

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



Fiscal Year FY 2025-2026
Agency Budget Plan

FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS <i>(FORM B1)</i>	For FY 2025-2026, my agency is (mark "X"):	
	<input checked="" type="checkbox"/>	Requesting General Fund Appropriations.
	<input checked="" type="checkbox"/>	Requesting Federal/Other Authorization.
	<input type="checkbox"/>	Not requesting any changes.

NON-RECURRING REQUESTS <i>(FORM B2)</i>	For FY 2025-2026, my agency is (mark "X"):	
	<input checked="" type="checkbox"/>	Requesting Non-Recurring Appropriations.
	<input type="checkbox"/>	Requesting Non-Recurring Federal/Other Authorization.
	<input type="checkbox"/>	Not requesting any changes.

CAPITAL REQUESTS <i>(FORM C)</i>	For FY 2025-2026, my agency is (mark "X"):	
	<input checked="" type="checkbox"/>	Requesting funding for Capital Projects.
	<input type="checkbox"/>	Not requesting any changes.

PROVISOS <i>(FORM D)</i>	For FY 2025-2026, 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.	(803) 898-2450	bobby.patterson@scdva.sc.gov
SECONDARY CONTACT:	Joseph S. McLamb	(803) 212-5277	joseph.mclamb@scdva.sc.gov

I have reviewed and approved the enclosed FY 2025-2026 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	Veteran Homes - Operating Costs (Recurring)	18,669,605	0	9,389,522	0	28,059,127	0.00	0.00	0.00	0.00	0.00
2	C - Capital	E. Roy Stone State Veteran Home Facility Maintenance Improvements	4,345,538	0	0	0	4,345,538	0.00	0.00	0.00	0.00	0.00
3	B1 - Recurring	Veteran Homes - Support Costs (Recurring)	1,988,656	0	0	0	1,988,656	0.00	0.00	0.00	0.00	0.00
4	B1 - Recurring	Military Enhancement Fund	10,000,000	0	0	0	10,000,000	0.00	0.00	0.00	0.00	0.00
5	B1 - Recurring	Military Child Education Coalition	182,000	0	0	0	182,000	0.00	0.00	0.00	0.00	0.00
6	B2 - Non-Recurring	Economic Impact of South Carolina's Military Community Report	100,000	0	0	0	100,000	0.00	0.00	0.00	0.00	0.00
TOTALS			35,285,799	0	9,389,522	0	44,675,321	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	Veteran Homes - Operating Costs (Recurring)
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Provide a brief, descriptive title for this request.

AMOUNT	<p>General: \$18,669,605</p> <p>Federal: \$0</p> <p>Other: \$9,389,522</p> <p>Total: \$28,059,127</p>
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What is the net change in requested appropriations for FY 2025-2026? This amount should correspond to the total for all funding sources on the Executive Summary.

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 checked="" type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input 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 type="checkbox"/>	Public Infrastructure and Economic Development
<input checked="" type="checkbox"/>	Government and Citizens	

ACCOUNTABILITY OF FUNDS	<p>This funding directly supports the Department’s Strategic Objective #1: Build and sustain administrative policies, procedures and programs to assist Veterans and their Families in effectively and efficiently obtaining their entitled benefits.</p> <p>This funding supports the Cost of Operations for six state-owned contractor-operator State Veteran Homes. Sumter (Patriot’s Village) was completed fall of 2024 and Columbia (Stone Pavilion) transfers from the Department of Mental Health to the Department of Veterans’ Affairs effective 1 July 2025.</p> <p>We are at an inflection for the SC State Veteran Home Enterprise as we prepare to transition Stone Pavilion as a state-operated facility to a contractor-operated facility and move to predictive and sustainable maintenance. Approval of this critical requirement underwrites our ability to provide a value-added programs and services and a requisite-level of long-term care for a unique segment of South Carolinians; setting conditions for Veterans and their families to thrive.</p> <p>400K of the 14.4M (appropriation request) provides funding to maintain Fewell Pavilion as a quarantine and isolation facility (e.g., utilities, water system maintenance (flush), Nurse Call Station / Facility Access / Security system maintenance, fire alarm monitoring), other facility equipment operational testing (e.g., weekly alarm testing, grounds maintenance (including irrigation system)) and other 'DMH-shared' support requirements (e.g., IT</p>
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network costs).

