



FY 2025-26

Ways and Means Budget Hearing

J a n u a r y 1 5 , 2 0 2 5



AGENCY ATTENDEES

- Secretary of Commerce Harry M. Lightsey III
- Deputy Secretary of Commerce Ashely Teasdel
- Director of Governmental Affairs Mark Hendrick
- Chief Financial Officer Patrick Jarvis
- Intergovernmental Communications Brittany Waring





Agency Highlights 2024

INDUSTRY RECRUITMENT REACHES \$8.19 BILLION

Capital investment by existing industry excels, \$5.38 billion

LEADING INDUSTRIES OF 2024 *BY CAPITAL INVESTMENT*



NO. 1
*INFORMATION
TECHNOLOGY
AND COMPUTER
EQUIPMENT*
\$4.1B



NO. 2
AUTOMOTIVE
\$1.3B



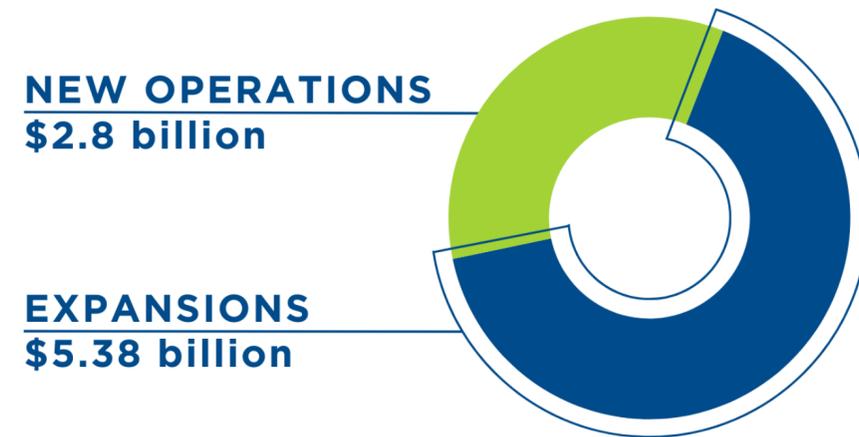
NO. 3
*AEROSPACE AND
AVIATION*
\$1B



Agency Highlights 2024

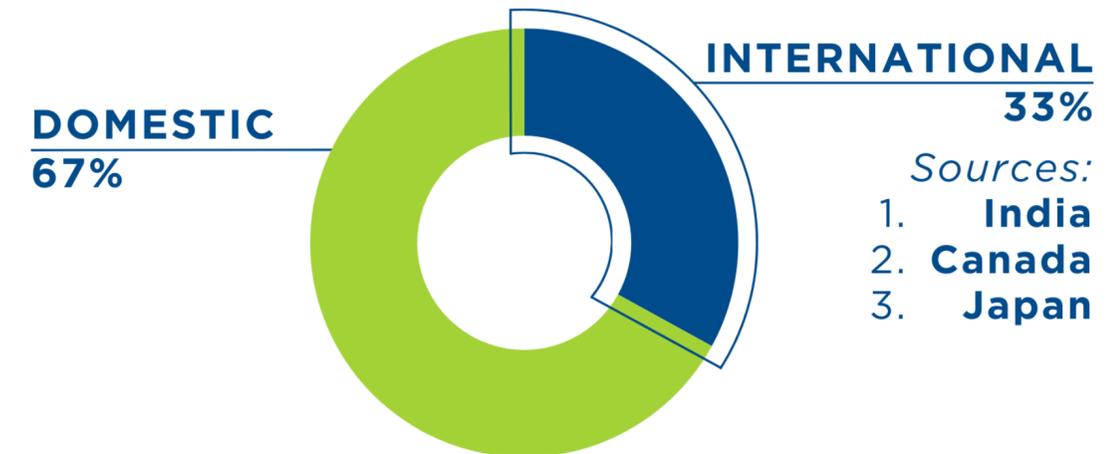
Existing Industry Flourishes

Total **capital investment** by **project type**.



Newcomer to FDI Top 3

Total **investment** by **country of origin**.





