



FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS (FORM B1)	For FY 2026-2027, my agency is (mark "X"):		
	<input checked="" type="checkbox"/>	Requesting General Fund Appropriations.	
	<input type="checkbox"/>	Requesting Federal/Other Authorization.	
	<input type="checkbox"/>	Not requesting any changes.	
NON-RECURRING REQUESTS (FORM B2)	For FY 2026-2027, my agency is (mark "X"):		
	<input type="checkbox"/>	Requesting Non-Recurring Appropriations.	
	<input type="checkbox"/>	Requesting Non-Recurring Federal/Other Authorization.	
	<input checked="" type="checkbox"/>	Not requesting any changes.	
CAPITAL REQUESTS (FORM C)	For FY 2026-2027, my agency is (mark "X"):		
	<input type="checkbox"/>	Requesting funding for Capital Projects.	
	<input checked="" type="checkbox"/>	Not requesting any changes.	
	PROVISOS (FORM D)	For FY 2026-2027, my agency is (mark "X"):	
<input type="checkbox"/>		Requesting a new proviso and/or substantive changes to existing provisos.	
<input type="checkbox"/>		Only requesting technical proviso changes (such as date references).	
<input checked="" type="checkbox"/>		Not requesting any proviso changes.	

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

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
PRIMARY CONTACT:	Bobby L. Patterson, Jr., Chief Financial Officer	(803) 898-2450	bobby.patterson@scdva.sc.gov
SECONDARY CONTACT:	Joseph S. McLamb, Chief of Staff	(803) 212-5277	joseph.mclamb@scdva.sc.gov

I have reviewed and approved the enclosed FY 2026-2027 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	<u>Agency Director</u>	<u>Board or Commission Chair</u>
SIGN/DATE:		
TYPE/PRINT NAME:		

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

Agency Name:	Department of Veterans' Affairs
Agency Code:	E260
Section:	101

BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	Military Enhancement Fund	10,000,000	0	0	0	10,000,000	0.00	0.00	0.00	0.00	0.00
TOTALS			10,000,000	0	0	0	10,000,000	0.00	0.00	0.00	0.00	0.00

Agency Name:	Department of Veterans' Affairs		
Agency Code:	E260	Section:	101

FORM B1 – RECURRING OPERATING REQUEST

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

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

AMOUNT	<p>General: \$10,000,000</p> <p>Federal: \$0</p> <p>Other: \$0</p> <p>Total: \$10,000,000</p> <p>What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.</p>
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NEW POSITIONS	0.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:
	<input type="checkbox"/> Change in cost of providing current services to existing program audience
	<input checked="" type="checkbox"/> Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/> Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/> Non-mandated program change in service levels or areas
	<input type="checkbox"/> Proposed establishment of a new program or initiative
	<input type="checkbox"/> Loss of federal or other external financial support for existing program
	<input type="checkbox"/> Exhaustion of fund balances previously used to support program
	<input type="checkbox"/> IT Technology/Security related
	<input type="checkbox"/> HR/Personnel Related
	<input type="checkbox"/> Consulted DTO during development
	<input type="checkbox"/> Related to a Non-Recurring request – If so, Priority #

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark “X” for primary applicable Statewide Enterprise Strategic Objective:
	<input type="checkbox"/> Education, Training, and Human Development
	<input type="checkbox"/> Healthy and Safe Families
	<input type="checkbox"/> Maintaining Safety, Integrity, and Security
	<input checked="" type="checkbox"/> Public Infrastructure and Economic Development
	<input type="checkbox"/> Government and Citizens

ACCOUNTABILITY OF FUNDS	<p>This recurring budget request supports the department’s Strategic Objective 5 (Sustain and expand the military presence in South Carolina) and underwrites the corresponding Focus Area - Intent of the Military Installation Focus -- which advocates South Carolina as an indispensable component of national defense.</p>
	<p>Pursuant to Proviso, funds distribution is permissible to counties and municipalities with federal military installations that identify programs and services for: conducting land acquisition, supporting recreational, educational and facility-related requirements for military personnel and their families. The award of funds are for projects that enhance military value, military installation resilience and / or military family quality of life. A report of project expenditure occurs quarterly.</p>
	<p>There are two key screening criteria for discerning base closure and allocation of federal funds: (1) the ability of a base to meet operational requirements associated with its assigned missions, and (2) the ability of the surrounding community to meet critical quality of life requirements of military families. The Military Enhancement Fund provides a viable approach to solving complex and sensitive challenges while [subsequently] yielding high-value impact to the state’s economy and reducing the likelihood of base closures; amplifying the state’s position as essential component of national defense.</p> <p>What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency’s accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?</p>

