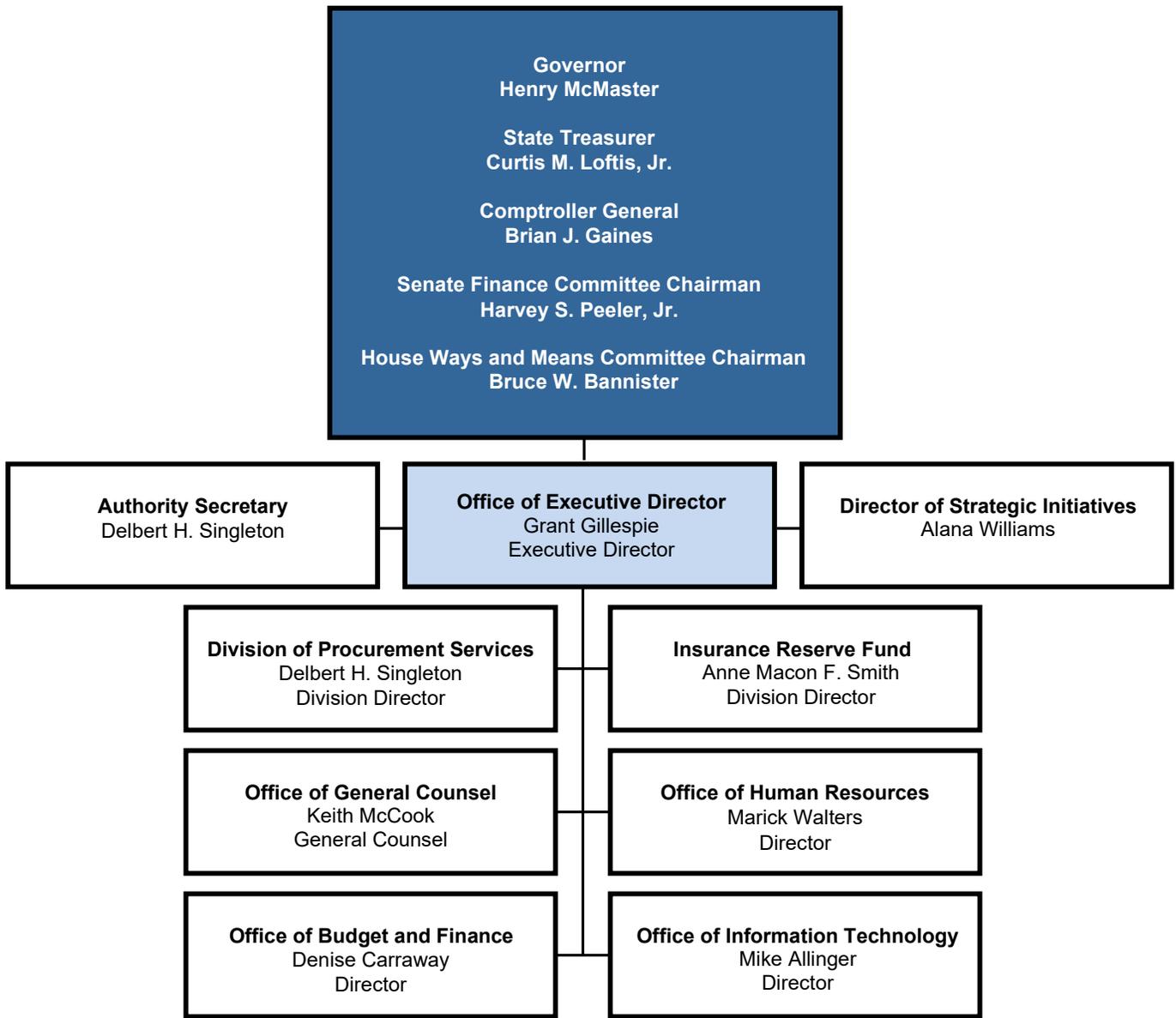


**State Fiscal Accountability Authority**  
**FY2026-27 Budget Request**  
**Key Officials**

<b><u>Name</u></b>	<b><u>Position Title</u></b>	<b><u>Email</u></b>	<b><u>Phone</u></b>
Grant Gillespie	Executive Director	<a href="mailto:ggillespie@sfaa.sc.gov">ggillespie@sfaa.sc.gov</a>	734-9414
Denise Carraway	Office of Budget and Finance	<a href="mailto:denise.carraway@sfaa.sc.gov">denise.carraway@sfaa.sc.gov</a>	737-3019

