



# **Executive Budget Summary FY 2023-24**

## ECONOMIC DEVELOPMENT, INFRASTRUCTURE & WORKFORCE

The FY 2023-2024 Executive Budget recommends:

### South Carolina Department of Commerce

- \$500 million non-recurring funds to keep state commitments for announced economic development projects, rather than taking on debt to pay for them;
- \$200 million non-recurring funds for strategic economic development infrastructure in order to develop megasites, which are crucial to competing for large-scale economic development projects driving future economic growth;
- \$51 million non-recurring funds to repay an interagency loan granted in 2015 to Palmetto Railways to ensure the Navy Base Intermodal Facility (NBIF) project moved forward on a timeline that would allow it to be open near the time of completion of the Hugh K. Leatherman Terminal;
- \$20 million non-recurring funds for local economic development grants;
- \$3.7 million non-recurring funds for the state’s Closing Fund;
- \$1 million non-recurring funds and \$500,000 recurring funds for strategic marketing purposes;

### South Carolina Department of Agriculture

- \$75 million non-recurring funds to recruit agribusiness to South Carolina via an economic development matching grant program;
- \$2.375 million non-recurring funds to renovate the Greenville State Farmers Market facilities;
- \$1.122 million non-recurring funds to provide more advanced and efficient tools for fueling location inspectors, thereby reducing inspection times while providing a less labor-intensive inspection that reduces the likelihood of a workplace injury and workers’ compensation claim;
- \$1 million non-recurring funds to support the strategic marketing initiative of the “Certified SC” brand.

### South Carolina State University – Public Service Activities (PSA)

- \$2 million non-recurring funds to support small agribusiness expansion and reach new markets.

***Economic Development.*** South Carolina’s economy is booming. According to Area Development magazine’s 2022 ranking, South Carolina ranks third overall for best places in the country to do business. The 2022 Executive Survey of Site Selection ranked South Carolina sixth in the nation. As a result, our state continues to win many new economic development projects, especially in our manufacturing sector. Of the \$27.26 billion in new capital investment that has been announced since 2017, \$10.27 billion was announced in 2022 alone - the most in state history. This includes the single largest announcement in the history of South Carolina – Redwood Materials – at \$3.5 billion and 1,500 new jobs; \$1.7 billion invested by BMW for the manufacturing of electric vehicles and battery assemblies and Envision AESC investing \$810 million to manufacture batteries for electric vehicles.

With these projects come financial obligations. Rather than fulfilling those obligations by issuing new state debt, we believe it is wiser and more fiscally responsible to use currently available funds. Therefore, this Executive Budget proposes \$500 million in non-recurring funds for the Department of Commerce to meet its obligations to previously committed economic development projects. These funds would support infrastructure needs, such as site preparation, roads, bridges, rail, water, and sewer, and workforce training requirements for these large-scale developments. We have been good stewards of the taxpayer's money when negotiating these economic development deals, so we must honor our commitments without incurring new debt.

Additionally, we recommend allocating \$200 million in non-recurring funds for the Department of Commerce to acquire and develop land to be certified as megasites, using existing state government review and approval processes. We are in fierce competition with neighboring states to attract businesses from around the world, and we're winning. These megasites would be new tools in the toolbox for our Department of Commerce as they work to recruit these businesses. For a state or community to be competitive in the megasite arena, we must be willing to invest now to compete and win these projects in the future. Megasites must be shovel-ready with established utilities and transportation infrastructure in order to attract large investments from the private sector.

Local governments are aggressively pursuing their own economic development projects and have needs beyond transportation infrastructure. To support these efforts, this Executive Budget proposes the creation of a \$20 million grant program for local governments to apply for funding to support their efforts. The City of Myrtle Beach, the fastest growing city in state, could benefit from these funds by using them to continue its development of local infrastructure to keep up with demand.

***Agribusiness.*** The Department of Agriculture has identified a lack of food processing and packaging capacity. Currently, 68 percent of the state's agribusiness products bought in South Carolina come from elsewhere. To counter this, the Executive Budget proposes a \$75 million Agribusiness Fund Matching Grant Program to increase food processing and packaging capacity. With this increased capacity also comes a need for additional cold-storage capacity, and the intent with this funding is to incentivize small, family-owned businesses to expand especially in Tier III and Tier IV counties.

Through an aggressive communications strategy with agricultural business leaders, SCDA estimates the potential investment value of this economic development strategy is approximately \$860 million, while creating nearly 1,500 new jobs. This matching reimbursable grant program will follow similar processes to that of our neighboring states, who've already seen success with similar programs.

With increased processing capacity comes additional opportunities for livestock and feed. According to a Clemson University survey, this investment could increase beef cattle processed in state by 4,250 cattle per year and 300,000 chicken, turkeys per year. And according to Dr. Von Nessen with USC's Moore School of Business, if just 25 percent of the current unmet demand for processing were captured by South Carolina farms and processors, there would be an increase of \$511 million annually to the state's rural economy.

#### Department of Transportation (SCDOT)

- \$550 million for bridge infrastructure; \$500 million non-recurring and \$50 million recurring funds;
- \$300 million non-recurring funds for I-73;
- \$2 million non-recurring funds for litter control for off-interstate roadways.

#### Rural Infrastructure Authority (RIA)

- \$380 million non-recurring ARPA funds for rural water and sewer infrastructure.

#### State Ports Authority

- \$1 million non-recurring funds for the Jasper Ocean Terminal Port Facility Infrastructure Fund.

#### Division of Aeronautics

- \$10 million non-recurring funds to replace at least one, and possibly both, state-owned aircraft that are nearly 40 years old and beyond their service lifetime.

**Infrastructure.** South Carolina's unmatched global connectivity continues to provide unlimited opportunities for our people. The Palmetto State has one of the nation's fastest-growing container ports, two innovative inland ports, thirty-three airports with at least one 5,000-foot runway, 2,300 miles of rail lines and more than 41,000 miles of state-maintained highways. The Port of Charleston has the deepest harbor – 52 feet – on the East Coast of the United States and has seen its volume grow exponentially this year. There are 208 million people, two-thirds of the U.S. population, within two days drive of South Carolina.

In 2017, SCDOT launched its 10-Year Plan to improve South Carolina's transportation network. This plan strategically invests state and federal dollars into the state's highways to rehabilitate aging infrastructure, while also supporting South Carolina's continued and future growth in commerce and new residents. The plan is focused on four key areas: 1) repaving thousands of miles of state highway; 2) replacing and repairing 500 aging bridges; 3) reducing South Carolina's rural road fatality rate by making safety improvements to 1,250 miles of rural roads; and 4) widening critical segments of the state's interstates and keeping the arteries of commerce flowing for South Carolina. With construction zones in all 46 counties, progress is being made on South Carolina's transportation network to improve existing infrastructure and address South Carolina's phenomenal growth.

This Executive Budget aims to accelerate the 10-Year Plan and bolsters investment in bridges by recommending \$500 million in non-recurring funds and \$50 million in recurring funds to further invest in bridge projects and leverage available federal infrastructure funding. These dollars will be focused on accelerating the repair and replacement of existing bridges on interstates and primary highways. Of 1,778 bridges on the interstate and primary road network, 1,125 (63%) need repair or replacement. With significant investments in the Port of Charleston providing the opportunity for more growth and more freight volumes in all parts of South Carolina, investing in these bridges will improve freight mobility across the state. This will provide all communities in South Carolina – both rural and urban – with better connections to the global economy and the job opportunities associated with it. Continued investment in road and bridge infrastructure will

help South Carolina deal with continued population growth and position South Carolina for continued economic success.

This Executive Budget again recommends a \$300 million investment to begin construction on I-73 in South Carolina. This investment will provide an important boost to start work on a project that will serve as a catalyst for local and federal government partners to finalize their own investment plans. This new interstate will connect supply chains to efficiently move goods and services across our state and infrastructure that connects our people to jobs, healthcare, and education. It has been reported that the completion of I-73 may create 29,000 new jobs and pump billions of new dollars into the Grand Strand and Pee Dee regions. In addition, I-73 will help save the lives of Grand Strand residents and visitors by providing a critical means of evacuation in the event of a hurricane or natural disaster and in some cases will reduce evacuation times by up to 15 hours. I-73 will be a transformative component in South Carolina's future economic prosperity; let's seize this opportunity.

This Executive Budget recommends a \$380 million investment in the revitalization of South Carolina's water, wastewater, and stormwater infrastructure. Last year, RIA received \$800 million in ARPA funds for this purpose and received nearly \$2 billion in requests, showcasing demand far exceeding supply. RIA will begin awarding grants by the end of January and the balance of the funds it received last year will be distributed to local governments by the summer. RIA is best situated to distribute this funding because of existing grant management and accountability processes, and the agency already has received 309 grant applications from local water authorities. Modernizing the state's water and sewer infrastructure through this proposal will support public health and economic development by making rural areas even more attractive for capital investment. It will also support improved efficiency and stewardship of taxpayer funds by promoting regionalization and coordination between larger and small water and sewer systems.

Our roadways are used by millions of visitors who travel to and throughout South Carolina. In 2018 we signed Act 214 to strengthen penalties for littering. There are 41,500 miles of state-owned roads and we want them to be as litter-free as possible. This Executive Budget recommends \$2 million in non-recurring dollars to fund SCDOT's litter control efforts and fulfill the spirit of Act 214.

#### Technical College System

- \$78 million lottery funds for Workforce Scholarships for the Future, doubling the funding in the current fiscal year;
- \$26.9 million lottery funds for high-demand job skill training equipment, an increase of \$6.2 million over the current fiscal year;
- \$17 million lottery funds for SC WINS;
- \$2 million lottery funds for ReadySC to support training needs for companies.