Moreover, this request encompasses inflation normalization and prior-year funding levels. Without this funding, we are unable to meet provide life-changing programs and services and long-term healthcare to an aging segment of South Carolinians; the Veteran.

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?

These funds will go to one or more commercial vendors operating the six State Veteran Homes.

Category	Cost		
	General Fund	Revenue	Total
Cost of Operations (OPS) - Stone Pavilion Veteran Home			
Facility OP Costs - Stone Nursing Home (Columbia)	14,400,000	2,000,000	16,400,000
Total	14,400,000	2,000,000	16,400,000

Category	Cost		
	General Fund	Revenue	Total
Cost of Operations (OPS) - Each State Veteran Home			
Facility OP Costs - Campbell Nursing Home (Anderson)	1,689,327	506,380	2,195,707
Facility OP Costs - Veterans' Victory House Nursing Home (Walterboro)	477,923	431,751	909,673
Facility OP Costs - Veteran Village Nursing Home (Florence)	433,278	3,684,981	4,118,259
Facility OP Costs - Palmetto Patriots Nursing Home (Gaffney)	435,095	2,440,727	2,875,822
Facility OP Costs - Patriot's Village Nursing Home (Sumter)	1,233,983	325,684	1,559,667
Total	4,269,605	7,389,522	11,659,127
Total Cost of Operations for the State Veteran Home Enterprise	18,669,605	9,389,522	28,059,127

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?

These recurring costs are elements that reflect costs associated with the anticipated contract award for Stone and increased operating costs in the other four homes.

Operating Costs for Existing Homes. This funding covers an increase in the billing rate for vendors operating the existing Veteran Homes and cover the shortfall between the current appropriations and anticipated future costs. While we anticipate contractor-operator rate increases commensurate with the forecasted consumer price index, current appropriations fall short of anticipated future operating costs and our department will not have sufficient operating funds to cover the difference. (Current appropriations total \$106,973,314; forecast costs for operating the State Veteran Home Enterprise is \$28,059,127 more than last fiscal year).

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.

RECIPIENTS OF FUNDS

JUSTIFICATION OF REQUEST

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

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	3
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Veteran Homes - Support Costs (Recurring)
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Provide a brief, descriptive title for this request.

AMOUNT	<p>General: \$1,988,656</p> <p>Federal: \$0</p> <p>Other: \$0</p> <p>Total: \$1,988,656</p>
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What is the net change in requested appropriations for FY 2025-2026? This amount should correspond to the total for all funding sources on the Executive Summary.

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 checked="" type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input 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 checked="" 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 type="checkbox"/>	Public Infrastructure and Economic Development
<input checked="" type="checkbox"/>	Government and Citizens	

ACCOUNTABILITY OF FUNDS	<p>This funding supports the Department's Strategic Objective #1: Build and sustain administrative policies, procedures and programs to assist Veterans and their families in effectively and efficiently obtaining their entitled benefits.</p> <p>This funding is connected to our role as the lead agency for administering, managing and providing long-term healthcare in concert with the State Veteran Home Enterprise. Coupled with the cost-analyses completed and provided by Boston Consulting Group (BCG) [contracted by the Department of Administration to provide recommendations on the transfer process of the State Veteran Home Enterprise], our cost modeling encompasses base funding provided in FY24-25 and a corresponding associated cost refinement for sustaining each of the below program requirements (e.g., adjudicating cost increases for shared service providers via a Memorandum of Understanding). As we look towards sustaining administrative support requirements, we are posturing to ensure our programs and associated activities meet audit compliance requirements and reduce risk in terms of operations, compliance and reporting.</p>
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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?

RECIPIENTS OF FUNDS

These funds will go to commercial vendor(s) as determined through the state procurement process and the Department of Administration for Shared Services. 98% (or 964K) of the below requirements is directly attributed to supporting the State Veteran Home Enterprise.