# STATE FISCAL ACCOUNTABILITY AUTHORITY



HENRY MCMASTER, CHAIR  
GOVERNOR

CURTIS M. LOFTIS, JR.  
STATE TREASURER

BRIAN J. GAINES  
COMPTROLLER GENERAL



OFFICE OF BUDGET & FINANCE

DENISE M. CARRAWAY, CPA  
DIRECTOR

(803) 737-0500

1333 MAIN STREET, SUITE 600  
COLUMBIA, SC 29201

HARVEY S. PEELER, JR.  
CHAIRMAN, SENATE FINANCE COMMITTEE

BRUCE W. BANNISTER  
CHAIRMAN, HOUSE WAYS AND MEANS COMMITTEE

GRANT GILLESPIE  
EXECUTIVE DIRECTOR

January 28, 2026

**Agency Overview:**

- The State Fiscal Accountability Authority (SFAA or the Agency) is governed by a five-member board (the Authority), consisting of: The Governor, the Treasurer, the Comptroller General, the Chairman of the Senate Finance, and the Chairman of the House Ways and Means, all of whom serve ex-officio.
- SFAA is in its eleventh year of operations and is comprised of three major divisions: Insurance Services (Insurance Reserve Fund and Second Injury Fund-Sunset); Division of Procurement Services (DPS) and Administration.
- The administrative and operational functions of SFAA are led by Executive Director Grant Gillespie.
- SFAA provides administrative support to the Authority, the Agency Head Salary Commission, and the South Carolina Opioid Recovery Fund Board (SCORF Board).
- SFAA provides financial support to the Department of Administration to support the state's information technology planning program (Proviso 104.5-FY2026).

**Mission:**

The mission and purpose of the State Fiscal Accountability Authority is to provide fiscal oversight for the State of South Carolina and to meet the needs of the public sector by delivering quality, cost-effective insurance, procurement, and engineering services.

**Budget Request Summary:**

The State Fiscal Accountability Authority (SFAA) is submitting four budget requests for FY2026-2027.

Priority 1: Pending

Priority 2: Recurring State Appropriated funds (General Fund)-Funds requested for the agency to implement an automated procurement system, provide statewide procurement training, provide comprehensive auditing of procurements and selectively increase agency procurement authority and enhance procurement processes with Artificial Intelligence. The projections require an increase in authorization in General fund dollars of \$2,964,000 and a total of 24 new FTEs.

**\$2,964,000**

Priority 3: Recurring-Other (non-federal) Funds Personal Service and Employer Contributions-Personal Service and Employer Contribution costs of the agency have increased over multiple years. The projections for agency expenditures in FY2027 include the impact of the salary and employer contribution increases over time and the filling of vacant positions of the agency. The projections require an increase in authorization in the Other (non-federal) Funds of the agency.

**\$ 991,114**

Priority 4: Recurring Other (non-federal) Funds Operating Increase-Costs for IT support provided by the Department of Administration have increased and are projected to increase significantly in FY2026 and FY 2027. Authorization levels that have remained constant for multiple years need to be increased for changes in projected costs.

**\$ 181,029**

Priority 5: Non-recurring Other (non-Federal) Funds Operating Increase-The priority covers two areas. First, the agency will undergo a hardware refresh in the Fall of 2026. Current hardware is overdue for replacement. Second, the Insurance Reserve Fund is audited every three years by the Department of Insurance. The audit is scheduled for the 2027 fiscal year. Budget projections for FY2027 will require an increase in authorization in the Other Funds of the agency.