#### Department of Employment and Workforce (DEW)

- \$500,000 recurring funds for the Be Pro Be Proud initiative to increase interest in the skilled, professional trades.

**Workforce Development.** South Carolina has taken bold steps to empower the current and next generation’s workforce. Area Development ranks South Carolina third among all states for its workforce development programs. This ranking does not come by accident, as Governor McMaster has recommended millions of additional funding toward enhancing workforce training, development and education than any governor in modern times – to make sure all the assets and opportunities are in place to help South Carolinians achieve and sustain financial independence and prosperity. This targeted investment in the people of South Carolina has contributed to historically low unemployment in South Carolina and per capita personal income that has surpassed \$50,000 for the first time in state history.

Strategic investment in the state’s workforce development programs has been a key driver in the state’s economic success and now is not the time to pause those efforts. Despite the state’s low unemployment rate, people remain out of work and businesses continue to face challenges in filling jobs. As of January 3, 2023, DEW reported that there are 92,883 jobs available throughout the state. This Executive Budget continues to place focus on training, reskilling, and upskilling South Carolinians to help them obtain a job.

According to DEW, “critical needs” jobs account for 45% of the workforce, while only 29% of people have the necessary skills to fill those jobs. And, according to a report by the Lumina Foundation, by 2025, 60% of Americans will need some type of high-quality credential beyond high school to participate in the workforce.

South Carolina has the people and the resources it needs - what is important is that we expand our investment in technical education and workforce development so that our people continue to play a decisive role in recruiting new business. Since 2021, Governor McMaster has invested \$55 million in South Carolina’s workforce through the Governor’s Emergency Education Relief (GEER) Fund to provide workforce tech scholarships to cover the cost of tuition and required fees at any technical college in South Carolina. This investment has prioritized in-demand positions that are critical to the state’s healthcare system and economy, including nursing and commercial truck drivers, and has led to over 10,000 South Carolinians earning an industry credential. For FY 2022-2023, the Executive Budget recommended \$124 million in ARPA funds and \$16 million in lottery funds for workforce tech scholarships, but ultimately these scholarships received \$39 million. This program has a proven track record of success and this Executive Budget requests doubling its funding to \$78 million.

This funding will provide thousands of South Carolinians with the skills needed to thrive in high-demand careers and ensure our economy will have the workforce needed to attract further jobs and investment from companies worldwide. Beginning in January 2022, any adult or recent high school graduate in South Carolina is eligible to use these scholarship funds for associate degrees or industry credentials in high-demand careers like manufacturing, health care, information technology, logistics, or construction. Workforce tech scholarships have lowered out-of-pocket costs to nearly zero for students, including little to zero student loan debt.

**State-Owned Aircraft.** The Division of Aeronautics maintains and operates two small airplanes that are both nearly 40 years old and nearing their service lifetime. The stark reality is that both aircraft are on the verge of being grounded because they are not airworthy. This Executive

Budget recommends \$10 million in non-recurring funds to sell the current King Air 350 and purchase a safer used King Air 350.

## EDUCATION

The FY 2023-2024 Executive Budget recommends the following funding for PreK-12 education and higher education initiatives:

### PreK-12 Education

- \$254 million recurring general funds and EIA funds for State Aid to Classrooms to increase the State Minimum Teacher Salary Schedule by \$2,500 per cell and to fund student enrollment increases;
- \$132.5 million non-recurring EIA funds for teacher retention supplements of \$2,500;
- \$30 million non-recurring EIA funds for instructional materials;
- \$27.3 million recurring and non-recurring general funds to hire additional school resource officers (SROs);
- \$25 million surplus lottery funds for education savings accounts;
- \$20 million non-recurring EIA funds for teacher recruitment and retention initiatives targeting hard-to-staff subject areas and high-need schools;
- \$20.3 million recurring EIA funds for full-day 4K programs;
- \$21.9 million non-recurring EIA funds to the Department of Agriculture to increase food security for children in Title I schools through competitive grants process;
- \$15 million non-recurring EIA funds for high intensity tutoring for students;
- \$12.5 million recurring EIA funds for career and technology education programs;
- \$12 million non-recurring EIA funds for school bus driver retention supplements;
- \$10 million non-recurring general funds for the purchase of school buses;
- \$5 million recurring EIA funds for computer science education;
- \$4.8 million recurring EIA funds for resources, support and professional development to improve student achievement in mathematics;
- \$3.6 million recurring and non-recurring general funds for the creation of the Center for School Safety and Targeted Violence at the State Law Enforcement Division (SLED);
- \$3 million recurring EIA funds to increase teacher supply reimbursement from \$300 to \$350 per teacher; and
- \$3 million recurring EIA funds for Jobs for America's Graduates (JAG) Program.

### Higher Education

- \$80 million lottery funds, which includes a \$10 million increase from lottery cash carry forward funds, for need-based grants at the Commission on Higher Education (CHE);
- \$78 million lottery funds for workforce tech scholarships and grants at the South Carolina Technical College System;
- \$43 million recurring general funds for tuition mitigation;
- \$20 million lottery funds for tuition grants at the Higher Education Tuition Grants Commission; and
- \$10 million lottery funds to address the shortage of instructors in nursing schools.



This Executive Budget urges the General Assembly to continue to make targeted education investments that prepare students for the workforce of the 21<sup>st</sup> century.

**Early Learning and Kindergarten Readiness.** To increase the percentage of children who enter our public schools ready to learn, South Carolina in school year 2021-22 expanded full-day 4K to all at-risk children in the state. Today, we are serving 16,103 children in the program, which is an all-time high.

**Student Enrollment in State-Funded Full-day 4K Program by Type of Provider**

Fiscal Year	Private Providers	Public Providers	Total
2017-18	1,945	11,149	13,094
2018-19	2,458	9,748	12,206
2019-20	2,455	10,609	13,064
2020-21	2,131	8,591	10,722
2021-22	2,727	10,801	13,528
2022-23	3,080	13,023	16,103

Note: Enrollment for FY 2017-18 are based on enrollment on the 135th day of the school year. Enrollment for FY 2022-23 is based on enrollment as of November 4, 2022 for public providers and enrollment as of November 1, 2022 for private providers.

The data continue to document that a child in poverty who participates in a full-day four-year-old (4K) program in a public school or private child care center/school is more likely to be ready for kindergarten than their peers who did not participate.

**Percentage of Children Entering Kindergarten Ready to Learn**

Fall	All Children	Children who Participated in full-day 4K program	Children in Poverty who did NOT Participate in full-day 4K program
2018	37%	36%	N/A
2019	39%	39%	N/A
2020	27%	21%	18%
2021	36%	33%	24%

Note: N/A – not applicable. Data could not be disaggregated.

Consequently, due to increased student enrollment and increased instructional costs, the Executive Budget recommends increasing the EIA appropriation to the full-day 4K program by \$20.3 million. The Department of Education would receive \$15.1 million and the Office of First Steps, \$5.2 million.

We must ensure that children start school ready to learn.

**Teaching and Learning.** S.C. Code Ann. § 59-1-50 defines the educational objectives for all students in our state: students who graduate from a public high school should have the knowledge, skills and characteristics to be college, career and citizenship ready. To achieve these objectives, the FY 2023-24 Executive Budget invests an additional \$254 million to State Aid to Classrooms through recurring general fund and recurring EIA dollars, continuing

implementation of the new funding formula that promotes simplicity, flexibility, and accountability.

These additional funds will increase the minimum starting salary for a teacher from \$40,000 to \$42,500 and every cell in the State Minimum Teacher Salary Schedule by \$2,500. For example, the minimum teacher salary for a teacher with eleven years of service and a master's degree is increased to \$55,104. Adding in the cost of fringe benefits, which also increased from 31.46% to 32.46%, the average cost to hire a teacher is increased from \$69,153 to \$72,991.

This advances Governor McMaster's goal of achieving a minimum starting salary for every teacher in the state of at least \$50,000 by 2026. In 2018, the minimum starting salary for a public-school teacher was \$30,113. The objective remains to catapult the Palmetto State into the top 25 states nationally for average teacher pay.

Continuing to simplify the education funding streams, this Executive Budget also consolidates five additional line items into State Aid to Classrooms.

***Teacher Recruitment and Retention.*** While the Teacher Recruitment and Retention Task Force will make its recommendations by May 31, 2023, this Executive Budget includes the following initiatives to support the recruitment and retention of teachers:

- \$132.5 million non-recurring EIA funds for a \$2,500 retention supplement for teachers who are continuously employed throughout the 2023-24 school year.
- \$20 million non-recurring EIA funds to the Department of Education to conduct innovative pilot programming to improve educator retention and recruitment, with a focus on hard-to-staff subject areas and high-need schools. The innovative pilot programming will target schools and school districts that have struggled to recruit and retain outstanding educators, especially those teaching in certain critical geographic and/or subject areas in the South Carolina school system. The pilot programming would emphasize and measure demonstrated impact in retaining educators and ensure they are serving the most students possible in high-need geographic areas. State Superintendent of Education-elect Ellen Weaver requested these funds.
- \$3 million recurring EIA funds to increase the amount of funds each teacher receives to offset the cost of purchasing classrooms supplies from \$300 to \$350 per teacher. A 2021 study issued by the National Center for Education Statistics found that 94 percent of teachers reported spending their own money for classroom supplies. The study found that the average unreimbursed expenditure among teachers was \$478 per year, and the median amount was \$297.
- \$1 million recurring EIA funds to the Center for Educator Recruitment, Retention and Advancement (CERRA) of which at least half will support expansion of the Teaching Fellows Program.
- \$995,349 EIA revenues to state agencies to adjust the pay of all instructional personnel to the level provided in the school district in which the agency is located. These agencies

include: Wil Lou Gray Opportunity School, School for the Deaf and Blind, the Governor's School for the Arts and Humanities, the Governor's School for Science and Mathematics, the Governor's School for Agriculture at John de la Howe, and Clemson University, where agricultural education teachers are located.