Agency Highlights 2024

- **Unveiled the agency's 'Launch to Legacy' brand, accompanied by full scale marketing campaign to:**
 - Position South Carolina to meet the opportunities that come with transformation, so that our citizens benefit from sustained economic development that will provide them opportunities for today and beyond.
- **Executed the strategic planning framework to:**
 - Prioritize the agency's focus areas of advanced energy, life sciences, headquarters along with advanced manufacturing.
- **Secured funding for federally designated Tech Hub which will:**
 - Enable South Carolina to establish global leadership in commercialization of advanced energy products and technologies.



Budget Request: Repay Intra-Agency Loan

- **\$5,000,000 in Recurring Funds and \$20,000,000 in Non-Recurring Funds to:**
 - **Repay an S.C. Commerce intra-agency loan issued to Palmetto Railways.**
 - Issued in 2015 for permitting and preliminary construction costs to allow the Navy Base Intermodal Facility (NBIF) project to continue moving forward to open near completion of the Hugh K. Leatherman Terminal.
 - Used for interim, interest-free financing for permitting and preliminary construction costs.
 - Originated from committed, but unexpended grant funds of the South Carolina Coordinating Council for Economic Development.
 - These requests will ensure the loan is repaid in a timely manner.





Budget Request: LocateSC

- **\$150,000,000 in Non-Recurring Funds and \$4,500,000 in Recurring Funds to:**
 - **Allow South Carolina to proactively prepare sites**, especially larger sites, into suitable inventory for prospective industry.
 - Have the **resources on an annual recurring basis allows for better planning** on state and local levels.
 - **Support local governments and allies** through the LocateSC grant program.
 - Ensure the **state remains attractive and competitive**.





Budget Request: Closing Fund

- **\$3,700,000 in Recurring Funds to:**
 - **Increase new/retained jobs and recruited capital investment.**
 - **Benefit from this fund's greater flexibility** as compared to other incentive resources.
 - **Continue to be competitive in recruiting larger projects.**
S.C. Commerce is seeing more of these projects which require higher levels of incentive grants.



Budget Request: Recycling Market Development

- **\$400,000 in Recurring Funds to:**
 - **Support three FTEs and operating expenses of the Recycling Market Development Advisory Council activities.**
 - For the past 30 years, the Recycling Marketing Development program was funded by the Solid Waste Trust Fund via contracts between DES (formerly DHEC) and S.C. Commerce as provided in sections 13-1-380 and 44-96-120 of the SC Code of Laws.
 - The most recent contract was in the amount of \$325,000 per year for the term 2019-2024.
 - DES has elected to not renew the contract moving forward.
 - Over the past five years, the **Recycling Marketing Development staff has assisted 750+ companies requiring recycling assistance**, helping in the recycling of materials such as paper, plastic, metals, glass and other commodity materials.
 - The Recycling Market Development staff also assists in recruiting recycling companies to the state.
 - Companies across all industries are **increasingly focused reducing their environmental impact.**
 - With **three decades of proven success**, the **Recycling Market Development program** is not only **well received** but **has a pivotal role in the state's sustainable future.**



Budget Requests: SC Opportunities for Promoting Exports (SCOPE)

- **\$175,000 in Recurring Funds to:**
 - Support a larger number of companies seeking export assistance which would increase the number of SC exports into new or existing markets and increase sales for SC companies.
 - Allow support for up to 70 companies annually – a 133% increase – compared to current funding for 30 companies.
- **The SCOPE program is the state-funded partner to the State Trade Expansion Program (STEP).**
 - SCOPE funding helps companies by allowing them to participate in trade missions/shows geared to specific industry sectors; conduct product testing for international markets; internationalize their websites via translation/other enhancements; and receive top-specific export training.