**\$287,085**

**Constitutional Subcommittee Proviso Request Summary FY 2025-26  
State Fiscal Accountability Authority**

<b>Proviso # in FY 25-26 Act</b>	<b>Renumbered FY 26-27 Proviso #</b>	<b>Proviso Title</b>	<b>Short Summary</b>	<b>Agency Recommended Action (keep, change, delete, add)</b>
104.1	104.1	SFAA: Public Procurement Unit	Authorizes private, non-profit corporations that provide free medical care to participate as a local public procurement unit in the Minnesota Multi State Contracting Alliance for Pharmacy (MMCAP) cooperative purchase.	Keep
104.2	104.2	SFAA: Insurance Coverage for Aging Entities Authorized	Authorizes the IRF to offer insurance coverage to an aging entity and its employees serving clients countywide which previously obtained its tort liability insurance coverage from the IRF.	Keep
104.3	104.3	SFAA: IRF Report	Directs the SFAA to prepare a report on the prior fiscal year utilization of the IRF. Report shall include for each transaction the amount, recipient of the funds, date of the transfer or payment, and the action or reason that necessitated the transfer. Report should be submitted to the President Pro Temp, Speaker of House, SFC Chair and WMC Chair.	Keep
104.4	104.4	SFAA: Second Injury Fund Closure Plan	Authorizes the SFAA to take all necessary actions to implement and administer the closure plan for the Second Injury Fund. Directs applicable funds be transferred to the SFAA and used for administrative costs and closing transactions of the SIF.	Keep

<b>Proviso # in FY 25-26 Act</b>	<b>Renumbered FY 26-27 Proviso #</b>	<b>Proviso Title</b>	<b>Short Summary</b>	<b>Agency Recommended Action (keep, change, delete, add)</b>
104.5	104.5	SFAA: IT Planning Transfer	Directs the SFAA to transfer \$400,000 from revenue generated from the contract administration fees on IT contracts to the DOA to support the state's IT planning program.	Keep
104.6	104.6	SFAA: Attorneys	Directs that the IRF shall continue to approve attorneys-at-law retained to defend those it insures.	Keep
104.7	104.7	Compensation - Agency Head Salary	Directs approval requirements of salaries of agency heads and technical college presidents. Requires a compensation study for agency heads, technical college presidents and constitutional officers and provides for the distribution of the costs of the study.	Keep
104.8	104.8	SFAA: Continuation of Authority	Authorizes SFAA to carry forward funds from the current fiscal year.	Keep
104.9	104.9	SFAA: Revenue Bonding Authority Study	Authorizes SFAA to undertake a one-time study of revenue bonding authority by quasi-state agencies.	Keep

Proviso # in FY 25-26 Act	Renumbered FY 26-27 Proviso #	Proviso Title	Short Summary	Agency Recommended Action (keep, change, delete, add)
104.10	104.10	SFAA: P-Card Oversight	Directs that by October 1, 2025, the SFAA's Division of Procurement Services must publish a South Carolina Purchasing Card (P-Card) Policy and Procedures Manual to reduce misuse and fraud. The Division will provide training and testing on the Manual by October 15, 2025. Each government body must create its own P-Card manual by April 1, 2026, and ensure all P-Card holders and oversight personnel complete training and testing by April 15, 2026. New P-Cards or supervisory roles are not allowed until training is completed. Annual internal training and third-party audits are required, with audit results reported to the Division by October 1, 2025. The Division will review compliance during procurement audits and report findings to the Authority, which may impose penalties for repeated or serious violations.	DELETE
35.7	35.7	DMH: Lease Payments to SFAA for SVP Program	Directs that funds appropriated for the lease payments to SFAA for the SVP program are exempt from across-the-board base reductions and be used at the facility that houses Sexually Violent Predator Program.	Keep
36.14	36.14	DDSN: Regional Centers Condition Assessments and Renovation Plan	Requires OSE and MMO to assist DDSN in procuring professional services to conduct facility condition assessments at each of the Dept.'s regional centers.	Keep
59.9	59.9	AG: Public Official Attorney Fees	Requires the IRF to pay up to \$50,000 of opposing attorney's fees and court costs when the Attorney General defends a public official.	Keep