***Improving K-12 Student Outcomes.*** To further help students catch up from pandemic learning loss, the Executive Budget invests \$15 million for high intensity tutoring programs for students who did not perform at or above grade level in math and/or English on state or formative assessments in school years 2022-23 or 2023-24. Such intensive tutoring would include funds for "vacation academies" whereby effective teachers in elementary and middle schools work with small groups of no more than ten students in a single subject over week-long vacation breaks. An additional \$300,000 will be used to pilot a reading instruction assessment that will determine if teachers pursuing initial licensure in elementary education are prepared to teach students how to read.

Further, \$8 million will provide the following support to teachers: (1) develop support documents that identify the essential math content and standards to engage teachers and instructional leaders; (2) provide high-quality math resources to support and accelerate on-grade-level instruction in mathematics; and (3) provide professional development that emphasizes deep math understanding, progressions of learning, and conceptual understanding.

South Carolina schools must provide students the ability to explore career options, especially in high-demand fields like healthcare and information technology. To do this, the Executive Budget recommends \$12.5 million for Career and Technology education programs, which will assist districts in purchasing the equipment needed to support CTE programs in our state. In addition, funds allocated to multi-district career centers through the State Aid to Classrooms line item are now consolidated into this line item.

Computer science education is critical to prepare for the 21<sup>st</sup> century. According to the Bureau of Labor Statistics, 61 percent of all new STEM (Science Technology Engineering and Mathematics) jobs are in computing. These jobs are in every industry and every state and are projected to grow at twice the rate of all other jobs. To prepare our students for these careers, the investment of \$5.0 million in computer science education will be used to implement the K-8 computer science education in our state. Specifically, the funds will provide certifications and endorsements for teachers in computer science, purchase statewide contracts for instructional video games, and expand virtual courses in advanced computer science.

To expand the number of students who graduate from high school with the 21<sup>st</sup> century workforce skills, \$200,000 is recommended for the South Carolina Council on Competitiveness. This will expand the Council's work-based learning opportunities for students and identify viable employability skills assessments used by other states and businesses for use in South Carolina. This change reflects a shift in the priorities of the TransformSC initiative begun in 2011. The Council will communicate the current business skill needs to educators and showcase student strengths and challenges to businesses to facilitate student success and improve business hiring and retention. TransformSC will also identify areas in which South Carolina's career pathways

programs align and fail to align with industry needs and recommend policies to increase alignment and success.

The budget also provides \$3 million to the South Carolina Technical College System to expand the Jobs for America's Graduates (JAG) Program, a successful national dropout prevention program. In January 2022 the program was moved from the Department of Employment and Workforce to the South Carolina Technical College System and funded with federal Governor's Emergency Education Relief (GEER) Funds. Since 2009 the program in South Carolina has launched 3,225 seniors with an average graduation rate of 97.08%. JAG currently works with 24 sites in high schools and career centers in the school districts of Calhoun, Clarendon, Colleton, Darlington, Georgetown, Hampton, Lancaster, Lexington 4, Marion, McCormick, Oconee, Orangeburg, Richland 1, Spartanburg 2, Sumter, York 2, and York 3. The objective is to expand the program from 24 to 100 sites. Given the impact of the pandemic on student achievement, there will be greater demand for this successful dropout prevention program.

***School Safety.*** Parents in South Carolina must be confident that their children are safe and secure when they are at school. The presence of a certified law enforcement school resource officer in every school is more important now than ever.

In 2018, Governor McMaster began working with the General Assembly to invest in school resource officers (SROs). We have made great progress in hiring and placing SROs in schools. In school year 2018-19, there were 406 full-time school resource officers in our schools. By the beginning of school year 2022-23, we more than doubled the number of SROs with 982 full and part-time officers employed in our public schools.

This Executive Budget includes an additional \$14.2 million, 167,500 in recurring funds to hire the 188 SROs at an average cost of \$68,535 which includes fringe benefits and to annualize the salaries and fringe benefits of 19 SROs who were hired with funds previously unexpended and carried forward from the program. The non-recurring request of \$13.1 million, 160,000 will cover the cost of equipment and vehicles for the 188 SROs.

If these SROs are funded and hired in school year 2023-24, there will be 1,170 SROs in our schools.

In September of 2022, the Department of Public Safety surveyed all school districts to determine how many additional SROs are needed and can be hired for school year 2023-24. The districts, in consultation with local law enforcement agencies, reported that there are 188 schools that currently do not have a SRO but could have one in place for school year 2023-24 if state funding was provided.

School safety extends to school buses as well. This Executive Budget recommends piloting a grant program for school districts and public charter schools to apply for funds to recruit and employ school bus monitors. This program will be evaluated to determine the effectiveness of school bus monitors. While ensuring student safety will be the primary key performance measure, there may be other activities that can be measured, such as assisting students with disabilities on and off a school bus, that may provide great value.

This Executive Budget includes \$3.6 million to create the Center for School Safety and Targeted Violence at the State Law Enforcement Division (SLED). This new center will provide extensive training, education and expertise in the fields of school safety and targeted violence. SLED will partner with behavioral science unit (BSU) agents and Homeland Security Agents to train and educate local and state law enforcement officials, teachers, administrators, bus drivers, other school personnel, parents and the public on school safety and targeted violence. SLED is working with the Lexington School District One to acquire the rights to use the building and property that was previously Gilbert Elementary School to locate this statewide training facility. This Executive Budget includes \$986,941 in recurring general funds for the personnel and operating costs of the Center and \$2,607,900 in non-recurring funds to acquire use of the property and to purchase equipment and training simulators for the Center.

***Access and Affordability in Higher Education.*** South Carolina must continue its collaborative efforts to make public universities and colleges – technical and comprehensive – more affordable and accessible for all South Carolinians.

This Executive Budget expands upon the substantial investments made in scholarships and grants that support in-state students earning degrees and industry credentials in our public and private colleges and universities:

- \$201 million lottery dollars for LIFE scholarships, \$67 million lottery dollars for Palmetto Fellows Scholarships, and \$12.5 million lottery dollars for HOPE scholarships;
- \$80 million lottery dollars for need-based grants to provide tuition assistance for every eligible student in public colleges and universities;
- \$78 million lottery dollars for workforce tech scholarships and grants at the South Carolina Technical College System;
- \$51 million lottery dollars for tuition assistance at 2-year institutions (CHE and South Carolina Technical College System);
- \$20 million lottery dollars for tuition grants at the Higher Education Tuition Grants Commission;
- \$10 million lottery dollars for the continuation of the Nursing Initiative; and
- \$4 million lottery dollars for the College Transitions Programs, which provide scholarships for South Carolina residents with intellectual disabilities to complete a postsecondary education program, which includes academic coursework and career exploration, thereby preparing them for independent living and employment.

***Workforce Tech Scholarships.*** Governor McMaster dedicated \$55 million of the Governor’s Emergency Education Relief (GEER) funds to scholarships for South Carolinians to attend our sixteen technical colleges in pursuit of an industry credential or associate degree. To date, over 30,000 students have enrolled in such a program and over 10,000 have already earned an industry credential in a high-demand careers. The first \$12 million in GEER funds awarded and expended helped 6,382 adults earn an industry credential at an average cost of \$1,879. Credentials earned included:

- 788 Commercial Driver’s Licenses
- 751 Certified Nursing Assistants

- 619 Basic and Advanced EMTs
- 493 Welding Certificates
- 242 Forklift Operators

The South Carolina Technical College System, working with the Department of Employment and Workforce, are tracking the percentage of GEER fund recipients who are employed in our state. Initial data suggests that training for in demand jobs in South Carolina has resulted in increased labor participation rates and increased wages for individuals that received the training using GEER funds. The state taxes paid by these individuals currently employed are greater than the cost of their training. Therefore, the return on investment in the citizens of South Carolina has been substantial.

Because the GEER funds will be expended this fiscal year, South Carolina must continue investing in our students by allocating \$78 million in lottery revenues.

***Need-Based and Tuition Grants.*** are also funded in the Executive Budget. The Executive Budget includes \$80 million in lottery revenues so that every South Carolinian who qualifies for federal need-based financial aid – as measured by federal Pell Grants – has sufficient state financial assistance to attend any in-state public college, university or technical college. The Executive Budget also includes \$20 million in lottery revenues for tuition grants for students attending private, independent, and historically black colleges and universities. By state law, the maximum Tuition Grant cannot exceed the average state appropriation for each full-time student enrolled in a four-year undergraduate degree program in a public college or university, which in FY 2023-24 is projected to be \$5,032.

***Tuition Mitigation.*** For those students whose current career pathway requires a postsecondary credential, we must remain vigilant in the effort to increase access and affordability in postsecondary education. According to data from the Federal Reserve, South Carolina ranked 13th in the nation for student debt with an average balance of \$36,698. This ranking is better than neighboring Southeast states of Alabama, Florida, Georgia, North Carolina, and Virginia, but just short of matching Mississippi and Tennessee. This statistic has improved in recent years, but there remains work to be done to be the best among the Southeast states. We must redouble our efforts to ensure more of our in-state students are able to get an education in South Carolina.