	<p>Distribution of funds occurs through a grant-like program. County and municipal applications with a federal military installation submits a viable proposal to either improve the operational capability of a South Carolina military installation or improve the quality of life of military families in South Carolina. The Department of Veterans’ Affairs (1) periodically reviews and evaluates grant proposals through a formal board process, (2) awards funding to the most promising proposals, (3) monitors the conduct of awardee program management and expenditures and (4) reports programs successes and expense reports to the General Assembly and Office of the Governor. Specific Military Enhancement Fund criteria follows:</p>
	<p>Eligibility Criteria</p>
	<p>Proposal must meet all of the below minimum requirements. Applications lacking requisite information are not considered.</p>
	<p>A. Identify as one of the following counties or municipal government agents / agencies</p> <p>with a federal military installation, as defined above, within or adjacent to jurisdictional boundaries of the county or municipality: Richland, Sumter, Charleston, Berkeley, Dorchester, Beaufort, Orangeburg, Georgetown, Edgefield or Aiken</p>
	<p>B. Clearly demonstrate how funding increase military value, and /or military installation resilience and / or enhances military family quality of life at the supported military installation(s). The proposal may include and not limited to land acquisition, recreational and education purposes and facility sustainment, restoration and modernization for military personnel.</p> <p>C. Include a signed letter of support by (the) local installation commander(s) representing the installation(s) or military community(ies) that benefit from the proposal.</p>

RECIPIENTS OF FUNDS

D. Additionally, include the following items:

1. A cover letter on county or municipal government agency letterhead briefly describing the scope of the proposal and identifying the military installation(s) that benefit.

2. Provide a detailed written explanation of the proposal; to include the following:

a. Explanation of how the proposal increases military value and /or military installation resilience and / or enhances military family quality of life at the supported military installation(s).

b. Timeline for completing the project(s) associated with the proposal; to include start dates, milestones and completion dates.

c. Explanation of how Military Enhance Funds will be spent.

d. Identify and describe other funding source(s) the applicant intends to apply in conjunction with this grant; to include source and dollar amount. For example: the grant proposal covers only a sub-project as part of a larger project.

e. List of the specific objectives or goals the applicant aims to achieve by leveraging Military Enhance Funds.

f. Identify and describe specific metrics to assess progress towards objectives and / or goals.

g. Provide contact (email and phone) information for the primary and alternate personnel overseeing the project.

3. Provide a copy of the anti-discrimination policy for the organization.

4. Provide most recent operating financial statement for the organization.

5. Provide a signed letter of endorsement from the commander of each installation benefiting from the proposal.

6. Provide an independent qualified third-party cost estimate for the proposal. Additionally, provide a fair market appraisal of any real property that is to be transferred as part of the proposal; if applicable.

Evaluation Criteria

The South Carolina Department of Veterans’ Affairs evaluates each proposal based on (1) the impact to mission readiness, (2) effect on military quality of life, (3) effect on the surrounding community, (4) project timeliness and (5) the degree to which project costs are shared among other funding sources. The department makes every effort to fund selected proposals at the amount requested. However, the Secretary may adjust award amounts based on the availability of funds and other considerations. Final decision authority for awarding grants under this program rests with the Secretary of the Department of Veterans’ Affairs. If a grant is not awarded in full the department may request an updated budget from the applicant.

*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

JUSTIFICATION OF REQUEST

With more than 11% of South Carolina’s economy attributed to the military presence in our state, South Carolina has a vested interest in maintaining and, if possible, expanding the state’s military presence. In June 2022, the University of South Carolina estimates that the impact of military bases and communities yield more than \$34B (or 11+ %) of the state’s economy. Report details are located at: <https://scdva.sc.gov/sites/scd...> ).

In recognizing the growth and value of the projects funded by the Military Enhancement Fund, the General Assembly approved \$2M in recurring funds for FY24-25. Additionally, the General Assembly’s passage of legislation to add Fort Eisenhower to the list of federal military installations for South Carolina underscores the importance of the corresponding \$1.8B economic impact to South Carolina (see Economic Impact link above). As a result, South Carolina counties of Edgefield and Aiken are eligible to participate in the Military Enhancement Fund program. With the inclusion of additional communities, additional funding for this growing and valuable program is necessary. In FY24-25, proposals were approved for a marine firefighting school and wastewater treatment. Additional proposals were submitted for energy resilience and drone protection.

From FY21-22 to FY24-25, the General Assembly appropriated a total of \$35.5M for the expressed purpose of supporting actions and programs that make South Carolina a more appealing location for military bases and military families. Awards supporting non-operational military requirements and quality of life improvement total \$32.6M.

In FY24-25, proposals were approved in the amount of \$7.6M for a marine firefighting school in Charleston and an updated wastewater treatment equipment in Beaufort and Port Royal. The department is evaluating additional proposals totaling more than \$6.4M for energy resilience, protection from drones, equipment for a cyber school and dam repair.