Proviso # in FY 25-26 Act	Renumbered FY 26-27 Proviso #	Proviso Title	Short Summary	Agency Recommended Action (keep, change, delete, add)
100.19	100.19	ADJ: Facility Insurance Coverage	Authorizes the Adj. General to work with IRF to make sure state-owned/leased properties are insured. Directs consideration be given to facilities eligible for federal and state cost-sharing.	Keep
117.41	117.41	GP: Sole Source Procurements	Directs the SFAA to evaluate and determine whether the written determinations, explanations, and basis for sole source procurements (§11-35-1560) and emergency procurements (§11-35-1570) are legitimate and valid reasons for awarding non-competitive contracts.	Keep
117.53	117.53	GP: FEMA Flexibility	Authorizes any appropriation designated as state share for federally declared disaster and unallocated funds from established state accounts may be used for the purpose of state share for federally declared disasters. Further, authorizes the 5-member SFAA to borrow from any internal accounts to maximize the federal match.	Keep
117.78	117.78	GP: Bank Account Transparency and Accountability	Requires agencies that have composite reservoir bank accounts to prepare a report of all transactions of the account to be submitted to SFAA by Oct. 1st.	Keep

<b>Proviso # in FY 25-26 Act</b>	<b>Renumbered FY 26-27 Proviso #</b>	<b>Proviso Title</b>	<b>Short Summary</b>	<b>Agency Recommended Action (keep, change, delete, add)</b>
117.82	117.82	GP: Civil Conspiracy Defense Costs	Directs the Court to make a final determination of whether or not a government employee was acting within the scope of their official duty when being sued for civil conspiracy based in part upon a personnel or employment action prior to going to trial. If within scope, then employee is immune from suit and the agency may expend funds to defend the claim.	Keep
117.83	117.83	GP: Recovery Audits	Directs the SFAA to contract with one or more firms to conduct recovery audits of payments made by all State agencies to vendors for goods and services to detect, document and recover overpayments and erroneous payments to vendors.	Keep
117.110	117.110	GP: State Engineer	Directs that the State Engineer is an office located within SFAA.	Keep
117.121	117.121	GP: Mobile Device Protection Plan	Directs the State Fiscal Accountability Authority, once policies have been developed by Admin., to establish a statewide contract for protecting state owned mobile devices and ensure the contract is awarded competitively according to the procurement code.	Keep
117.151	117.151	GP: Job Order Contracting Pilot Program	Allows SFAA to pilot test a job order contracting method on behalf of one or more government bodies by entering into job order contracts for construction services when exact time or quantities of jobs are not know at the time of award.	Keep

# State Fiscal Accountability Authority

Budget vs Actual

for the

Fiscal Year Ending 06/30/2026

			FY 2026 Budget (Source: SCEIS)	FYE 2026 Actual Through January 29,2026	Budget vs Actual
<b>I</b>	<b>Administration</b>				
		Executive Director	254,800	159,250	95,550
		Classified Positions	1,872,194	974,275	897,919
		Unclassified Positions	684,523	321,765	362,758
		Other Personal Services	29,859	27,984	1,875
		<b>Total Personal Service</b>	<b>2,841,376</b>	<b>1,483,274</b>	<b>1,358,102</b>
		Other Operating Expenses	747,660	521,198	226,462
		<b>TOTAL Administration</b>	<b>3,589,036</b>	<b>2,004,472</b>	<b>1,584,564</b>
<b>II</b>	<b>Procurement Services</b>				
		Classified Positions	5,863,975	3,305,910	2,558,065
		Unclassified Positions	491,786	313,512	178,274
		Other Personal Services	97,847	75,306	22,541
		<b>Total Personal Service</b>	<b>6,453,608</b>	<b>3,694,728</b>	<b>2,758,880</b>
		Other Operating Expenses	8,311,579	7,774,618	536,961
		<b>TOTAL PROCUREMENT SERVICES</b>	<b>14,765,187</b>	<b>11,469,346</b>	<b>3,295,841</b>
<b>III</b>	<b>INSURANCE SERVICES</b>				
<b>III.A.</b>	<b>INSURANCE RESERVE FUND</b>				
		Classified Positions	2,767,873	1,892,373	875,500
		Unclassified Positions	176,535	103,212	73,323
		Other Personal Services	37,592	15,786	21,806
		<b>Total Personal Service</b>	<b>2,982,000</b>	<b>2,011,371</b>	<b>970,629</b>
		Other Operating Expenses	3,298,000	890,279	2,407,721
		<b>TOTAL A. INSURANCE RESERVE FUND</b>	<b>6,280,000</b>	<b>2,901,650</b>	<b>3,378,350</b>