Category	Cost
Personnel	
Workforce Development / Training	24,690
Inflationary Adjustment; salaries & fringe	1,272,716
Contracted Services	
Resident Billing	237,500
Auditing	-
Medicare Cost Reporting	63,800
Shared Services	
Finance / Budget / Human Resources	15,000
Information Technology	75,000
Veteran Home Support	
Fleet Fuel and Maintenance	120,331
Quarterly Facility Inspection; Predictive Maintenance	6,700
Staff Assistance Visits - Offsite Engagement	3,350
Annual Facility Insurance	90,229
Records Storage	2,500
Staff Assistance Visits - Offsite Engagement	8,000
Bi-Monthly Leader Engagement Site Visits	8,000
Continuing Education - Special Staff (e.g., Physician)	10,000
Veteran Home Association Subscription Fee	7,500
Emergency Mgt Engagement - Site Visit	3,000
Automation Equipment Lifecycle Replacement	31,340
Resident Funds Management Surety Bond	9,000
Total	1,988,656

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

While the in-depth analysis of South Carolina's Veterans Homes conducted by Boston Consulting Group, under contract to the Department of Administration, determined that while these homes meet minimally required Federal and State standards, compared to a large majority of other states, our homes lack adequate oversight and focus in terms of consistently applying resources (i.e., time, people and program management) to ensure effective operations—across the range of programs, services and infrastructure that enable the State's ability to set and sustain conditions for Veterans and their Families to thrive.

This request (1) shores up resourcing [funding] shortfalls correlated to specific findings and recommendations of Boston Consulting Group and (2) enables sustainment of the Veteran Home Enterprise by (a) increasing efficiency by out-sourcing certain recurring activities to a vendor (with the necessary oversight) and (b) increases efficiency by shifting a portion of administrative and support tasks to 'State'-provided Shared Services. These Program Improvements ensure South Carolina's Veteran Home residents receive the high-quality care and support they deserve and are entitled to receive.

Salaries. The Department requires \$1,272,716 to fully resource salary requirements write-large—as a result of and to sustain personnel authorization fills from last fiscal year.

Contracted Services. The Department's acceptance of the Boston Consulting Group recommendation to outsource essential financial management-specific functions remains key. The underpinning of Boston Consulting Group's 'outsourcing' recommendation is three-fold: when (1) the function is not limited to government employees by law or regulation, (2) the function is not a core function and can be performed by an external agent and (3) the cost of outsourcing the function is less than the cost of adding the personnel and equipment required for the department to perform the function itself. This funding is necessary to enable the Department to perform, pursuant to the General Assembly-mandate, as the Executive Agent for the State Veteran Home Enterprise—thereby supporting the full complement of six contractor-operated Veteran Homes.

Resident Billing. In light of the last year's FY24-25 transition of the State Veteran Home Enterprise to this department, outsourcing the complexed and complicated billing function remains the most effective and prudent option. The associated cost estimate provided by BCG Consulting of \$262,500 represents a short fall of \$237,500;

given a forecasted cost estimate total of \$500,000. This funding resources the department's ability to provide the required full range of billing services (e.g., remittance, collection, resident personal funds management, Medicare and Medicaid reimbursement submission).

Cost Reporting. The department's selection of the current (preferred) vendor is most effective. The associated cost estimate provided by BCG Consulting of \$262,500 represents a short fall of \$237,500; given a forecasted cost estimate total of \$500,000. This funding allows the department to continue this most cost-efficient practice.

Shared Services Expansion. The recent change in scope and scale of administrative tasks pursuant to the transfer of the State Veteran Home Enterprise requires our ability to sustain two critical functions within the department: human resources and information technology. The result of the BCG Consulting examination and subsequent recommendation of a Shared Services model continues and remains as the most cost-effective option for addressing associated increased requirements. This funding resources the increased workload for the Shared Services team (primarily) and other enterprise-level components to underwrite prudent / calculated-risks and sustain conditions for effectively supporting the State Veteran Home Enterprise.

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		
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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	4
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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	General: \$10,000,000 Federal: \$0 Other: \$0 Total: \$10,000,000
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What is the net change in requested appropriations for FY 2025-2026? This amount should correspond to the total for all funding sources on the Executive Summary.