Sustaining and expanding military presence in South Carolina requires continuous deliberate engagement in the years ahead; especially when considering shrinking national defense budgets—which greatly increases the desire to consolidate military bases by eliminating those bases with lowest operational value. This budget request reflects our state’s commitment to underwrite the necessary conditions to posture South Carolina as the most attractive location for military bases and military families.

*Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.*

Agency Name:	Department of Veterans' Affairs		
Agency Code:	E260	Section:	101

FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION CONTINGENCY PLAN

TITLE	Agency Cost Savings and General Fund REduction Contingency Plan
AMOUNT	\$2,853,834 <i>What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.</i>
ASSOCIATED FTE REDUCTIONS	None <i>How many FTEs would be reduced in association with this General Fund reduction?</i>

Should the need arise for a 3% reduction of Recuring program funding in the amount \$2,853,834 our Department requests the following reductions (in order): (1) Paragraph 1C Military Enhancement Fund 2M, (2) Paragraphs IIIB through IIIF Veteran Homes Support Services 437K1 and (3) Programs and Services - Veterans Affairs - Other Operating Expenses at 464K.

FY26-27 3% Cost Reduction Plan<sup>1</sup>  
Veteran Home  
Operating Expense Budget

as of 1 JUL 2025

Appropriation	Section 101 Paragraphs	Veteran Home	Starting Balance	Reduction
	B	Campbell	245,546	122,773
	C	Veterans Victory House	245,546	122,773
	D	Veterans Village	116,076	58,038
	E	Palmetto Patriots	116,076	58,038
	F	Patriots Village	150,000	75,000
	G	Stone Pavilion	-	-
Total			873,244	436,622

The impact of a funding reduction to the Military Enhancement Program presents moderate risk and understandably adversely impacts the Department’s ability to underwrite initiatives that improve the (1) operational capability of South Carolina military installations and (2) the quality of life of military families in South Carolina in counties and / or municipalities with a federal military installation.

Remaining impact to resourcing quality of life durable equipment (e.g., washer, dryer, range over) is manageable with a 50% reduction in each Veteran Home Operating Expense Budget and a combined 36% reduction in Veteran Affairs Operating Expense Budget.

*What programs or activities are supported by the General Funds identified?*

SUMMARY

The main component of the Department’s budget request is distributed across a single focus area within the construct of the department’s strategic plan: Focus Area 5 - Expand the Military Enterprise with the intent to make South Carolina and indispensable component of nations defense.

My budget request for Fiscal Year 2026-2027 is nominal at 6% (or \$10M) -- when considering the South Carolina General Assembly’s generous prior-year appropriation approvals across the range of programs and services the department delivers to a special segment of South Carolinians.

As the Department looks forward beyond the recent transition of five and establishment of the last of six State Veteran Homes, my request of \$10M sustains and expands that nation’s military presence in South Carolina. Sustainment and expansion set conditions for continuous deliberate engagement in the years ahead; especially when considering shrinking national defense budgets.

A reduction in federal (military) spending greatly increases the desire to consolidate military bases by eliminating those bases with lowest operational value. This budget request reflects our state’s commitment to underwrite the necessary conditions to posture South Carolina as the most attractive location for military bases and military families.

*Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.*

<div>AGENCY COST SAVINGS PLANS</div>	N/A
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*What measures does the agency plan to implement to reduce its costs and operating expenses by more than \$50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?*

Agency Name:	Department of Veterans' Affairs		
Agency Code:	E260	Section:	101

**FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS**

TITLE	Reducing Cost and Burden to Businesses and Citizens
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*Provide a brief, descriptive title for this request.*

EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	N/A
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*What is the expected savings to South Carolina’s businesses and citizens that is generated by this proposal? The savings could be related to time or money.*

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:
	<input type="checkbox"/> Repeal or revision of regulations.
	<input type="checkbox"/> Reduction of agency fees or fines to businesses or citizens.
	<input type="checkbox"/> Greater efficiency in agency services or reduction in compliance burden.
	<input type="checkbox"/> Other

METHOD OF CALCULATION	N/A
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*Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.*

REDUCTION OF FEES OR FINES	N/A
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*Which fees or fines does the agency intend to reduce? What was the fine or fee revenue for the previous fiscal year? What was the associated program expenditure for the previous fiscal year? What is the enabling authority for the issuance of the fee or fine?*

REDUCTION OF REGULATION	N/A
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*Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?*

SUMMARY	<p>The agency carefully considers costs in terms of feasibility across three main categories: Time, Cost and Full-Time Equivalents and associated risk management. Deliberate organizational decision-making is the underpinning of the agency’s standard operating procedures, processes and communication. To this end, delegation of authorities and clearly defined organizational structure, synchronization and cross-functional engagement aid the agency’s ability to mitigate risk and high cost of operations through cost-benefit analyses.</p>
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*Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?*