# State Fiscal Accountability Authority

Budget vs Actual

for the

Fiscal Year Ending 06/30/2026

			FY 2026 Budget (Source: SCEIS)	FYE 2026 Actual Through January 29,2026	Budget vs Actual
<b>III.B.</b>	<b>SECOND INJURY FUND SUNSET</b>				
		Classified Positions	107,000	45,657	61,343
		Other Personal Services	0	0	0
		<b>Total Personal Service</b>	<b>107,000</b>	<b>45,657</b>	<b>61,343</b>
		Other Operating Expenses	223,000	19,915	203,085
		<b>TOTAL B. SECOND INJURY FUND</b>	<b>330,000</b>	<b>65,572</b>	<b>264,428</b>
		<b>TOTAL III INSURANCE SERVICES</b>	<b>6,610,000</b>	<b>2,967,222</b>	<b>3,642,778</b>
<b>IV.</b>	<b>BOND SRVCS AND TRANSFERS</b>				
		Other Operating Expenses	1	1	0
		Debt Service	2,762,619	2,762,619	0
		<b>TOTAL IV. BOND SRVCS AND TRANSFERS</b>	<b>2,762,620</b>	<b>2,762,620</b>	<b>0</b>
<b>V.</b>	<b>EMPLOYEE BENEFITS</b>				
		Employer Contributions	5,351,574	3,016,340	2,335,234
		<b>TOTAL EMPLOYEE BENEFITS</b>	<b>5,351,574</b>	<b>3,016,340</b>	<b>2,335,234</b>
		<b>TOTAL SFAA (E550)</b>	<b>33,078,417</b>	<b>22,220,000</b>	<b>10,858,417</b>

State Fiscal Accountability Authority  
 Budget vs Actual  
 for the  
 Fiscal Year Ending 06/30/2025

			<b>FY 2025 Budget (Source: SCEIS)</b>	<b>FYE 2025 Actual</b>	<b>Budget vs Actual</b>
<b>I</b>	<b>Administration</b>				
		Executive Director	254,800	254,800	0
		Classified Positions	1,565,272	1,562,780	2,492
		Unclassified Positions	502,421	502,421	0
		Other Personal Services	50,333	50,333	0
		<b>Total Personal Service</b>	<b>2,372,826</b>	<b>2,370,334</b>	<b>2,492</b>
		Other Operating Expenses	850,000	793,263	56,737
		<b>TOTAL Administration</b>	<b>3,222,826</b>	<b>3,163,598</b>	<b>59,228</b>
<b>II</b>	<b>Procurement Services</b>				
		Classified Positions	5,041,197	5,041,197	0
		Unclassified Positions	490,506	490,506	0
		Other Personal Services	110,150	110,150	0
		<b>Total Personal Service</b>	<b>5,641,853</b>	<b>5,641,853</b>	<b>0</b>
		Other Operating Expenses	12,239,801	9,893,778	2,346,023
		<b>TOTAL PROCUREMENT SERVICES</b>	<b>17,881,654</b>	<b>15,535,631</b>	<b>2,346,023</b>
<b>III</b>	<b>INSURANCE SERVICES</b>				
<b>III.A.</b>	<b>INSURANCE RESERVE FUND</b>				
		Classified Positions	2,937,122	2,937,122	0
		Unclassified Positions	155,675	155,675	0
		Other Personal Services	8,332	8,332	0
		<b>Total Personal Service</b>	<b>3,101,129</b>	<b>3,101,129</b>	<b>0</b>
		Other Operating Expenses	2,769,132	1,180,183	1,588,950
		<b>TOTAL A. INSURANCE RESERVE FUND</b>	<b>5,870,262</b>	<b>4,281,311</b>	<b>1,588,950</b>
<b>III.B.</b>	<b>SECOND INJURY FUND SUNSET</b>				
		Classified Positions	107,000	77,742	29,258
		Other Personal Services	0	0	0
		<b>Total Personal Service</b>	<b>107,000</b>	<b>77,742</b>	<b>29,258</b>
		Other Operating Expenses	223,000	28,941	194,059
		<b>TOTAL B. SECOND INJURY FUND</b>	<b>330,000</b>	<b>106,683</b>	<b>223,317</b>
		<b>TOTAL III INSURANCE SERVICES</b>	<b>6,200,262</b>	<b>4,387,994</b>	<b>1,812,267</b>