FY 2022-23 marked the fourth consecutive year that college tuition for in-state students has been frozen. We urge the General Assembly to continue the policy for FY 2023-24 for a fifth consecutive year.

This Executive Budget allocates \$43 million in recurring funds to each institution for tuition mitigation. The funds are based on a 5.2% Higher Education Price Index (HEPI). HEPI is an indicator of inflation for colleges and universities and covers operational costs of colleges and universities, including salaries and fringe benefits for faculty, administration, and other employees, utilities and supplies, and materials. This is allocated based on the number of in-state students at a public institution. In exchange for receiving these funds, each institution agrees that there is no in-state tuition or mandatory fee increase for the 2023-24 academic year. HEPI

covers current operational costs of colleges and universities, including salaries and fringe benefits for faculty, administration and other employees, utilities, and supplies and materials.

The funds are allocated accordingly:

<u>Institution</u>	<u>Recurring Dollars</u>
The Citadel	\$ 802,367
Clemson University	\$ 5,980,033
College of Charleston	\$ 2,012,509
Coastal Carolina University	\$ 1,184,540
Francis Marion University	\$ 1,213,830
Lander University	\$ 765,525
South Carolina State University	\$ 982,434
USC - Columbia	\$ 9,787,427
USC - Aiken	\$ 748,567
USC - Upstate	\$ 1,156,771
USC - Beaufort	\$ 515,059
USC - Lancaster	\$ 305,194
USC - Salkehatchie	\$ 183,405
USC - Sumter	\$ 297,840
USC - Union	\$ 154,669
Winthrop University	\$ 1,328,138
Medical University of South Carolina	\$ 5,944,252
SC Technical College System	<u>\$ 9,789,241</u>
<b>Total:</b>	<b>\$43,151,801</b>

**Capital Projects and Deferred Maintenance.** This Executive Budget dedicates the entirety of the Capital Reserve Fund, \$209 million for capital projects and deferred maintenance at our public colleges and universities. Of the \$209 million in funds, \$50 million will be allocated to the sixteen technical colleges and the balance to all other public colleges and universities based on total in-state student enrollment. These dollars are for capital projects and deferred maintenance. The allocation by institution is:

Two-, Four-Year and Research Universities

<u>Institution</u>	<u>Non-Recurring Dollars</u>
The Citadel	\$ 4,548,816
Clemson University	\$ 31,962,688
College of Charleston	\$ 11,968,869
Coastal Carolina University	\$ 8,980,685
Francis Marion University	\$ 7,712,420
Lander University	\$ 7,549,098
South Carolina State University	\$ 4,492,359
USC-Columbia	\$ 40,937,324
USC-Aiken	\$ 6,516,743

USC-Upstate	\$ 8,817,363
USC-Beaufort	\$ 3,617,276
USC-Lancaster	\$ 3,324,910
USC-Salkehatchie	\$ 1,352,950
USC-Sumter	\$ 1,998,172
Winthrop University	\$ 8,295,136
Medical University of South Carolina	\$ 4,234,270
<b>Total:</b>	<b>\$159,194,431</b>

Technical Colleges

<u>Institution</u>	<u>Non-Recurring Dollars</u>
Aiken Technical College	\$ 1,265,369
Central Carolina Technical College	\$ 2,234,198
Denmark Technical College	\$ 439,392
Florence-Darlington Technical College	\$ 1,905,839
Greenville Technical College	\$ 7,290,256
Horry-Georgetown Technical College	\$ 4,553,702
Midlands Technical College	\$ 6,020,825
Northeastern Technical College	\$ 985,755
Orangeburg-Calhoun Technical College	\$ 1,335,103
Piedmont Technical College	\$ 3,537,480
Spartanburg Community College	\$ 4,158,994
Technical College of the Lowcountry	\$ 1,371,662
Tri-County Technical College	\$ 3,520,555
Trident Technical College	\$ 7,876,564
Williamsburg Technical College	\$ 455,641
York Technical College	\$ 3,048,665
<b>Total:</b>	<b>\$50,000,000</b>



## CONSERVATION & THE ENVIRONMENT

The FY 2023-2024 Executive Budget provides:

### Department of Natural Resources (DNR)

- \$40 million non-recurring dollars for preservation and conservation of land of cultural and environmental importance;
- \$5.8 million non-recurring dollars to protect South Carolina's rivers through river basin planning and state water plan;
- \$2.06 million non-recurring dollars for equipment replacement;
- \$1.3 million recurring dollars for recruitment and retention of critical agency personnel;

### Department of Health and Environmental Control (DHEC)

- \$5.9 million recurring dollars for retention and recruitment of critical agency personnel;
- \$2.5 million non-recurring dollars to support the uncontrolled hazardous waste sites contingency fund, which pays for expenses related to cleanup actions necessary from accidents in the transportation of hazardous materials, defray the costs of governmental response actions at uncontrolled hazardous waste sites, and fund ongoing cleanup commitments;
- \$1 million recurring dollars for the air quality program to modernize DHEC's aging ambient air quality monitoring network and support its operations;
- \$943,236 recurring dollars for statutorily required coastal resources management, such as critical area line monitoring (where tidelands and uplands are delineated) that determines the ability to permit development, and the beach erosion research and monitoring program;
- \$540,529 recurring dollars for wastewater facilities permitting to reduce the backlog of pending new and renewal permits.

### Conservation Bank

- \$25 million non-recurring dollars for preservation and conservation of land of cultural and environmental importance;
- \$1 million recurring funds for preservation and conservation of land of cultural and environmental importance.

### Office of Resilience

- \$200 million in ARPA dollars for preservation and conservation of land of cultural and environmental importance;
- \$20 million non-recurring dollars for the Disaster Relief and Resilience Reserve Fund

### Public Service Commission

- \$250,000 non-recurring dollars to initiate an independent study to evaluate the integration of renewable energy and emerging energy technology into the electric grid for the public interest pursuant to S.C. Code Ann. Section 58-37-60.

South Carolina is the most beautiful state in the country. From the mountains in the west to the Atlantic Ocean coast in the east, all our rivers, lakes, sandhills, wetlands, forests, and beaches,

we're blessed to live here. With that blessing comes the responsibility to preserve and conserve as much habitat as possible for future generations of South Carolinians. The natural beauty of our state makes it the best place in the country to live, work, and raise a family.

This Executive Budget recommends a historic investment in the preservation and conservation of land of cultural and environmental importance: \$266 million across three agencies: Office of Resilience (\$200 million ARPA funds), Department of Natural Resources (\$40 million non-recurring funds), and the Conservation Land Bank (\$26 million recurring and non-recurring funds). We will have a high degree of coordination between these agencies to ensure the state maximizes its efforts. In addition, I would support legislation reinstating a designated funding source to fund the Conservation Land Bank.

Governor McMaster's commitment to conserving as much land as possible in South Carolina coupled with his commitment to invest in resilience will improve the quality of life in South Carolina. The investments included in this Executive Budget will help preserve and conserve significant natural resource lands, wetlands, historical and archaeological properties and urban parks for future generations to enjoy.

**Resilience.** We know from recent history how hurricanes and major flooding events can devastate our communities, and we're still helping residents in Charleston, Georgetown, and Horry counties to recover and rebuild. Additionally, in South Carolina, three major flooding disasters occurred between 2015 and 2018. Collectively, these events resulted in 37 deaths and more than \$2.4 billion in losses, including an estimated total loss of \$320 million in tourism dollars.

In 2018, Governor McMaster created the South Carolina Floodwater Commission. Thousands of hours of volunteerism went into producing a report which endeavors to address our many challenges in a balanced, holistic manner. One of the top recommendations: consolidating flood resilience and long-term recovery under a single entity. To accomplish this recommendation, Governor McMaster proposed and signed into law Act 163 of 2020, which created the South Carolina Office of Resilience, to develop, implement and maintain the Statewide Resilience Plan.

The agency's Statewide Resilience Plan is supported by the Disaster Relief and Resilience Reserve Fund, a fund that illustrates Governor McMaster's broader priority related to targeted investments in strategic reserve funds.

The balance of this fund is currently \$44 million, which is not adequate to respond to disasters, support the development of the plan, and support mitigation projects. While this reserve fund is not designed to make every single loss whole, a major disaster would substantially deplete the fund. The Office of Resilience recommends that the balance of this fund be eventually increased to \$100 million, with a recurring \$20 million appropriation.

The 2015 Flood, 2016 Hurricane Matthew, and 2018 Hurricane Florence were disasters that resulted in hundreds of millions of dollars of unmet needs, for example. This Executive Budget satisfies the \$20 million recurring appropriation, which will allow the agency can maintain a

sufficient buffer in the event of a large-scale disaster and perform its statutory mitigation missions consistent with the forthcoming Resilience Plan.

Coupled with this recurring appropriation, this Executive Budget recommends an additional \$200 million in ARPA funds for resilience land acquisitions, flood mitigation projects, and the complete remediation of the hundreds of thousands of gallons of toxic pollutants from the USS Yorktown.

Continued corrosion of the outer hull of the vessel will inevitably lead to deterioration and failure of the inner tanks. If these hazardous materials leak out of the USS Yorktown into the Charleston harbor, they will impair commercial shipping and boat traffic, and do immeasurable damage to the area's natural resources, and the harbor's ecosystem, including nearby marshes, estuaries, barrier islands, tidal creeks, and beaches. This would be a disaster, a nightmare for Charleston, the Lowcountry and the state of South Carolina.

