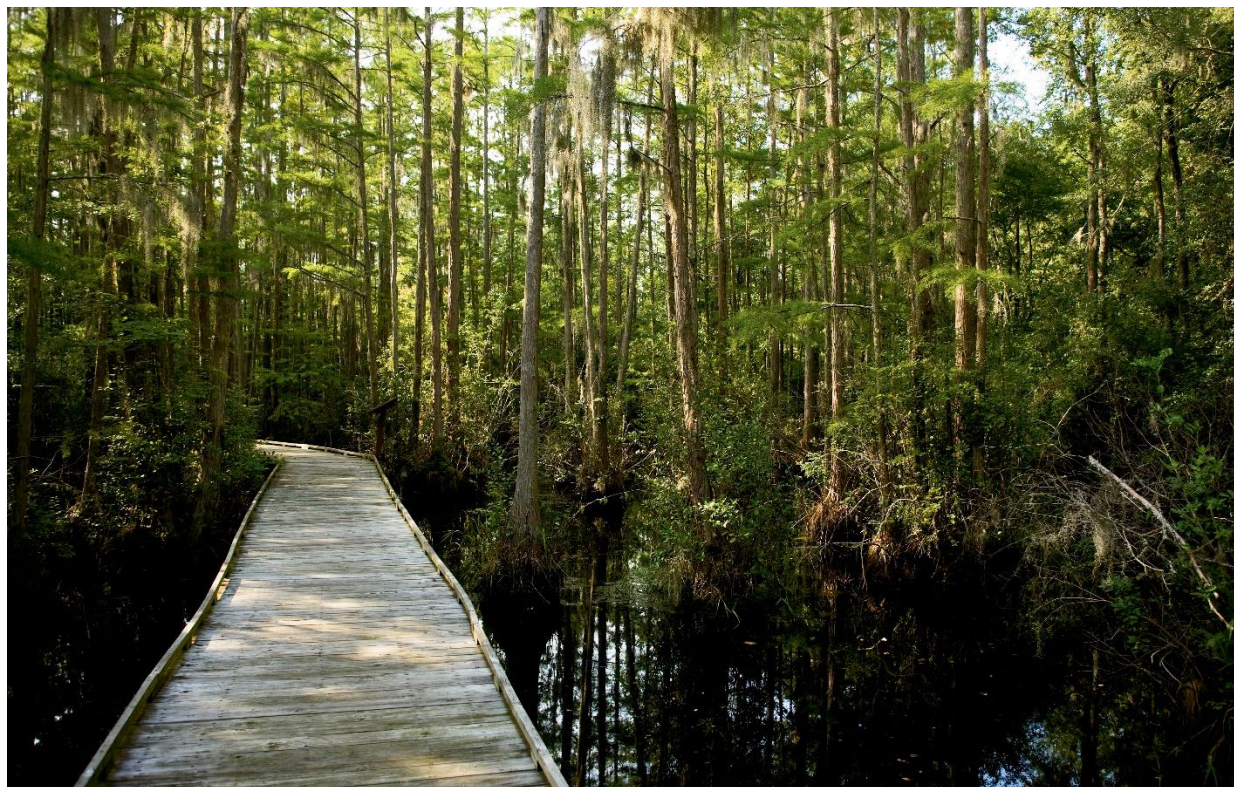




FY 2026-27

Ways and Means Budget Hearing

J a n u a r y 2 7 , 2 0 2 6



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



Agency Highlights 2025

\$9.12B

CAPITAL
INVESTMENT

8,100+

JOB
ANNOUNCED

82

ANNOUNCED
PROJECTS

Rural Recruitment

46%

Announced capital investment

44%

Announced new jobs



Agency Highlights 2025

- **Operationalized the SC NEXUS external-facing division to:**
 - Oversee the SC NEXUS federally designated tech hub which aims to be a global leader in advanced resilient energy by developing, testing and deploying exportable electricity technologies and tools.
- **Leveraged the 'Launch to Legacy' brand, hosting the 2nd annual Governor's Economic Summit, to:**
 - Position South Carolina to embrace transformation, ensuring our citizens benefit from sustained economic development and have access to opportunities now and in the future.
- **Executed a Joint Declaration of Intent (JOI) between SC and Germany, the first such agreement of its kind between Germany and a U.S. state, to:**
 - Strengthen economic development between the two and prioritize collaboration in energy resiliency and sustainability, automotive and mobility technologies, and life sciences.
- **Continued to execute the strategic planning framework, to:**
 - Prioritize the agency's focus areas of advanced energy, bio/tech life sciences, and headquarters along with advanced manufacturing.