State Fiscal Accountability Authority  
 Budget vs Actual  
 for the  
 Fiscal Year Ending 06/30/2025

			<b>FY 2025 Budget (Source: SCEIS)</b>	<b>FYE 2025 Actual</b>	<b>Budget vs Actual</b>
<b>IV.</b>	<b>BOND SRVCS AND TRANSFERS</b>				
		Other Operating Expenses	1	1	0
		Debt Service	2,764,493	2,763,244	1,249
		<b>TOTAL IV. BOND SRVCS AND TRANSFERS</b>	<b>2,764,494</b>	<b>2,763,245</b>	<b>1,249</b>
<b>V.</b>	<b>EMPLOYEE BENEFITS</b>				
		Employer Contributions	4,741,760	4,735,792	5,968
		<b>TOTAL EMPLOYEE BENEFITS</b>	<b>4,741,760</b>	<b>4,735,792</b>	<b>5,968</b>
		<b>TOTAL SFAA (E550)</b>	<b>34,810,995</b>	<b>30,586,260</b>	<b>4,224,736</b>

## General and Special Carry-forwards

### General:

- 2024-2025: SFAA's carryforward to 2025-2026 of State General Fund Appropriation was \$0.
- 2025-2026: General Fund appropriation is projected to be fully expended by fiscal year end.
- 2026-2027: The agency does not anticipate having a General Fund Appropriation carryforward from FY2026 to FY2027.

No special carryforwards are obligated or projected for the FY2026 to the FY2027 budget plan.

## **FY2025 Highlights**

### **Division of Procurement Services**

- Awarded 727 contracts for a total of \$4,202,142,735.
  - 485 State Term Contracts - \$3,239,095,877
  - 242 Agency Contracts - \$963,046,858
- The State realized the following savings through cost avoidance strategies and negotiated savings:
  - Totals Cost Avoidance Savings \$ 17.886 million
  - Negotiated Savings \$ 56.108 million
  - Total Savings \$ 73.975 million
- Implemented the SCOPES learning management system (LMS) for 50 active users and developed eLearning training.
- Provided the following services:
  - Architectural/Engineering Approved Contract Awards 437 contracts = \$162 Million
  - Construction Contracts and Contract Change Orders 257 contracts = \$ 2.1 Billion
  - Permanent Improvement Projects for Agencies 45 = \$ 3.4 Billion
  - Building Permits 247
  - Certificates of Occupancy 217
  - Flood Permits 34
- Assisted agencies during the design and/or construction of state facilities to include SC State Turner Hall (\$70M), USC Williams Brice Stadium Renovations (\$300M), SC State Whittaker Library (30M), CCU Health and Human Services (\$53M), Clemson's Veterinary School (\$270M), USC School of Medicine (\$300M), Clemson's Williams Road Parking Garage (\$70M), DHEC Lab (\$150M), and CCU Indoor Practice Facility (\$20M).
- Continued implementation of SCPro in collaboration with the SC Department of Administration and SCEIS. SCPro is the new web-based eProcurement system that will result in greater procurement purchasing efficiencies statewide and will improve access to business opportunities by suppliers and small businesses. SCPro will replace the current SCEIS Supplier Relationship Management (SRM) tool and will include a virtual marketplace that consists of online supplier catalogs which state agencies, local governments and political subdivisions can access to purchase goods and services electronically.