Beyond the work underway at the Office of Resilience, many Floodwater Commission recommendations have yet to be implemented. We must address deferred maintenance of our state's drainage systems and dams. We must plant more native vegetation – to deter erosion and aid in groundwater infiltration. We must protect, replenish and expand our marshes. This Executive Budget recommends \$5.8 million for water planning, monitoring, and mapping at DNR. A state water plan update with the help of outside subject matter experts is needed to ensure regional water plans are developed based on the most accurate water availability information. Additionally, we recommend over \$2 million non-recurring dollars to replace vehicles and boats used by DNR to fulfill their critical mission and agency responsibilities.

DHEC has several initiatives worthy of investment. First, we recommend \$2.5 million in non-recurring dollars to support the uncontrolled hazardous waste sites contingency fund, which pays for expenses related to cleanup actions necessary from accidents in the transportation of hazardous materials, defray the costs of governmental response actions at uncontrolled hazardous waste sites, and fund ongoing cleanup commitments. Second, this Executive Budget recommends \$1 million in recurring dollars for the air quality program to modernize DHEC's aging ambient air quality monitoring network and support its operations. Third, this Executive Budget recommends \$943,236 in recurring dollars for statutorily required coastal resources management, such as critical area line monitoring (where tidelands and uplands are delineated) that determines the ability to permit development, and the beach erosion research and monitoring program. Lastly, this Executive Budget calls for investing \$540,529 for wastewater permitting efforts at DHEC. The backlog of new and renewal permits has increased due to staffing shortages; we must address this backlog this year so it will stop increasing and we begin to decrease it in the coming months. However, it will take additional investment in the future to reduce the backlog to an acceptable level.

Governor McMaster was recently elected to a second term as Chairman of the Southern States Energy Board. In South Carolina, Governor McMaster is committed to an "all of the above" energy strategy and environmental conservation, preservation and resilience. Key components of this strategy include embracing innovative technologies that drive growth; create jobs; and, provide reliable, affordable, and sustainable energy solutions.

## **LAW ENFORCEMENT, PUBLIC SAFETY AND VETERANS**

The FY 2023-24 Executive Budget provides:

### **Department of Public Safety (DPS)**

- \$14.1 million recurring dollars for 188 additional school resource officers (SROs) plus the annualization of 19 positions previously approved by DPS, plus \$13.1 million non-recurring dollars for SRO equipment;
- \$10 million non-recurring dollars for the body-worn camera fund;
- \$3 million recurring dollars for DPS vehicle replacement;
- \$2 million non-recurring dollars for local enforcement grants that do not qualify for existing DPS federal grant programs;
- \$1 million non-recurring dollars for local law enforcement accreditation services;
- \$616,441 recurring dollars for additional Bureau of Protective Services (BPS) officers as the State House Capitol Complex has seen usage increase in the past twelve months;
- \$263,230 non-recurring dollars for three additional Code Blue call boxes and cameras on the grounds of the State House Capitol Complex;
- \$224,341 recurring dollars to meet federal funding match requirements for highway safety grant initiatives.

### **State Law Enforcement Department (SLED)**

- \$3,594,841 recurring and non-recurring dollars for the creation of the Center for School Safety and Targeted Violence;
- \$2.1 million recurring dollars for retention and recruitment efforts, and \$637,800 non-recurring dollars for new officer equipment;
- \$1.7 million recurring dollars for law enforcement salaries due to rank promotions;
- \$1.16 million non-recurring dollars for counter-terrorism equipment replacement;
- \$348,486 recurring dollars to recruit three new SLED agents dedicated to combating criminal activity related to and associated with animal fighting gangs, and \$217,800 non-recurring dollars for new officer equipment;
- \$250,000 recurring dollars for SLED vehicle replacement;
- \$116,162 recurring dollars for the Fallen First Responders program, which provides support services to the families of fallen first responders, and \$72,600 non-recurring dollars for program equipment.

### **Department of Juvenile Justice (DJJ)**

- \$13 million non-recurring dollars for facility maintenance and critical security upgrades;
- \$8 million recurring dollars to pay for contracted services, such as security agents, as the agency rebuilds its capabilities;
- \$5.5 million recurring dollars to pay for evidenced-based interventions in community settings for at-risk youth;
- \$2 million recurring dollars for juvenile offender placements out-of-state due to a lack of in-state facilities with the appropriate support systems;
- \$750,000 recurring dollars from the Education Improvement Act (EIA) for teaching positions.

#### Department of Probation, Parole, and Pardon Services (PPP)

- \$2.4 million recurring dollars for information technology, security, and privacy upgrades;
- \$1.2 million recurring dollars for PPP agent career pathways development to increase employee retention rates.

#### Judicial Department

- \$4.1 million recurring dollars for additional circuit and family court judges legislated by Act 232 of 2022, as well as support staff for the new judges;
- \$3 million recurring dollars for family court law clerks, which are critical to reducing the wait times for family court matters.

#### Prosecution Coordination Commission

- \$11.7 million recurring dollars for additional assistant solicitors;
- \$155,000 recurring dollars for agency technology and security upgrades;
- \$128,000 recurring dollars for retention and recruitment of critical agency personnel.

#### Commission on Indigent Defense

- \$8.85 million recurring dollars for additional public defenders;
- \$75,266 recurring dollars for retention and recruitment of critical agency personnel.

#### Department of Labor, Licensing, and Regulation (LLR)

- \$3 million non-recurring dollars for the Volunteer Strategic Assistance and Fire Equipment (V-SAFE) program, which allows chartered volunteer fire departments and chartered combination departments to apply for grants to purchase equipment and training services;
- \$1 million recurring dollars to establish a grant program for local fire departments to upgrade radio communications systems;
- \$850,000 recurring dollars to meet federal OSHA funding match requirement;
- \$280,000 non-recurring dollars for local fire department grants (non-volunteer).

#### Department of Veterans' Affairs (DVA)

- \$5 million non-recurring dollars for the Military Enhancement Grant program, which South Carolina communities with military installations can access funding to support their local bases;
- \$255,000 recurring dollars to support the Honor Guard at veterans' burial services;
- \$190,635 recurring dollars and \$747,000 non-recurring dollars for facility enhancements at the M.J. "Dolly" Cooper Veterans Cemetery;
- \$114,000 non-recurring dollars for perimeter fencing at the M.J. "Dolly" Cooper Veterans Cemetery;
- \$97,000 recurring dollars for the Palmetto Pathfinder Program, which is a peer-support program servicing veterans who are transitioning out of the military by connecting them to relevant resources and services in their community;

- \$16,800 recurring dollars to support the operations of the Virtual Transition Assistance Program.

#### Office of the Adjutant General

- \$5 million non-recurring dollars for armory revitalization;
- \$1.56 million recurring dollars to pay South Carolina State Guard personnel for mandated training days;
- \$379,300 recurring dollars to retain and recruit critical personnel in the South Carolina Emergency Management Division (SCEMD);
- \$195,000 non-recurring dollars for State Guard vehicle replacement;
- \$168,200 recurring dollars for SCEMD operating cost increases.

#### Forestry Commission

- \$3.4 million recurring dollars for retention and recruitment of critical personnel;
- \$1.6 million non-recurring dollars for firefighting equipment replacement;
- \$655,000 non-recurring dollars for increased operations costs, most significantly fuel costs;
- \$62,700 non-recurring dollars for vehicle replacement.

#### Attorney General

- \$1.5 million for retention and recruitment efforts.

#### Administrative Law Court

- \$156,800 recurring dollars for retention and recruitment of critical personnel.

***Law Enforcement and Public Safety.*** Public safety will always be among our highest priorities. It begins with respect for law enforcement, which has declined in recent years. The vast majority of law enforcement officers are providing excellent public service and should be uplifted in our communities. But too often, the corporate media only presents negative portrayals of law enforcement, which is making it more difficult to recruit and retain officers. Last year, the Department of Administration, led by Executive Director Marcia Adams, to conduct an analysis of our state law enforcement officer salaries and determine new compensation levels that will help recruit and retain more officers. As a result of this study, we recommended a \$31 million compensation increase for law enforcement officers across several state agencies, and the General Assembly ultimately allocated \$40 million. This budget builds upon that investment by recommending \$21.5 million in additional funding for compensation to recruit and retain law enforcement officers at the State Law Enforcement Division (SLED), the Department of Public Safety (DPS), Probation, Parole, and Pardon Services (PPP), the Department of Juvenile Justice (DJJ), and the Department of Natural Resources (DNR) with the necessary equipment.

School resource officers serve a critical purpose in our schools. This budget recommends \$14.1 million recurring dollars and \$13.1 million non-recurring dollars to recruit, hire, and equip 188 new SROs and annualize the costs of 19 SROs previously approved by DPS. In partnership with SLED and Lexington County School District One, this budget proposes the creation of the Center for School Safety and Targeted Violence to train law enforcement and school personnel. The location will be the old Gilbert Elementary School facility. The purpose of the

Center is to provide extensive training, education, and expertise in the fields of school safety and targeted violence. This resource for South Carolina schools expands upon the active shooter training that has been provided by SLED and is recognized globally. This Executive Budget recommends \$2.6 million in non-recurring funds and \$986,941 in recurring funds for the operations of the center. This is an exciting initiative that we believe will become a model for the nation. Working with State Superintendent of Education Ellen Weaver, we will have a strong focus on school safety to protect children, teachers, and school personnel.

Additionally, this budget maintains a proviso suspending the \$10,000 retirement income cap for law enforcement officers and first responders. Suspending this cap will incentivize retired law enforcement to return to continue their valued service to our communities, whether with local law enforcement agencies or as SROs.