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 appropriation supports the department’s Strategic Objective 5 (Sustain and expand the military presence in South Carolina), as well as the Intent of the Military Installation Focus Area, which is to make South Carolina an indispensable component of national defense.</p> <p>Per Proviso instructions, these funds are awarded to counties and municipalities with federal military installations to be used for items including, but not limited to, land acquisition, recreational purposes, education purposes, and facilities for military personnel. The awarded funds are for projects that enhance military value, military installation resilience, or military family quality of life. Reports are submitted quarterly on how the project funds are being spent.</p> <p>Two primary factors influence decisions about which bases are closed and which ones remain open and receive federal funding: 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 the critical quality of life requirements of military families. These projects provide a way for South Carolina to lessen the likelihood of base closures, and amplify their importance in national defense.</p>
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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?

RECIPIENTS OF FUNDS

These funds will be distributed as grants to counties or municipalities with a federal military installation that submit a viable proposal to either 1) improve the operational capability of a South Carolina military installation, or 2) improve the quality of life of military families in South Carolina. The Department of Veterans' Affairs will periodically review grant proposals, evaluate them in a formal board process, award grants to the most promising proposals, monitor execution, and report the results to the General Assembly and Office of the Governor. The criteria are listed below:

Eligibility Criteria

To be considered for a grant under this program, your proposal must meet all of the following minimum requirements. Any submission which does not meet any of the requirements below will not be considered.

A. You must be one of the following counties or municipal government agents/agencies with a federal military installation, as defined above, within or adjacent to your jurisdictional boundaries: Richland, Sumter, Charleston, Berkeley, Dorchester, Beaufort, Orangeburg, Georgetown, Edgefield, or Aiken

B. Your proposal must clearly demonstrate how it will enhance military value, military installation resilience, or military family quality of life at the supported military installation(s). Your proposal may include, but is not limited to, land acquisition, recreational purposes, education purposes, and facilities for military personnel.

C. Your proposal must include a signed letter of support by the local installation commander(s) representing the installation(s) or military community(ies) that will benefit from the proposal.

D. Your proposal must include the following items:

1. A cover letter on the letterhead of your county or municipal government agency, briefly describing the scope of the proposal and identifying the military installation(s) it will benefit.
2. A detailed written explanation of the proposal, to include the following:
 1. A detailed explanation of how the proposal will enhance military value, military installation resilience, or military family quality of life at the supported military installation(s);
 2. A timeline for completing the project(s) associated with the proposal, to include start dates, milestones, and completion dates;
 3. A detailed explanation of how the grant funds will be spent;
 4. A detailed account of any other funding source(s) you intend to apply in conjunction with this grant, to include source and dollar amount (if, for example, your grant proposal covers only a sub-project as part of a larger project);
 5. A list of the specific objectives or goals the grant will be used to accomplish or achieve; and
 6. Specific metrics that will be used to determine the degree to which each objective or goal is achieved.
 7. Email and phone contact information for the primary and alternate personnel overseeing the project.
3. A copy of the anti-discrimination policy of your organization.
4. A copy of the organizational budget of your organization for the current fiscal year.
5. The most recent operating financial statement of your organization.
6. A signed letter of endorsement from the commander of each installation benefiting from your proposal.
7. An independent, third-party estimate of the cost of the proposal, prepared by a qualified entity, and when applicable a fair market appraisal of any real property to be transferred as part of the proposal.

Evaluation Criteria

The South Carolina Department of Veterans' Affairs will evaluate each proposal based on 1) its effect on mission readiness; 2) its effect on military quality of life, 3) its effect on the surrounding community; 4) its timeliness; and 5) the degree to which the costs of the project(s) are shared with other funding sources. The Department will award grants at the funding level stated in the proposal. When available Military Enhancement Funds are inadequate to fund a qualified proposal fully, the proposal will be disapproved. Partial grants will not be awarded. Final decision authority for awarding grants under this program rests with the Secretary of Veterans' Affairs.

