is the state-funded partner to the State Trade Expansion Program (STEP), a federal program administered by SC Commerce. From 7/1/2024 – 06/30/2025, 46 companies have been funded through STEP and 29 companies through SCOPE. Total amount funded: \$333,304 Average funding per company: \$4,444 Reported Sales: \$4,828,144 Return on Investment: For every dollar invested, SC receives \$14.5 back in export sales. Commerce is also requesting one additional funded FTE for the trade program to manage the additional workload. Economic Development Officer II (GEN10): Salary - \$75,000; Fringe - \$32,250; Total - \$107,250 SMALL BUSINESS Over the past two fiscal years (23-24 and 24-25) SC Commerce has piloted a program within its Innovation Grant Program called StimulateSC. This program was launched to address a clear and longstanding gap in South Carolina’s small business support ecosystem – there had been no competitive mechanism to support the creation, testing and scaling of new, innovative programs aimed at developing and growing
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traditional small businesses. StimulateSC addresses this gap in competitive funding, as it is a competitive capacity-building grant program that enables communities to pilot creative, locally driven solutions that strengthen and expand critical support systems.

A Phase I pilot of the program was launched in FY24 and drew strong demand and delivered tangible early results from traditional small business support organizations, non-profits and communities. Projects ranged from helping business owners grow revenue through strategic use of online tools to training them in practical AI implementation and financial management. Because of the success of Phase I, a Phase 2 pilot is currently underway and showing promising momentum. With this recurring request for \$300,000 we will transition this program from a pilot to a recurring program.

The benefits of StimulateSC include:

- Incentivizing innovative thinking - Continue to incentivize innovative thinking and program development that drives the creation and growth of traditional small businesses in SC.
- Fostering healthy competition and innovation - Foster healthy competition and innovation among entities that support the traditional small business community, ultimately benefiting small businesses statewide. (With this competitive grant process, entities that have been supported by the agency in the past like Lowcountry Local First can continue to bring new ideas to the table by transitioning into applying for funding through this mechanism.)
- Supporting the adoption of innovative products and practices - Further support traditional small businesses as they adopt innovative products and practices to maintain a competitive advantage in the marketplace.
- Alignment with the strategic framework – Growth of new businesses and jobs. Companies looking to locate headquarters in a region have a strong eye toward standard of living. A lively town and livable space with plenty of shops, restaurants and entertainment are vital. SC’s traditional small business community is the backbone of creating our lively towns and cities. The small business grant helps build and maintain these traditional small businesses and make our communities attractive to headquarters. Further, some organically grown small businesses have the potential to grow into larger operations.
- Supports other areas of the agency such as building the supplier network, export pipeline, rural initiatives, etc.

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:	Department Of Commerce		
Agency Code:	P320	Section:	50

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	7
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Other/Federal Funds/Agency Administration
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$159,445 Federal: \$15,530 Other: \$50,985 Total: \$225,960
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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	1.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:	
		Change in cost of providing current services to existing program audience
	X	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
	X	Exhaustion of fund balances previously used to support program
		IT Technology/Security related
	X	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:	
		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	Regarding the portion of this request related to the FY26 General Increase, this request impacts all other and federally funded activities. The FTE will support the entire agency.
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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?

	Agency Employees, Vendors, Contractors following the SC Procurement Code.
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RECIPIENTS OF FUNDS	
<i>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?</i>	
JUSTIFICATION OF REQUEST	The request for Other and Federal Fund Authority is related to the General Increase and Health Insurance premium increase passed in the FY26 Appropriations Act Other Salary: \$35,000 Other Fringe: \$15,985 Federal Salary: \$11,000 Federal Fringe: \$4,530 Total GI/Premium Increase: \$66,515 Additionally, SC Commerce is seeking an FTE for a Project Manager II. This position will oversee the agency’s Project Portfolio and Project Portfolio Management System. This position is vital to the agency’s success in completing the number of agency projects that currently exist. Within the last two fiscal years, Commerce has procured a project management system to streamline and give visibility to the many projects that are ongoing. In FY24, Commerce contracted with firms on state contract to procure a Project Executive role to help develop the project portfolio system and to assist agency leadership in prioritizing and completing the backlog of projects. Based on the success of this new program, we plan to hire an FTE to replace the contract staff. In doing so, the agency will realize cost savings, ensure continuity for the role, and position the agency for long-term project execution success. Project Manager II (GEN12) Salary: \$111,500; Fringe: \$47,945; Total: \$159,445
<i>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.</i>	