### **Insurance Reserve Fund**

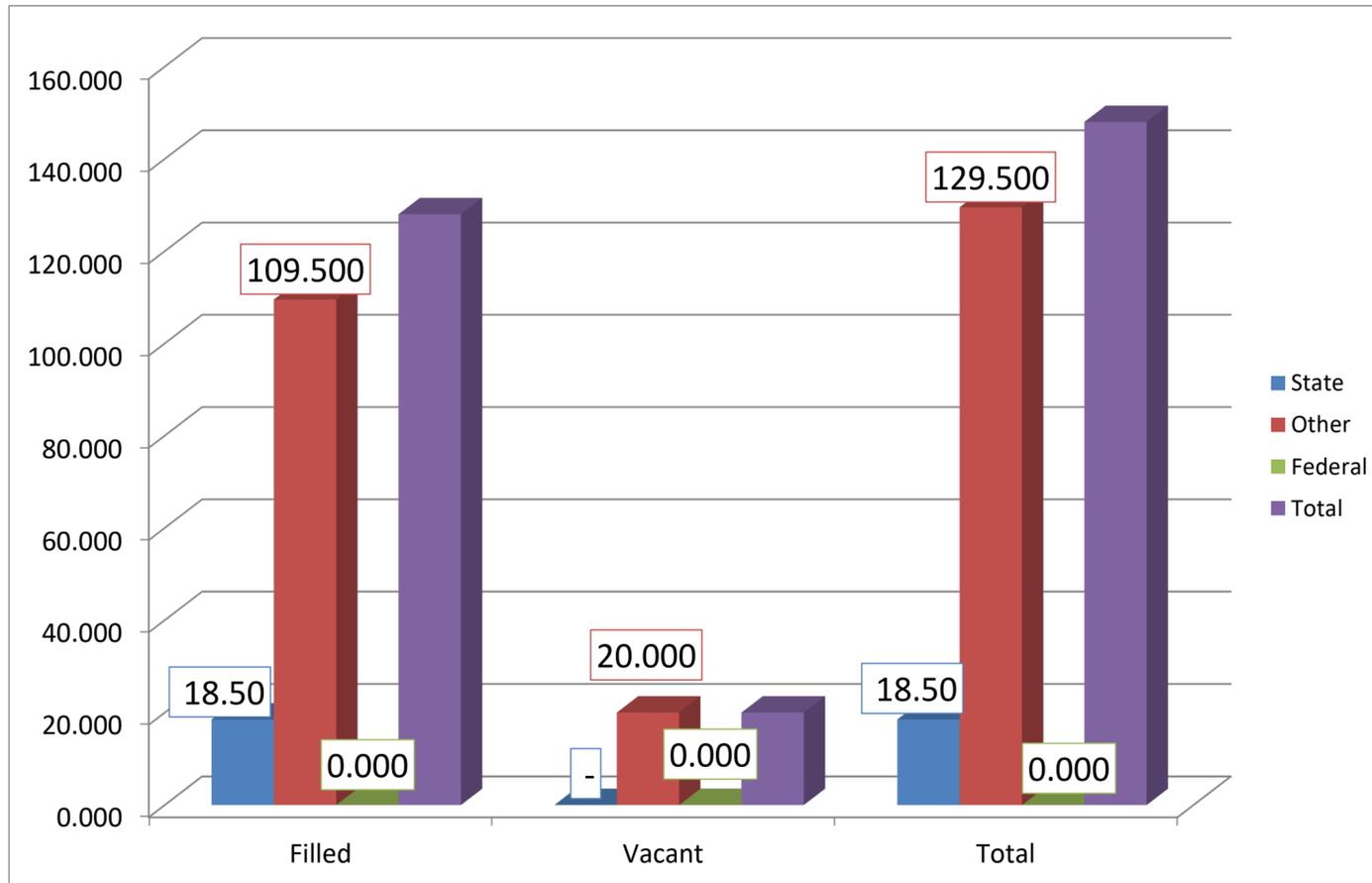
- Managed claims and losses relating to a catastrophe loss for the tenth consecutive year. Allocated resources in handling 118 Hurricane Helen claims with an incurred loss of \$8.1 million.
- Handled 68 claims equaling \$8.5 million for 5 pre-existing Mini Catastrophes.
- Renewed Property Reinsurance Coverage and maintained an existing occurrence self-insured retention (SIR). The renewal of reinsurance coverage was, in part, due to the property reinsurance market's positive view of claims handling of past catastrophic events and consistent reserving practices.
- Conducted virtual Underwriting seminar and Renewal Refresher workshop for 160 attendees to enhance the State's Risk Management Practices.
- Hosted seminars and meetings related to Medical Professional Risk Management, Boiler Safety Requirements, Ocean Marine, Aviation insurance, UAV/Drone insurance, and Risk Management Water Damage.