The South Carolina Department of Veterans' Affairs will evaluate each proposal based on 1) its effect on mission readiness; 2) its effect on military quality of life, 3) its effect on the surrounding community; 4) its timeliness; and 5) the degree to which the costs of the project(s) are shared with other funding sources. The Department will award

grants at the funding level stated in the proposal. When available Military Enhancement Funds are inadequate to fund a qualified proposal fully, the proposal will be disapproved. Partial grants will not be awarded. Final decision authority for awarding grants under this program rests with the Secretary of Veterans' Affairs.

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 eleven percent of South Carolina's economy funded by the military presence in our state, South Carolina has a vested interest in maintaining and, if possible, expanding its military presence. In the June 2022 report, the University of South Carolina estimated that military bases and the military community bring more than \$34 billion (or 11+ %) into the South Carolina economy (see details 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 \$2,000,000 in recurring funds for FY24-25. They also approved legislation to add Fort Eisenhower to the list of federal military installations for South Carolina, based on the number of South Carolinians who work at Fort Eisenhower and the corresponding \$1,800,000,000 economic impact to South Carolina (see Economic Impact link above). That legislation makes the South Carolina counties of Edgefield and Aiken eligible to participate in this program. With more counties included, additional funding for this growing and valuable program is necessary. In FY24-25, proposals are expected to be submitted for a marine firefighting school, water treatment, energy resilience, and more.

From FY21-22 to FY23-24, the General Assembly appropriated a total of \$25,500,000 in Non-Recurring funds for the expressed purpose of supporting actions and programs that make South Carolina a more appealing location for military bases and military families. Grant awards supporting non-operational military requirements and quality of life improvement total \$25,014,722.

During FY23-24, the Department evaluated requests to enhance support for military bases: (1) electric substation near Shaw Air Force Base to improve energy resilience for the base and community, (2) a living shoreline of man-made oyster beds to decrease erosion and storm surge at Parris Island, (3) modular temporary housing for firefighters based at McEntire Joint National Guard Base. The Department has awarded \$9,118,264.

Two proposals related to quality of life improvements were approved. These include areas for military families, soldiers, and visitors to enjoy. The first is the completion of Centennial Park at Fort Jackson, and the second is the Barn Revitalization at the Shaw-Sumter Welcome Center.

The Department has awarded \$5,423,367.

Sustaining and expanding the military presence in South Carolina will require continuous attention in the years ahead, especially in light of the shrinking national defense budgets which will greatly increase the desire to consolidate military bases by eliminating those with lowest operational value. This proposed line item reflects a South Carolina commitment to do everything in our power to make this state 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		
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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	5
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Military Child Education Coalition
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Provide a brief, descriptive title for this request.

AMOUNT	<p>General: \$182,000</p> <p>Federal: \$0</p> <p>Other: \$0</p> <p>Total: \$182,000</p>
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What is the net change in requested appropriations for FY 2025-2026? This amount should correspond to the total for all funding sources on the Executive Summary.

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 checked="" type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
<input type="checkbox"/>	Government and Citizens	

ACCOUNTABILITY OF FUNDS	<p>The FY 24-25 South Carolina Department of Veterans' Affairs Strategic Objective 5 (Military Installations) and the supporting Operational Objective 5.1, "Improve educational opportunities for military children" are supported by this request. Metric 5.1.1 of the Operational Objective is the "Number of Purple Star school districts and charter schools in the state of South Carolina."</p> <p>Education for military-connected children is a major quality of life concern for the Department of Defense, and for the eight installation Commanders in South Carolina. One of the factors considered by the Department of Defense when making decisions about base closings is the quality of education around the base. Military children move every two years on average. That means between kindergarten and high school graduation, a military child could attend six or more different schools. In addition to changing schools frequently, military children also deal with the stress of having a parent or guardian deployed. School districts with Purple Star designation have teachers and staff who have received training on the unique needs of military-connected students. These school districts also have a dedicated staff member who works with the military families, student ambassadors who help integrate military students, and a website page detailing the services available to military families.</p> <p>Out of 73 school districts in South Carolina, only 13 districts and two charter schools have received Purple Star designation. The South Carolina Department of Veterans'</p>
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Affairs (SCDVA) has partnered with the Department of Education, the South Carolina National Guard, and the Military Child Education Coalition (MCEC) to increase the number of Purple Star School Districts across the state. Military-connected children don't just live near military installations. Some active-duty service members choose to live away from installations due to the quality of schools, the availability of housing, or for numerous other reasons. Children of National Guard families are spread across the state as well, and many school districts are not aware of the number of military-connected students in their district. The more Purple Star School Districts in South Carolina, the more military-connected children are supported, no matter where they live.