Agency Name:	Department Of Commerce		
Agency Code:	P320	Section:	50

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	8
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Closing Fund
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$3,700,000 Federal: \$0 Other: \$0 Total: \$3,700,000
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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
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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
		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
		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:	
		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	Increase the number of new/retained jobs and capital investment recruited into South Carolina.
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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	The purpose of the Closing Fund is to assist companies in locating or expanding in South Carolina. This program provides funding necessary to encourage competitive projects to locate or expand in South Carolina.
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FUNDS

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 SC Department of Commerce is requesting \$3,700,000 in recurring funding for the Closing Fund, bringing the total recurring amount to \$25 million. These funds will be used to recruit new jobs and new investments to South Carolina. The Closing Fund offers greater flexibility than other incentive resources.

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:	Department Of Commerce		
Agency Code:	P320	Section:	50

FORM B2 – NON-RECURRING OPERATING REQUEST

AGENCY PRIORITY	1
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Rural Development
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Provide a brief, descriptive title for this request.

AMOUNT	\$25,000,000
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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
	☒	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
	☒	Public Infrastructure and Economic Development
	☐	Government and Citizens

ACCOUNTABILITY OF FUNDS	Increase emphasis on recruiting jobs to rural communities in SC.
	Improve infrastructure of SC LMI communities by making a suitable living environment more widely available.

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	Contractors and vendors.
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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

**JUSTIFICATION
OF REQUEST**

In FY2019-2020, the General Assembly appropriated \$65 million to facilitate economic development and infrastructure improvements in the state's rural communities. Ultimately, JBRC approved a plan whereby \$30 million was transferred to ORS for a competitive broadband grant program and the remaining \$35 million was to be used by SC Commerce to enhance economic development competitiveness. All this funding is expected to be expended during FY26. While this funding mostly funded economic development projects, there were a few community development projects funded.

The Agency continues to allocate more federal Community Development Block Grant (CDBG) funding to community enrichments versus critical infrastructure, but this federal program has much administrative bureaucracy associated with it which limits applications.

SC Commerce's current Rural Development plan is focused on helping the county seats of the state's rural counties develop and implement strategic plans. The goal is to improve the quality of life in these areas to lessen population loss and create environments where people would want to live. This improvement in quality of life can make areas more attractive for businesses to locate their operations, especially headquarters. The agency has committed \$4 million annually over the last two fiscal years to these projects but has limited ability to increase this amount. Therefore, we are asking for a non-recurring appropriation of \$25 million to be able to help more of the state's rural communities.

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:	Department Of Commerce		
Agency Code:	P320	Section:	50

FORM B2 – NON-RECURRING OPERATING REQUEST

AGENCY PRIORITY	2
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	LocateSC
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Provide a brief, descriptive title for this request.

AMOUNT	\$25,000,000
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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
	☒	Request for Non-Recurring Appropriations
	☒	Request for Federal/Other Authorization to spend existing funding

Related to a Recurring request – If so, Priority # LocateSC

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
	☒	Public Infrastructure and Economic Development

Government and Citizens

ACCOUNTABILITY OF FUNDS	Increase the number of available inventory necessary to attract future capital investment and job creation throughout South Carolina.
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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	These funds will be awarded as grants to bodies of local or state governments or ally groups.
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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

JUSTIFICATION
OF REQUEST

South Carolina’s historic economic success has significantly depleted our inventory of available properties, and it has reached an all-time low. With each new company announcement, another piece of valuable real estate is absorbed. To sustain our momentum in attracting jobs and investment, it is essential for our State to continue investing in itself.

The LocateSC fund has successfully provided S.C. Commerce with resources to enhance promising properties statewide. However, the next phase of improvements requires larger-scale projects that our current funding cannot support alone. Therefore, S.C. Commerce is requesting \$25 million of non-recurring funds for the LocateSC fund to take decisive action in developing marketable industrial sites to ensure our state remains competitive.