The safety of South Carolina's law enforcement officers, as well as maintaining levels of trust and transparency between law enforcement and the communities they serve, is of paramount importance. To support both priorities, this Executive Budget recommends \$10 million for body worn cameras and vest grants, increasing access to these important tools for more local law enforcement agencies and communities. Additionally, this Executive Budget recommends \$3 million in recurring dollars for vehicle replacements at DPS, \$2 million non-recurring dollars for the local law enforcement grant program for expenditures not eligible for federal funding, and \$1 million in non-recurring funds to assist local law enforcement agencies with earning accreditation, which demonstrates a commitment to quality and continuous improvement.

Animal fighting, especially dog fighting, is one of the cruelest criminal activities in our society. In the current budget the General Assembly funded, upon my recommendation, the funding for one SLED agent dedicated to investigating and combating animal fighting. That investment has borne fruit already in September 2022 when SLED and other law enforcement agencies executed the "biggest takedown of a dogfighting operation in South Carolina history," according to the U.S. Attorney's office. The Executive Budget expands upon this success by recommending \$566,286 in recurring and non-recurring funds to hire three additional SLED agents dedicated to taking down more animal fighting operations in South Carolina and assisting local law enforcement agencies that investigate this type of criminal enterprise.

This Executive Budget recommends \$2.4 million in recurring dollars for the Department of Probation, Parole, and Pardon Services to upgrade its information technology systems as well as security upgrades. Ensuring the security of this data is critical to the mission of PPP and the constituents it serves.

This Executive Budget makes several recommendations to strengthen the Department of Juvenile Justice. The largest funding request, \$13 million non-recurring dollars, is to renovate and upgrade facilities to appropriate security standards. Second, we recommend \$8 million in recurring dollars to pay for security personnel contractors as the agency continues its work to recruit and retain more in-house Class 1 law enforcement officers.

The majority of the youth DJJ serves are in their communities, not a DJJ facility. The Executive Budget's \$5.5 million recurring recommendation will help the agency keep youth with their

families and provide meaningful and effective community based rehabilitative services. Through the Governor's Office, DJJ was able to use GEER funds to implement project Leveraging Effective Alternatives to Placement (LEAP) by contracting external experts to provide evidence-based practices to our youth throughout the state. DJJ is now able to provide two levels of proven in-home therapy models that involve the youth and the entire family. Multisystem Therapy (MST) and Functional Family Therapy (FFT) prevent youth from becoming more involved with the juvenile justice system by providing holistic community based rehabilitative services. DJJ leadership reports that numerous jurisdictions have experienced success in front loading community based services to eventually decrease the number of incarcerated youth and ultimately reducing expenses in the criminal justice system. DJJ is extensively reviewing the data from these evidence-based practices to focus on the most efficacious ones and direct resources to them.

Lastly, there are some youth for whom the most appropriate placement is not a DJJ facility, many of which are already at capacity. We recommend \$2 million in recurring dollars so these youth can receive treatment, therapies, and interventions in appropriate facilities that are located out-of-state, as the state develops plans to own and operate an in-state Psychiatric Residential Treatment Facility.

***Emergency Response.*** Like law enforcement agencies, firefighters and other emergency responders provide a vital public service and put their lives on the line each day. This Executive Budget recommends significant investment in these invaluable public servants.

The V-SAFE program has assisted many rural communities and their volunteer fire departments with funding to purchase equipment and training services. We recommend \$3 million in non-recurring dollars for this program. Some examples of equipment purchased with these funds include:

- Fire suppression equipment, rescue equipment and medical equipment safety equipment;
- Protective clothing;
- Self-contained breathing apparatus, portable air refilling systems and decontamination equipment;
- Equipment for detecting hazardous materials;
- Vehicles including incident command and special operations vehicles.

Additionally, local fire departments may apply for a grant program funded with \$280,000 in non-recurring dollars for additional equipment and safety needs. For all fire departments, a new grant program funded with \$1 million in recurring dollars will assist fire departments in the transition to 800MHz radios so they can communicate and coordinate with other first responders.

This Executive Budget recommends over \$5.7 million in recurring and non-recurring funds to support the Forestry Commission's retention and recruitment initiatives, replace equipment, and pay for operating costs that have increased due to inflation. This funding is not only for safety reasons, but also to protect our beautiful forests we all enjoy hiking, our hunting lands, and our forest industry, which contributes over \$23 billion to our state's economy.



Many local law enforcement agencies have counter-terrorism equipment and training, but some do not. SLED provides support to law enforcement agencies and as such needs to maintain counter-terrorism equipment and training. To support counter-terrorism readiness at state and local law enforcement agencies, this Executive Budget recommends \$1.16 million in non-recurring funds for equipment replacement.

***The Judiciary.*** This Executive Budget recognizes the important role of a well-functioning judiciary, from magistrates to the State Supreme Court, from law clerks to solicitors and public defenders. To fully fund Act 232 of 2022, we recommend \$4.1 million in recurring funds for four new circuit court judges and three new family court judges. For family court law clerks, we recommend \$3 million in recurring funds, which may provide as many as thirty (30) new family law clerks. Currently no judicial circuit is meeting the family court benchmark of resolving 80% of family court cases within 365 calendar days. According to the Department of Social Services, access to family courts and a court's ability to process cases in a timely manner is critical to improving conditions for children in South Carolina.

\$11.7 million in recurring funds will allow the Prosecution Coordination Commission to hire additional prosecutors, and \$8.5 million in recurring funds will allow the Commission on Indigent Defense to hire additional public defenders. This funding increases access to the courts, timely resolution of cases, and supports our Sixth Amendment right to legal representation.

***Veterans and Military Communities.*** South Carolina is a proud military state. We have more than 50,000 active duty and reserve members of the military, eight major military installations and almost 400,000 veterans who call South Carolina home. Additionally, 50% percent of all soldiers entering the Army each year come through Fort Jackson and more than 50% of Marines come through Parris Island annually.

We want South Carolina to continue to be known as the most military-friendly state in the country. Last year, and after years of advocacy by this office, Governor McMaster signed Act 156 into law that exempts military retiree pay from state income taxes. This tax cut represents nearly \$8 million annually that our military retirees will not pay in income taxes. We were proud to work with the General Assembly to support legislation creating the South Carolina Department of Veterans' Affairs (SCDVA). Veterans in South Carolina now have a gubernatorial-appointed secretary leading this cabinet-level agency to act as their advocate on the state and federal level. In the agency's third year of existence, this Executive Budget provides new funding for several critical functions.

This Executive Budget recommends \$5 million in non-recurring funds for the Military Enhancement Grant program administered by SCDVA, which supports our communities with military installations as they promote the importance of these bases. The Office of the Adjutant General allocated \$5 million to revitalize our armories, as well as \$1.56 million in recurring dollars to pay South Carolina State Guard personnel mandated training activities. Veterans nursing homes and long-term care facilities would receive an additional \$8.8 million in recurring dollars through the Department of Mental Health (DMH). The Cooper Veterans Cemetery would receive over \$1 million in funding to maintain and enhance its grounds. The state's Honor Guard would receive an additional \$255,000 to pay for its upkeep and operations so veterans and their

families are appropriately honored during burial services. For those veterans transitioning out of the military, an additional \$113,000 is recommended for agency efforts to help veterans find a path back into civilian life.

## **HEALTH AND SOCIAL SERVICES**

The FY 2023-2024 Executive Budget dedicates:

### Department of Health and Human Services (DHHS)

- \$117 million recurring dollars for the Department of Health and Human Services (DHHS) for the annualizations of the decreasing Federal Medical Assistance Percentage (FMAP) rate and increased costs associated with dually eligible individuals qualifying for Medicare;
- \$42.1 million recurring dollars for Medicaid maintenance of effort;
- \$36.7 million recurring dollars to maintain access for patients to their doctors and medical professionals by increasing provider reimbursement rates;
- \$2 million non-recurring dollars to retain access for patients to highly specialized health care providers and services.

### Department of Social Services (DSS)

- \$20.5 million recurring dollars to maintain and increase access to foster care by increasing provider rates via family-like foster homes and group/congregate foster care facilities, therapeutic foster care rates, child placement services, emergency stabilization beds, and support for the kinship guardianship assistance program;
- \$14.2 million non-recurring dollars and \$1.3 million recurring dollars for information technology and data privacy upgrades under the oversight of the Division of Technology Operations (DTO) under the Department of Administration. This recommendation funds phase one software development to replace an existing 34-year-old system that verifies eligibility and delivers SNAP and TANF benefits to 630,000 individuals.

### Department of Mental Health (DMH)

- \$12.7 million recurring dollars to recruit and retain psychiatrists, mental health professionals, support professionals at the two state-operated psychiatric hospitals, and to increase capacity by 24 beds at the Bryan Psychiatric Hospital;
- \$10.7 million recurring dollars to recruit and retain mental health professionals utilized in through community mental health service delivery system;
- \$8.8 million recurring dollars to maintain services at the state-operated veterans nursing homes and long-term care facilities, including the operation of two new facilities: Veteran Village in Florence and Palmetto Patriots in Gaffney;
- \$8.5 million recurring dollars for the Crisis Continuum of Care system by funding the 988 Suicide Prevention Lifeline Call Center in Greenville and establishing a secondary call center as recommended by Substance Abuse and Mental Health Services Administration (SAMHSA), expand mobile crisis dispatch and response teams so that one is assigned to each of the sixteen mental health centers, and to increase crisis stabilization unit capacity for short-term, non-violent patients;
- \$1.45 million recurring dollars to the Sexually Violent Predator Treatment Program (SVPTP) for higher operating costs;

- \$900,000 recurring dollars to contract with a private provider to operate a therapeutic-intensive group home for adolescents whom cannot be served in a traditional group/congregate care facility;
- \$790,000 recurring dollars for Assertive Community Treatment, an evidenced-based practice that provides intensive community-based behavioral health services for those individuals with serious mental illnesses and cooccurring disorders whose impairments are such that they do not readily engage in clinic-based treatment and who are correspondingly at high risk for hospitalization or arrest;
- \$648,000 recurring dollars for the Office of Suicide Prevention, which engages, partners, and trains community organizations in suicide prevention efforts among youth and young adults;
- \$318,000 recurring dollars for the DMH Mental Health Clinic located in the Midlands, which provides services to DMH employees and patients.