Budget Request: Business Development Marketing

- **\$500,000 in Recurring Funds to:**

- Communicate what sets S.C. apart from its competitors to achieve sustained economic success.
- With General Assembly support, **S.C. Commerce rebranded what it means to do business in the state** and deployed its first ever paid media campaign through multiple channels.
 - **Initial campaign**, including ads with S.C. CEOs, focused on **brand awareness in S.C. and key U.S. markets**.
 - From Jan. 29, 2024, to June 23, 2024, the campaign **drove 82,497 visits to sclaunchtolegacy.com** and drove **117,947 visits to sc.commerce.com** (116,458 were people who visited the site for the first time).
 - From Jan. 29, 2024, to Aug.30, 2024, the campaign **delivered 28.7 million digital impressions** across various platforms.
 - The advertising also **delivered +15% growth in likelihood to consider relocating or expanding business to S.C.**
 - The **remainder of non-recurring funds will be used to deploy a second paid media campaign** related to "Launch to Legacy" during FY 25.
- The agency looks to **continue deploying a regular media campaign to ensure S.C.'s competitive advantage by keeping the state's attractiveness as a business-friendly state top of mind** for companies and executives looking to expand or establish operations here.



Budget Request: IT-Data Security and Infrastructure

- **\$350,000 in Recurring Funds to:**
 - **Enhance the agency's overall efficiency and system security with hardware and software upgrades.**
 - **Implement routine refresh of hardware and firewalls to mitigate security and business continuity risks** associated with existing infrastructure.
 - **Move on-premises data to the cloud to ensure simple, secure access.**
 - **Implement a modern data analytics environment** utilizing proposed data sources, analysis tools and associated infrastructure.



Budget Request: Trade and International Relations

- **\$105,000 in Recurring Funds to:**
 - **Add two FTE positions and appropriations for one.**
 - The Economic Development Office II position (requesting funding) will support the expanding trade effort with the UK and Ireland as a result of the UK MOU and the creation of the SC-Ireland Trade Commission.
 - The Economic Development Manager I position (not requesting funding) will support succession planning for the agency's protocol officer in addition to expanding services for the agency's landing pad program.



Budget Request: Applied Research Centers

- **\$1,000,000 in Recurring Funds to:**
 - Increase support for **applied research projects awarded through the SC Fraunhofer USA Alliance (SCFUSA)** – a collaborative effort between S.C. Commerce, SC Council on Competitiveness and the Fraunhofer USA network – to advance applied research statewide by connecting SC companies with SC colleges and universities and the research expertise of the global Fraunhofer organization.
 - S.C. Commerce, through SCFUSA, **provides eligible projects a minimum of 50% matching funds**, depending on availability.
 - **SCFUSA has worked with a wide range of companies, from global enterprise automotive OEMs to small, innovative SC life sciences startups and connects businesses with SC's diverse educational institutions**, including technical colleges like Trident Technical College, primarily undergraduate institutions such as Francis Marion University, and major research universities like Clemson and University of South Carolina.
 - **Key SCFUSA stats**
 - 27 = total number of projects in progress or already completed
 - \$6.5 million = total of all projects from 2017 to date
 - Companies served by county tier:
 - > Tier 1: 51% > Tier 2: 29.6 > Tier 3: 18.5%