Experience has shown that the private sector cannot fill this gap. Private companies typically focus on profit and institutional-quality developments, often overlooking the types of businesses, job opportunities, and salaries that would best serve our communities. To ensure S.C. Commerce can provide high-quality options for all South Carolinians, we must maintain a robust portfolio of attractive sites for businesses to locate.

Funding for site readiness is critical to our economic development success. Over the last few years, our neighboring states have been making significant investments to enhance their competitiveness. In 2023, Kentucky proposed a \$200 million investment over two years for both mega sites and regional developments. Virginia announced \$90 million to support the development of sites exceeding 100 acres. North Carolina has allocated over \$100 million in recent years for mega site development, while Missouri committed \$75 million—\$50 million for mega sites and \$25 million for smaller sites. Georgia and Alabama have also made substantial investments in site readiness.

The General Assembly provided SC Commerce \$80 million in non-recurring funding for the 2025-2026 Fiscal Year. S.C. Commerce has already received applications for this funding and all \$80 million is committed to projects. Based on a survey conducted in 2025, South Carolina counties identified 305 projects with a cost of over \$2.6 billion to develop marketable sites to keep the state competitive and bring good, high paying jobs to the state.

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:	Department Of Commerce		
Agency Code:	P320	Section:	50

FORM B2 – NON-RECURRING OPERATING REQUEST

AGENCY PRIORITY	4
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Repay Intra-Agency Loan
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Provide a brief, descriptive title for this request.

AMOUNT	\$20,000,000
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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
	☒	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
	☒	Public Infrastructure and Economic Development
	☐	Government and Citizens

ACCOUNTABILITY OF FUNDS	Increase the number of new/retained jobs and capital investment recruited to South Carolina.
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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	SC Department of Commerce
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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

**JUSTIFICATION
OF REQUEST**

In 2015, for the Navy Base Intermodal Facility (NBIF) project to continue moving forward on a timeline that would allow it to be open near completion of the Hugh K. Leatherman Terminal, Commerce issued an intra-agency loan to Palmetto Railways in the amount of \$51 million as interim, interest free financing for permitting and preliminary construction costs. The intra-agency loan funds originate from committed, but unexpended grant funds of the South Carolina Coordinating Council for Economic Development, and accordingly, were loaned only on a temporary basis and must be repaid. Commerce is requesting \$20 million in nonrecurring funding to partially repay this intra-agency loan. The outstanding balance as of FY25-26 is \$41.5 million. This request, in conjunction with recurring funds authorized beginning in FY26, will ensure that the loan is repaid in a timely manner.

Commerce is also suggesting a proviso to address this need. If the proviso is approved, this request is not needed.

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:	Department Of Commerce		
Agency Code:	P320	Section:	50

FORM B2 – NON-RECURRING OPERATING REQUEST

AGENCY PRIORITY	6
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Targeted Marketing Initiatives
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Provide a brief, descriptive title for this request.

AMOUNT	\$2,000,000
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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
	☒	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
	☒	Public Infrastructure and Economic Development
☐	Government and Citizens	

ACCOUNTABILITY OF FUNDS	Continue a successful targeted marketing strategy to promote new investment and job creation.
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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	Contractors and vendors.
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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

JUSTIFICATION OF REQUEST

Economic development is a fiercely competitive arena – one where states and countries alike vie to be the place that lands the companies that provide the jobs of the future. As such, South Carolina must continually make its case for businesses to invest here, ensuring the state is attracting industry that will create economic opportunities for all South Carolinians for years to come.

Communicating what sets South Carolina apart from its competitors is key to achieving sustained economic success. After the General Assembly allocated \$5 million in non-recurring funds to S.C. Commerce for marketing efforts, the agency rebranded its work and what it means to do business in the state, as well as deployed its first ever paid-media campaign delivering the new “Launch to Legacy” messaging through multiple marketing channels (tv and radio commercial, streaming services, digital ads, geo-fencing events, emails, print ads, and social media). Ads featured the CEOs of BMW Plant Spartanburg, Sonoco, Nephron Pharmaceuticals and BFive40.