#### Department of Disabilities and Special Needs (DDSN)

- \$8.9 million recurring dollars to address waiver services and service rates related to the Intellectual Disability/Related Disabilities (ID/RD) waiver operated by DDSN in partnership with DHHS;
- \$5 million non-recurring dollars for DDSN's partnership with the Greenwood Genetics Center for a new research initiative studying Alzheimer's disease to be named in honor of former Governor Carroll Campbell, Jr.;
- \$3.72 million recurring dollars to maintain a multitiered career progression pathway for Direct Support Professionals, creating opportunities for on-the-job trainings and advancement to supervisory positions while making their compensation competitive with the market;
- \$2 million non-recurring dollars for DDSN's partnership with the Greenwood Genetics Center for its genomic initiative to provide more personalized treatment plans for individuals with intellectual disabilities and those on the autism spectrum. This constitutes the fourth year of a five-year strategic plan to investment \$10 million in this initiative;
- \$1.4 million recurring dollars for maintenance of effort requirements associated with the DHHS Administrative Contract where DDSN provides the initial Level of Care evaluations and annual Level of Care reevaluations;
- \$960,000 recurring dollars for additional contracted professionals to conduct evaluations of children and individuals who may have an autism spectrum diagnosis (ASD). The current wait time for a DDSN evaluation is six months, and the goal for this funding is to decrease the wait time to sixty days.

#### Department of Alcohol and Other Drug Abuse Services (DAODAS)

- \$5 million non-recurring dollars to sustain addiction and substance use disorder prevention, intervention, treatment and referral operations;
- \$3 million non-recurring dollars to support the South Carolina of Excellence in Addiction, which will collect data to analyze what approaches to addiction work best and allocate funds from the national opioid settlement to those interventions and treatments that are most efficacious.

### Department of Children’s Advocacy

- \$792,062 recurring dollars to reduce staff vacancies in the Guardian ad Litem Program;
- \$200,000 recurring dollars to increase capacity for the Investigations Unit to fulfill its statutory obligations;
- \$200,000 recurring dollars to reduce staff vacancies in the Foster Care Review Division;
- \$106,500 recurring dollars to support the Continuum of Care program coordinated by DCA.

### Area Health Education Consortium

- \$320,000 recurring dollars rural physician residency programs;
- \$250,000 recurring dollars for rural dentistry residency programs.

### Department of Administration

- \$5 million non-recurring dollars to conduct a restructuring study of state agencies providing health care services.

**Health.** Health care costs during the COVID-19 pandemic have increased across the country as health care systems have experienced unique pressures from nearly every angle. In South Carolina, we took a measured approach to our preparation and response to the COVID-19 pandemic. This approach balanced the need to protect the health and well-being of the public while keeping our economy open. We embraced innovation across the healthcare delivery system through the adoption of telehealth and other means to provide access to care while protecting both health care providers and patients. This balanced strategy helped prevent South Carolina from experiencing hospitals and health care systems that were stretched beyond their capacity.

South Carolina’s balanced approach has contributed to a larger increase in wage growth and per capita income than in other states. This is welcome news for all South Carolinians as our economic growth continues to outpace other states; however, it will also result in a need for additional recurring state funds to account for a corresponding reduction in the federal portion of Medicaid funding, the Federal Medical Assistance Percentage (FMAP). This increased cost to the state, along with increased Medicare premiums and payment methodology changes that affect individuals dually eligible for Medicare and Medicaid will require an increase of \$117 million in recurring state funds to fulfil DHHS’ annualization request.

In addition to DHHS’ annualization request, other costs for the state’s Medicaid program have increased as well. The health care industry is facing unprecedented inflationary wage pressures and we must ensure patients continue to have access to a quality network of doctors and health care providers. This Executive Budget recommends an additional \$42.1 million in recurring dollars to maintain current service levels to the state’s Medicaid members; and, an additional \$36.7 million in recurring dollars to implement targeted reimbursement rate increases to ensure the Medicaid program is competitive with other health care payors. In total, this Executive Budget recommends \$197.8 million in new funds for DHHS to pay for recurring costs, increase targeted provider rates to retain and recruit new providers, and meet federal requirements.

***Mental and Behavioral Health.*** This Executive Budget prioritizes resources to support the state’s mental and behavior health agencies. Nearly \$45 million new recurring dollars are recommended for DMH to maintain and expand services through employee retention and recruitment, expansion of crisis response teams and crisis stabilization units, access to therapeutic-intensive group/congregate care homes and providing assertive community treatment. This Executive Budget recommends \$9.2 million in recurring funds to support suicide prevention efforts at the 988 Suicide Prevention Lifeline Call Center in Greenville and to establish a secondary call center in the state to increase capacity. Lastly, \$1.45 million recurring dollars is recommended to support the increased operating costs of DMH’s Sexually Violent Predator Treatment Program (SVPTP).

According to DAODAS and DHEC, 1,734 South Carolinians died from a drug overdose in 2020, a number that has been increasing since 2014. Of those 1,734 deaths, 1,400 were related to opioids and 1,100 involved fentanyl. To combat this, DAODAS would receive \$5 million non-recurring funds to combat the addiction crisis by ensuring continued access to essential treatment services, reducing unmet treatment need, and reducing overdose-related deaths through the provision of prevention, intervention, treatment, and recovery activities for opioid use disorder (including prescription opioids as well as illicit drugs such as heroin and fentanyl). An additional \$3 million in non-recurring funds is recommended in this year’s budget for a new Center of Excellence in Addiction, which will be coordinated by DAODAS, in partnership with DHEC, the Medical University of South Carolina, the University of South Carolina, and Clemson University. This new center will evaluate interventions and treatment programs for their efficacy, then use South Carolina’s portion of the national opioid settlement funds to support the most efficacious programs.

For the second year in a row, this Executive Budget recommends \$8.9 million in recurring dollars for waiver services and service rates related to the ID/RD waiver program, which is administered by DHSS and operated by DDSN. The ID/RD waiver provides the opportunity for those with an intellectual disability or a related disability to remain independent by receiving medical services in their home and community rather than in a facility. Two exciting research initiatives at the Greenwood Genetics Center are recommended for funding: \$5 million for a new Alzheimer’s disease research project to be named in honor of Governor Carroll Campbell Jr., and \$2 million towards an existing research project that will help individuals with disabilities and those on the autism spectrum with more personalized treatment plans. To reduce the wait time for an evaluation of individuals suspected to have an autism spectrum diagnosis, this Executive Budget proposes \$960,000 recurring funds to DDSN to help reduce wait times from six months to sixty days. reducing wait times from six months to sixty days.

For the sixth year in a row, this Executive Budget includes a proviso preventing taxpayer dollars from going to abortion providers like Planned Parenthood. There are a variety of agencies, clinics, and medical entities in South Carolina that receive taxpayer funding to offer important women's health and family planning services without performing abortions. South Carolinians’ tax dollars must not be funneled to organizations that do not represent South Carolina values or priorities.

***Social Services.*** This Executive Budget recommends \$20.5 million in recurring dollars to ensure compliance and implementation of the final settlement agreement associated with the *Michelle H., et.al.* federal class action lawsuit. This includes funds to increase provider rates for family-like foster care homes, group/congregate care facilities, therapeutic foster care rates, child placement services, emergency stabilization beds, and support for the kinship guardianship assistance program. Additionally, with the oversight of the Division of Technology Operations under the Department of Administration, \$15.5 million in funding is recommended for the first phase of a system to replace the 34-year-old system that verifies eligibility and pays benefits for Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) recipients.

This budget recommends \$1.3 million to support the Department of Children's Advocacy in holding state agencies accountable for the services provided to children and families.

## **GENERAL GOVERNMENT OPERATIONS & TRANSPARENCY**

The FY 2023-2024 Executive Budget dedicates:

### **Rainy Day Fund**

- \$500 million non-recurring dollars to increase the state's rainy day fund to over \$1.2 billion, which is 10% of the general funds available in the General Appropriations Act and is the largest rainy day fund in state history.

### **State Agencies' Recruitment and Retention**

- \$78 million recurring dollars to provide funding for retention and recruitment initiatives for critical agency personnel.

### **Department of Administration (DOA)**

- \$40 million non-recurring and \$13 million recurring dollars to maintain the South Carolina Enterprise Information System (SCEIS), which is the information backbone of state government;
- \$15 million recurring dollars for facilities owned and maintained by DOA, which would eliminate deferred maintenance backlogs and support operational and capital needs in all DOA buildings it maintains for the next ten fiscal years;
- \$5 million non-recurring dollars to conduct a restructuring study of state agencies providing health care services;
- \$2 million non-recurring dollars for a marketing campaign to recruit highly-qualified individuals to work in critical need positions within state government;
- \$2 million non-recurring dollars for signing bonuses for critical need positions in state agencies with a maximum award of \$2,500;
- \$725,000 recurring dollars for retention and recruitment of critical agency personnel;
- \$545,000 recurring dollars to hire four new state funded positions in the areas of budget, finance, procurement, and human resources. These positions will enable DOA to assist agencies that encounter administrative staffing issues resulting from labor shortages or loss of key personnel within the agency on a short-term basis while the agency seeks a permanent solution. Moreover, these four additional state funded positions will enable DOA to better manage future restructuring legislation and handle other special projects that often involve many of the same administrative staff within DOA.