Budget Request: Other and Federal Funds

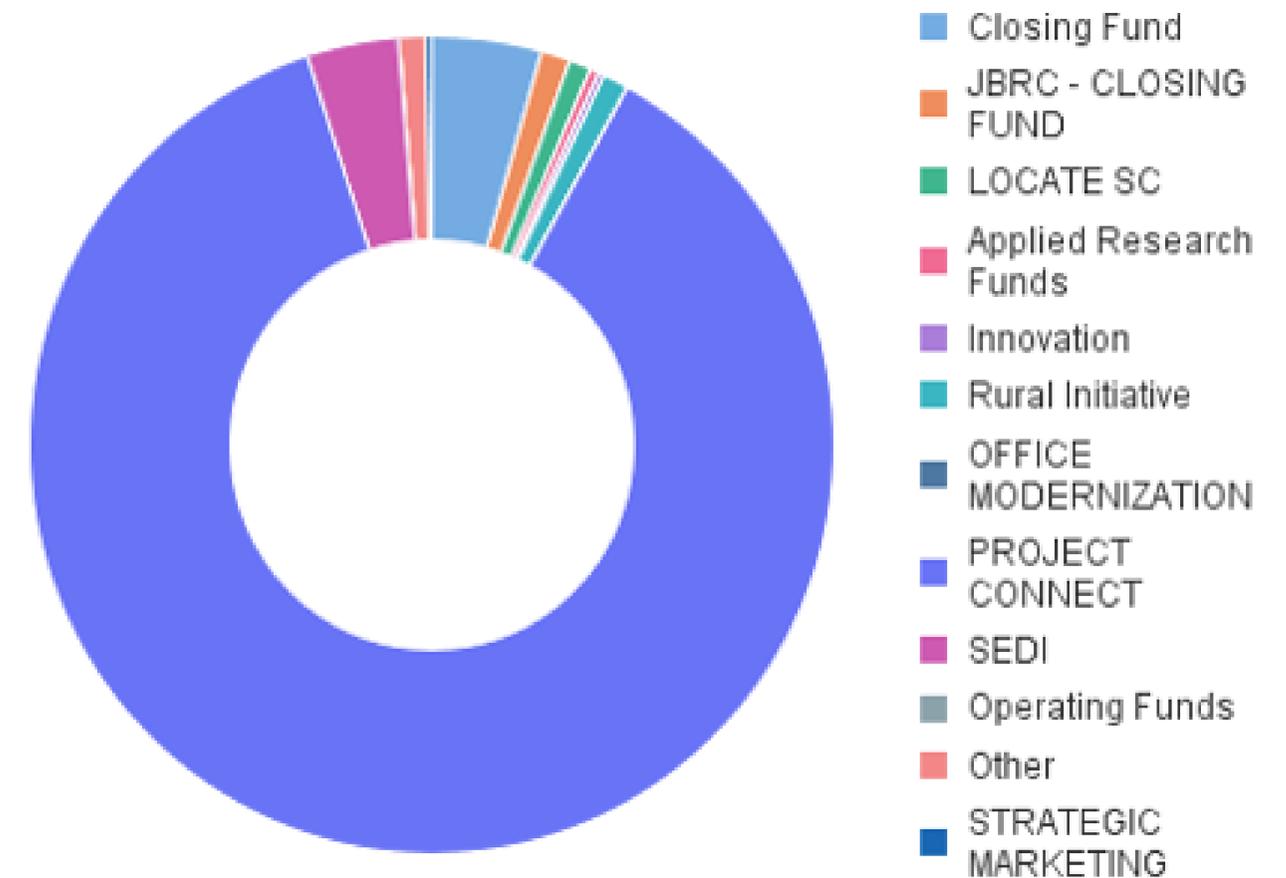
- **\$892,000 other and federal funds:**
 - Additional authority needed for general increases to existing staff and annual increases in employer contributions.
 - Additional federal authority to carry out technical assistance according to grants awarded to S.C. Commerce by the Southeast Crescent Regional Commission (SCRC).
 - Other funds authority related to donations received on behalf of the SC – Ireland Trade Commission.



General Fund Carry Forward into FY24-25

	GENERAL FUND Carry Forward
Closing Fund	48,990,727.76
JBRC - CLOSING FUND	12,998,734.24
LOCATE SC	9,716,485.34
Applied Research Funds	4,018,420.45
Innovation	2,645,674.79
Rural Initiative	11,490,031.75
OFFICE MODERNIZATION	22,981.33
PROJECT CONNECT	966,519,454.36
SEDI	40,900,892.66
Operating Funds	208,373.57
Other	11,902,192.84
STRATEGIC MARKETING	2,827,023.70
Sum:	1,112,240,992.79

Carry Forwards by Funded Program - Bud - Funded Program - Bud (Text)+



Of the FY24 year-end general fund balances carried forward to FY25, 99%+ are committed or obligated to future projects.



FTE Breakdown

Types	General Fund	Other Funds	Total
Authorized FTEs	77	36.1	113.1
Filled Positions	63	33.376	96.376
Vacant Positions	14	2.724	16.724

(As of Dec. 31, 2024)

A N Y Q U E S T I O N S ?

Thank you!