Budget Request: Rural Development

- **\$25,000,000 in Non-Recurring Funds to:**
 - **Support efforts to enhance quality of life and increase competitiveness of SC's rural communities.**
 - **In FY19-20, the General Assembly appropriated \$65M to facilitate economic development and infrastructure improvement in state's rural areas.**
 - \$30M was transferred to ORS for a competitive broadband grant program.
 - \$35M remaining was for Commerce to use to enhance economic development competitiveness.
 - The balance of Commerce's funding is expected to be expended during FY26.
 - **Current Rural Development plan focuses on helping rural county seats develop and implement strategic plans.**
 - Goal: To improve quality of life to curb population loss and cultivate environments where people want to live, ultimately attracting businesses – especially corporate headquarters – to locate their operations.
 - Commerce allocates more federal CDBG funding to community enrichments vs. critical infrastructure; the program's administrative guidelines limit applications.
 - Over the last two fiscal years, Commerce committed \$4M annually to these projects but has limited ability to increase this amount.



Budget Request: LocateSC

- **\$25,000,000 in Non-Recurring Funds and \$3,500,000 in Recurring Funds to:**
 - **Allow South Carolina to take decisive action in developing industrial sites, especially larger-scale projects, to ensure SC remains attractive and competitive.**
 - 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 maintains a robust portfolio of marketable buildings and sites to sustain recruitment momentum.**





Budget Request: Repay Intra-Agency Loan

- **\$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.
 - This request, in conjunction with recurring funds authorized beginning FY26, will ensure the loan is repaid in a timely manner.
 - Commerce is also suggesting a proviso to address this need. If approved, this request is not needed.



Budget Requests: Small Business and Trade

- **\$582,250 in Recurring Funds to:**
 - **Enhance support for SC Opportunities for Promoting Exports (SCOPE) - \$175,000**
 - SCOPE is the state-funded partner program to the State Trade Expansion Program (STEP).
 - Funding allows companies – mostly small businesses– to participate in industry-specific trade missions/shows; conduct product testing; internationalize their websites; and receive topic-specific export training.
 - This request would allow support for up to 70 companies annually – a 133% increase – compared to current funding for 30 companies, which would increase the number of SC exports into new or existing markets and increase sales for SC companies.
 - **Trade - \$107,250 / 1 FTE**
 - To manage supporting a larger number of companies seeking export assistance.
 - **Innovation (StimulateSC) - \$300,000**
 - Commerce piloted StimulateSC to address a longstanding gap in SC's small business support ecosystem.
 - StimulateSC is a competitive capacity building grant program, enabling communities to pilot creative, locally driven solutions that strengthen and expand critical support systems.
 - The two pilot rounds have shown strong demand and momentum.
 - This request will support transitioning this from a pilot to a recurring program.



Budget Request: Targeted Marketing Initiatives

- **\$2,000,000 in Non-Recurring Funds to:**
 - Communicate what sets S.C. apart from its competitors to achieve sustained economic success.
 - With General Assembly support, **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**.
 - The campaign **delivered 146.4 million digital impressions** across various platforms.
 - The campaign **drove 130,802 visits to sclaunchtolegacy.com** (129,564 were new or unique visitors) and **282,100 visits to sc.commerce.com** (232,580 were people who visited the site for the first time).
 - 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 26, targeting select U.S. cities and some international locations.
 - 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: Other, Federal Funds, Agency Administration

- **\$225,960 in Recurring funds to:**
 - **Other/Federal Funds Authority - \$66,515**
 - Additional authority needed for general increases to existing staff and annual increases in employer contributions.
 - **Agency Admin - \$159,445 / 1 FTE**
 - Project Manager II to oversee agency's Project Portfolio and Project Portfolio Management System.
 - This position is vital to the agency's ability to successfully complete the number of projects that currently exist.



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: Project Connect

- **\$150,000,000 in Non-Recurring Funds to:**
 - **Deliver on South Carolina's commitment to largest economic development project in state history.**
 - Cumulative economic impact of over \$15.3 billion by 2029 and thousands of high-quality jobs.
 - **Address unbudgeted costs (below) resulting from unanticipated permit and mitigation requirements and weather-related schedule delays.**
 - Construction delays and inflation.
 - Additional environment mitigation and wetland protection.
 - Infrastructure.

Commerce has already implemented controls and processes to safeguard future projects.



Proviso Changes: NEW Proviso Requests

- **Request to ADD a New Proviso: Commerce NBIF Loan**

- In conjunction with the recurring funds authorized beginning in FY26, this request will ensure the loan is repaid in a timely manner.
- Commerce is also suggesting a non-recurring request to address this need. If the non-recurring request is approved, this proviso is not needed.

- **Request to ADD a New Proviso: Nuclear Advisory Council**

- Allow reimbursement to Commerce from ORS for expenses associated with the Governor's Nuclear Advisory Council using the SC Energy Office's radioactive waste funds.

- **Request to ADD a New Proviso: Rural Development**

- Provide guidance on how Commerce can spend the non-recurring funds for Rural Development, if appropriated.