The campaign focused on brand awareness within the state, especially for existing industry, as well as raising awareness of South Carolina in key markets across the United States (AL, CA, MA, MI, NY, PA, TX, WA, and WI). The results of the campaign were tremendous. The campaign ran from February to November 2024, delivering 146.4 million media impressions (the total number of times S.C. Commerce content was displayed on users’ screens).

The campaign also drove 130,802 visits to sclaunchtolegacy.com, which introduces companies to compelling reasons for doing business in the state. Of that number, 129,564 were new or unique visitors. For that same time, the campaign drove 282.1 thousand visits to the agency’s website scommerce.com. Of that number, 232,580, or 94%, were people who visited the site for the first time. Fifty-nine percent of those visitors were driven by paid media. Additionally, the advertising successfully delivered +15% growth in the likelihood of considering relocating or expanding business to South Carolina.

With the remainder of non-recurring funds, S.C. Commerce has developed and will be deploying a second paid media campaign related to "Launch to Legacy" during FY 26. The campaign will target select cities across the country and include targeting of some international locations.

Beyond that, to ensure the state’s competitive advantage, S.C. Commerce will need to deploy a regular media campaign to keep South Carolina’s attractiveness as a business-friendly state top of mind for companies and executives looking to expand or establish operations here. Therefore, the agency is asking for a non-recurring appropriation of \$2,000,000 to carry on the campaign for at least two additional years.

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:	Department Of Commerce		
Agency Code:	P320	Section:	50

FORM D – PROVISIO REVISION REQUEST

NUMBER	NEW
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Cite the proviso according to the renumbered list (or mark “NEW”).

TITLE	Commerce NBIF Loan
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Provide the title from the renumbered list or suggest a short title for any new request.

BUDGET PROGRAM	50.II E
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Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST	4
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Is this request associated with a budget request you have submitted for FY 2026-2027? If so, cite it here.

REQUESTED ACTION	Add
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Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED	V040 - Debt Service; this proviso would obligate excess debt service funds available.
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Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION	In 2015, for the Navy Base Intermodal Facility (NBIF) project to continue moving forward on a timeline that would allow it to be open near the time of completion of the Hugh K. Leatherman Terminal, S.C Commerce issued an intra-agency loan to Palmetto Railways in the amount of \$51 million as interim, interest free financing for permitting and preliminary construction costs. The intra-agency loan funds originate from committed, but unexpended grant funds of the South Carolina Coordinating Council for Economic Development, and accordingly, were loaned only on a temporary basis and must be repaid. S.C Commerce is requesting this proviso to partially repay this intra-agency loan. The outstanding balance as of FY25-26 is \$41.5 million. This request, in conjunction with recurring funds authorized beginning in FY26, will ensure that the loan is repaid in a timely manner. S.C. Commerce is also suggesting a non-recurring request to address this need. If the non-recurring request is approved, this proviso is not needed.
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Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT	N/A
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Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

PROPOSED PROVISO TEXT	Of the excess debt service funds available in the current fiscal year, up to twenty-five percent (25%) of said amount shall be used to pay down the intra-agency loan made to Palmetto Railways related to the Navy Base Intermodal Facility and shall be transferred to the Department of Commerce.
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Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

Agency Name:	Department Of Commerce		
Agency Code:	P320	Section:	50

FORM D – PROVISO REVISION REQUEST

NUMBER	NEW
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Cite the proviso according to the renumbered list (or mark “NEW”).

TITLE	Nuclear Advisory Council
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Provide the title from the renumbered list or suggest a short title for any new request.

BUDGET PROGRAM	50.II G
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Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST	
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Is this request associated with a budget request you have submitted for FY 2026-2027? If so, cite it here.