- Conducted a specialized seminar for 100 participants to explain Business Interruption Coverage, Tort Liability, Pre-paid legal, Medical Professional Liability and data processing to facilitate a greater understanding of insurance provided and underwriting information needed.
- Procured broker services related to Ocean Marion insurance, a contract for Building Valuation Services, and a contract to provide 100% reinsurance on the automobile liability policies issued by the agency. .

#### **Other**

- Conducted agenda review meetings with internal and external staff and others as needed prior to the seven Authority meetings held during the fiscal year.
- Developed a new application database to track procurement vendors, solicitation, contract and sales to replace a legacy system.
- Coordinated discussions of the Senior Management team bi-weekly to determine progress toward Agency goals and objectives. The discussion focus is on challenges from all agency divisions and offices, major project updates, and legislative matter that impact our delivery of services to our customers and the citizens of South Carolina.
- Managed the administration of the South Carolina Opioid Recovery Fund Board
  - Preparation in-house of the annual financial statements for audit.
  - Coordinated five in-person meetings and two virtual meetings and provided virtual viewing capabilities of the meetings for members of the public.
  - Redesigned and modernized the SCORF Board website to allow for increased transparency, including the ability to include additional reporting metrics and timely information and updates.
- South Carolina Opioid Recovery Fund Board
  - Distributed \$24,980,753 to 51 counties, towns and cities that requested funds to help combat the opioid epidemic.
  - Awarded \$6,356,529, in discretionary funding to fourteen entities proposing evidence-based and novel approaches to addressing opioid misuse in South Carolina.
  - Purchased a grant management system which provides a new mechanism for funding applications to be received, reviewed and scored while also tracking awards by abatement strategy for reporting multiple facets of the SCORF Board Fund.
- Provided staffing and administrative functions to the Agency Head Salary Commission to include preparation of agenda items and supporting materials for the Commission meetings and made recommendations to the Commission regarding agency heads hiring salaries, salary increase, performance evaluations and salary ranges.
- Agency Head Salary Commission
  - Conducts the agency head performance process.
  - Continued implementing the salary and fringe benefit study from June of 2024.
  - Began work to revamp the performance management process for all agency heads and higher education/technical college presidents.
- Identified and leased new office and meeting space for the agency with a smaller footprint in compliance with established State Space Standards . The agency relocated in October of 2025.

## State Fiscal Accountability Authority FY 2025-2026 Authorized FTEs



	State	Other	Federal	Total
Filled	18.500	109.500	0.000	128.000
Vacant	0.000	20.000	0.000	20.000
Total	18.500	129.500	0.000	148.000