### **Public Employee Benefit Authority (PEBA)**

- \$121.5 million recurring dollars for the State Health Plan with no resulting employee premium increase, maintaining the provision of an annual wellness visit, and adding the benefit of an OBGYN annual visit with no patient cost sharing;
- \$40.1 million recurring dollars to pay for the 1% pension increase that has been suspended via proviso due to the COVID-19 pandemic.



### State Election Commission

- \$1.35 million recurring dollars to train county election staff and boards; \$216,977 non-recurring dollars to meet federal funding match requirements of the Help America Vote Act (HAVA).

### State Ethics Commission

- \$103,186 recurring dollars to hire an attorney to fulfill the agency's critical role in ethics training and enforcement.

### Department of Archives & History

- \$5 million non-recurring dollars for the SC American Revolution Sestercentennial Commission for activities leading up to the United States Sestercentennial held July 4, 2026;
- \$1 million non-recurring dollars for the Historic Preservation State Grant Fund, which is a competitive grant program using nationally-benchmarked criteria for historic preservation;
- \$250,000 recurring dollars for recruitment and retention; and
- \$100,000 recurring dollars for the African American Heritage Commission.

### Aid to Subdivisions

- \$277 million recurring dollars to fully fund the Local Government Fund;
- \$3.9 million recurring dollars for Aid to Fire Districts.

***Financial Security.*** For the third year in a row, this Executive Budget places \$500 million into our state's rainy day reserve fund. By saving this money instead of spending it - something that served our state well during the COVID-19 pandemic - we will double the size of our reserves and will be prepared for any future economic uncertainties, should they arise. The state's debt service has been cut in half, reducing the amount owed on the state's credit card.

***Transparency.*** While the leadership of the Senate and House of Representatives took unprecedented steps by publicly disclosing the sponsors and recipients of earmarked appropriations — a step in the right direction — but more must be done. Transparency is of the utmost importance when appropriating the public's money and proper accountability measures must be enacted to ensure any taxpayer funds are spent for their intended purpose.

However, public transparency must be absolute and uncompromised in order to maintain the public's trust and confidence in their government. Disclosure of the sponsor and recipient is not enough. The bulk of these earmarked appropriations still lack sufficient context, description, explanation of merit, or justification as to how the recipient intends to spend the funds. Also, no matter how deserving the project, the public must be confident that proper accountability measures are in place to ensure the funds are ultimately spent appropriately by the recipient.

We have taken additional steps to bolster transparency around earmarked appropriations. Last year, we instructed the leaders of the state agencies who received funds allocated for earmarked projects to provide a detailed explanation of how the earmarked funds will be spent by the recipients and the accountability measures in place to ensure proper spending to the Executive

Budget. Following the Governor McMaster's directive, agencies were required to post information related to each earmark online.

For the fifth year in a row, this Executive Budget takes steps towards maintaining the public's trust in government by implementing procedures to ensure transparency in the appropriations process – ending rollups and replacing them with a competitive grant appropriation for each agency.

In the future, organizations, festivals, tournaments and other standard recipients of earmarked dollars will apply for these grants and awards will be determined through a competitive, merit-based process established by an agency director. This process will be transparent and accountable to taxpayers. Moreover, it will demonstrate to the people of South Carolina that their money is being spent wisely.

The Executive Budget establishes competitive grant programs that total \$72 million, as follows:

- Food Insecurity Grants in Title I Schools: \$21.9 million, (Department of Agriculture)
- Local Economic Development Grants: \$20 million (Department of Commerce)
- SDE Grants Committee: \$14 million (Department of Education)
- Sports Marketing Grants: \$6.5 million (PRT)
- Medical Contracts: \$2 million (HHS)
- Local Law Enforcement Grants: \$2 million (DPS)
- Parks Revitalization Grants: \$1.5 million (PRT)
- Local Law Enforcement Accreditation Grants: \$1 million (DPS)
- Historic Preservation Grants: \$1 million (Archives & History)
- Local Fire Department Radio Grants: \$1 million (LLR)
- School Bus Monitor Pilot Grant Program: \$1 million (Department of Education)
- Cultural Arts and Theater Grants: \$450,000 (Arts Commission)
- Local Fire Department Grants: \$280,000 (LLR)

***Department of Administration.*** The Department of Administration provides an invaluable level of services to agencies and taxpayers. This Executive Budget proposes several funding increases that support the core functions of the agency. First, we recommend \$53 million in funding for the state's information backbone, the South Carolina Enterprise Information System (SCEIS). This critical system that allows agencies to make informed decisions and operate like a business is nearing the end of its service lifetime and needs to be replaced. Second, the Department of Administration owns and maintains several state buildings. With our recommendation of \$15 million in recurring dollars, the Department of Administration has stated it can eliminate the deferred maintenance backlog and planned capital improvements for the next 10 years.

To assist state agencies with recruitment and retention efforts, this Executive Budget proposes two new initiatives: \$2 million to provide one-time sign on bonuses for state government hires in critical needs areas, and \$2 million to assist state agencies with marketing and advertising for hard-to-fill positions.

The time has come for a modern-day re-evaluation, and re-invention and restructuring of South Carolina's siloed healthcare delivery agencies. This Executive Budget includes a \$5 million appropriation to the Department of Administration for the purpose of procuring the professional expertise necessary to analyze and provide the General Assembly and the Governor's Office, by June 30, 2024, with a comprehensive plan to restructure services provided by the Department of Mental Health, Department of Health and Human Services, Department of Health and Environmental Control, among others.

***Ethics.*** South Carolinians must trust their representatives, and the state's representatives must demonstrate they are deserving of that trust.

Along with former Attorney General Travis Medlock, Governor McMaster co-chaired the South Carolina Commission on Ethics Reform and made a series of ethics reform recommendations – some of which have been implemented, and some of which have not. It is the continued goal of our administration to see each ethics reform recommendation enacted.

This Executive Budget proposes that anyone paid to influence decisions made by county, city or town councils should be required to register as a lobbyist, just as they are at the state level. Also, this Executive Budget recommends hiring another attorney at the State Ethics Commission to perform training and enforcement activities.

***State Health Plan and State Pension.*** This Executive Budget recommends there be no increase in premiums for State Health Plan participants by proposing \$121.5 million in recurring dollars. With this funding, the State Health Plan will add an annual OBGYN exam for all female beneficiaries at no additional cost.

In 2017, Governor McMaster signed into law legislation increasing employee and employer contributions to the South Carolina Retirement System (SCRS) and PORS, an unfortunate but necessary first step to begin reducing the state's unfunded liability. To that end, this Executive Budget includes \$40.1 million to pay for the 1% pension increase. However, it is time for the legislature to make some hard decisions and implement systemic reforms to correct this problem.

The South Carolina Retirement System (SCRS) has one of the largest unfunded liabilities in the nation at nearly \$24 billion. The system only has assets equal to 64% of what is required to pay beneficiaries, which places our pension system fifth worst in the nation. We must maintain our commitment to South Carolina's population that relies on state retirement systems, while protecting taxpayers from bearing any additional financial burden caused by inaction or indecision. That means enacting a date-certain transition away from defined benefit pension plans to defined contribution retirement plans for new state employees. This budget includes proviso language which will close enrollment in the South Carolina Retirement System (SCRS) to new members. A person who otherwise would have been required or eligible to become a member of SCRS and employed by the state after December 31, 2023, instead shall join the State Optional Retirement Program (State ORP) administered by the South Carolina Public Employee Benefit Authority (PEBA). Adopting this reform will require a concerted expenditure of political willpower on behalf of the General Assembly. Yet, it pales in comparison to the cost of inaction, which threatens a much more permanent paralysis.

***Adoption of Shared Services.*** As the issues that face South Carolina’s state government continue to evolve and require new and flexible skill sets, it makes sense to centralize as many back-office and support functions as possible across state government. The South Carolina Department of Administration, our state government’s central administrative agency, is best positioned to lead in the adoption of a shared service model, which is frequently used by large organizations in the private sector.

In this year’s Executive Budget, we strongly urge the General Assembly to retain two provisos calling for the adoption of shared services models at the Department of Administration to support state agency needs in IT and human resources.

Numerous studies have not only shown the potential for significant cost savings through a shared services model, but also cited security concerns with “islands of computing” across numerous state agencies. Adopting a common IT infrastructure allows South Carolina to respond more quickly and effectively to emerging security threats that pose risks to all agencies. Adopting a shared IT services model will also allow the state to better leverage its overall buying power. Many South Carolina state agencies use and purchase similar applications and products. Purchasing and managing these items through a shared model will empower the state to more easily share costs, achieve economies of scale and lower the cost to the taxpayer when purchasing needed IT solutions. Finally, successfully adopting a shared model will provide the Department of Administration with an opportunity to connect agencies to brokered services available through state contract, which reduces procurement timelines and offers maximum value for the state.

Adopting a shared services model to support state agencies human resources needs has some of the same benefits as a shared IT model. A shared services model can help the state make more data-driven staffing and salary decisions. Supporting state government-wide human resources functions through the Department of Administration will help better evaluate agency compensation, hiring and vacancy trends by allowing for easier comparisons across multiple state agencies.