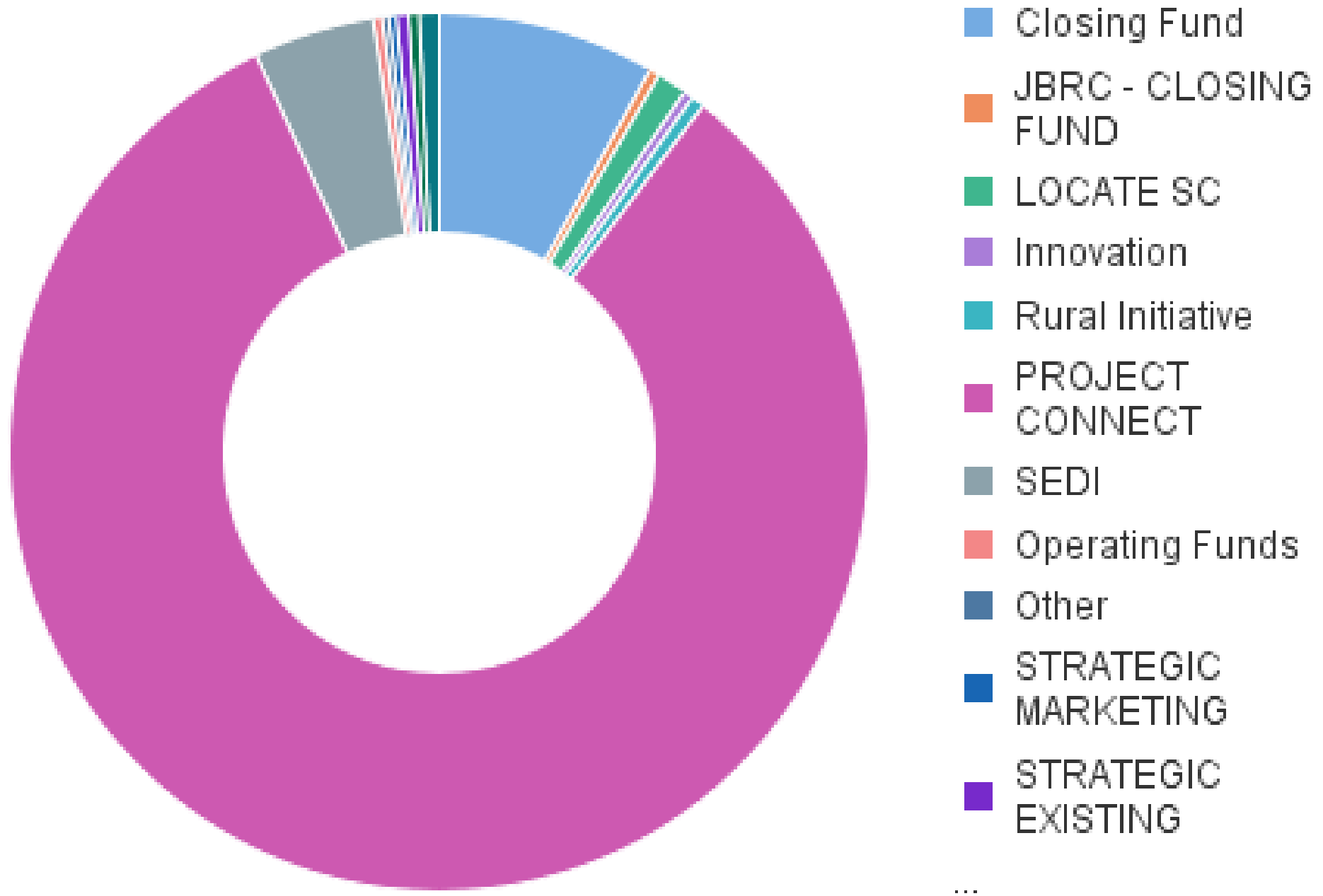


General Fund Carry Forward into FY25-26

	GENERAL FUND
	Carry Forward
Closing Fund	72,815,492.08
JBRC - CLOSING FUND	3,420,906.84
LOCATE SC	10,045,770.57
Innovation	3,209,097.75
Rural Initiative	4,434,693.60
PROJECT CONNECT	734,570,845.90
SEDI	40,445,016.07
Operating Funds	3,021,182.88
Other	2,179,096.14
STRATEGIC MARKETING	2,590,093.82
STRATEGIC EXISTING	4,000,000.00
APPLIED RESEARCH CTR	3,590,218.56
SC Nexus	6,687,500.00
Sum:	891,009,914.21

Of the FY25 year-end general fund balances carried forward to FY26, 99%+ are committed or obligated to future projects

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





FTE Breakdown

TYPES	TOTAL	STATE	OTHER	FEDERAL
Authorized FTEs	111.1	88.3425	16.01	6.6475
Filled FTEs	106	86.3425	13.01	6.6475
Vacant FTEs	5	2	3	0

(As of Dec. 31, 2025)

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

Thank you!