REQUESTED ACTION	Add
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Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED	Department of Administration – current proviso 93.11 will be deleted as SC Commerce is tasked with administrative responsibilities of the Governors Nuclear Advisory Council (GNAC) Office of Regulatory Staff – Funds to pay for GNAC activities will come from the SC Energy Office’s radioactive waste funds, as currently in 93.11 <i>Which other agencies would be affected by the recommended action? How?</i>
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SUMMARY & EXPLANATION	Act 41 (H.3309) of 2025 was passed and the administrative responsibilities for the Governor’s Nuclear Advisory Council were moved from the Department of Administration to the Department of Commerce (13-7-810). Proviso 93.11 has previously existed as a funding mechanism to pay for the council’s expenses. We are asking to have this proviso transferred to the S.C Department of Commerce (SC. Commerce).
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Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT	No fiscal impact, as the proviso is currently in existence under Department of Admin.
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Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

PROPOSED PROVISO TEXT	The Office of Regulatory Staff shall reimburse the South Carolina Department of Commerce for expenses associated with the Governor's Nuclear Advisory Council from the SC Energy Office's radioactive waste funds.
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Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

Agency Name:	Department Of Commerce		
Agency Code:	P320	Section:	50

FORM D – PROVISO REVISION REQUEST

NUMBER	NEW
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Cite the proviso according to the renumbered list (or mark “NEW”).

TITLE	Rural Development
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Provide the title from the renumbered list or suggest a short title for any new request.

BUDGET PROGRAM	50.II.E
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Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST	1 – Rural Development
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Is this request associated with a budget request you have submitted for FY 2026-2027? If so, cite it here.

REQUESTED ACTION	Add
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Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED	N/A
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Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION	This proviso will provide guidance on how the Department of Commerce can spend the non-recurring funds for Rural Development.
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Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT	This proviso does not have any fiscal impact, it is solely for guiding expenditure, if appropriated.
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Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

PROPOSED PROVISO TEXT	In the current fiscal year, The Department of Commerce shall utilize funds appropriated for Rural Development for projects in Tier III and Tier IV counties, as well as census tracts that qualify as Opportunity Zones in Tier I and Tier II counties. Maximum awards for these Community and Rural Development projects are \$1,500,000 and will require a minimum 10% match. The Department of Commerce will provide an annual report to the Chairmen of the Senate Finance Committee and House Ways and Means Committee until all funds are expended.
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Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

Agency Name:	Department Of Commerce		
Agency Code:	P320	Section:	50

FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION

CONTINGENCY PLAN

TITLE	Agency Cost Savings and General Fund Reduction Contingency Plan
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AMOUNT	\$2,126,132
What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.	

ASSOCIATED FTE REDUCTIONS	Unknown at this time.
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How many FTEs would be reduced in association with this General Fund reduction?

PROGRAM / ACTIVITY IMPACT	Closing Fund, Local Economic Development Organizations, LocateSC, SC Manufacturing Extension Partnership, Research (Applied Research Centers), Small Business Development Centers, Procurement Technical Assistance Program, Council on Competitiveness, State Export Grant Program, Marketing, Secretary's Office, Administration, Innovation, Global Business Development, Small and Existing Business, SC Nexus
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What programs or activities are supported by the General Funds identified?

SUMMARY	a) Closing Fund Commerce would have fewer funds on hand to assist companies in locating or expanding in South Carolina. b) Local Economic Development Organizations LEDA would have fewer funds on hand to market the state, position their regions competitively and to find and assist companies looking to locate and expand in South Carolina. c) LocateSC Commerce would have fewer funds that allow the state to be proactive in preparing sites into suitable inventory for potential prospects. d) SC Manufacturing Extension Partnership Fewer companies would benefit from the services SCMEP provides. e) Small Business Development Centers Fewer small businesses would benefit from the services SCSBDC provide. f) Council on Competitiveness Fewer funds available to continue our collaboration in aerospace, cyber and transportation, distribution and logistics. g) State Export Grant Program Fewer small businesses would benefit from exporting assistance. h) Marketing Activities Fewer funds available to make strategic investments into potential areas to market our state.
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i) Procurement Technical Assistance Program Fewer small businesses would benefit from governmental procurement assistance.

j) Applied Research Funds fewer resources to assist in research projects with existing industries and universities.

k) Secretary's Office, Administration, Global Business Development, Innovation, Research, Marketing, and Small and Existing Business, SC Nexus. Commerce would need to reevaluate future travel, hiring decisions and other spending plans to determine if recurring resources are available.

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

Commerce would need to reevaluate future travel, hiring decisions and other spending plans to implement a cost saving plan. Any saving from implementation of a reevaluation would be either utilized in an investment into a new strategic initiative or carried forward into the next year.

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?