MCEC currently receives \$350,000 in recurring funds and submits quarterly reports to the state on how those funds are spent.

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?

RECIPIENTS OF FUNDS

The Military Child Education Coalition (MCEC) has operated for more than two and half decades and is the national advocate for Purple Star Schools. The \$350,000 in recurring funds that MCEC currently receives provides for Purple Star Events, Global Training Summits, a State Coordinator, and Community Coordinators located in Charleston (2), Columbia, and Sumter. In FY 24-25, they received an additional \$182,000 in non-recurring funds to support the Beaufort area, which is home to three military installations.

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

MCEC received \$182,000 in non-recurring funds for FY 24-25 for the following:

1-Community Coordinator (Beaufort area) \$ 53,000

2-360 Summits (\$45,000 each) 90,000

3-Professional Development Training + 39,000

The FY 25-26 request is for \$182,000 in recurring funds to be used to continue the additional work that will begin this year. The only difference will be for the Beaufort Community Coordinator to assist with needs in the counties surrounding Beaufort as well.

With the additional coordinator, the areas of Charleston, Sumter, Columbia and Beaufort will have liaisons to the local and regional military-connected community who engage parents, educators, school liaisons, businesses, civil leaders, and other stakeholders to share MCEC resources and programs. They provide guidance and assistance to military families, schools/districts, and installations.

360 Summits feature two days of training events involving installation leadership, school districts, school liaison officers, students, and community leadership. The 360 Summits are designed to help districts receive comprehensive training and resources that will aid them in achieving the Purple Star School (PSS) Designation. Following the 360 Summits, educators, administrators, and youth-serving professionals are invited to participate in MCEC-led Professional Learning Communities, which continue the learning process and assist schools in maintaining their PSS Designation.

The stand-alone Professional Development trainings will allow MCEC to reach schools that have begun the PSS process and have requirements to complete. Funding for professional training covers supplies, transportation and lodging for trainers, and facility costs.

MCEC's outreach efforts to active-duty, National Guard, and Reserve components across the state have led them to believe there is a need for 360 Summits, Community Coordinators, and Professional Development Training across the state. Several school districts have reached out to request additional training and resources. MCEC is confident they can help other districts successfully complete the steps needed to provide the highest level of professional and caring support to military-connected children. South Carolina continues to be a place where military families thrive, thanks to dedicated partnerships such as this one.

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 B2 – NON-RECURRING OPERATING REQUEST

AGENCY PRIORITY	6
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Economic Impact of South Carolina’s Military Community Report
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Provide a brief, descriptive title for this request.

AMOUNT	\$100,000
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What is the net change in requested appropriations for FY 2025-2026? This amount should correspond to the total for all funding sources on the Executive Summary.

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 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"/>	Consulted DTO during development
	<input type="checkbox"/>	HR/Personnel Related
<input checked="" type="checkbox"/>	Request for Non-Recurring Appropriations	
<input type="checkbox"/>	Request for Federal/Other Authorization to spend existing funding	
<input type="checkbox"/>	Related to a 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 type="checkbox"/>	Public Infrastructure and Economic Development
<input checked="" type="checkbox"/>	Government and Citizens	

ACCOUNTABILITY OF FUNDS	<p>"Defining South Carolina’s Evolving Strategic Role in National Security" is FY 25-26 Strategic Objective 5.3 under the Focus Group Intent of "Making South Carolina an Indispensable Component of National Security."</p> <p>The last economic impact report was prepared in 2022 and showed the impact of the military community on South Carolina’s economy to be \$34.3 billion, or roughly 11% of the state’s economy.</p> <p>An updated report will reveal the economic growth over the last four years and explain the role each military installation plays in support of national defense.</p>
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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?

RECIPIENTS OF FUNDS	<p>The department is leveraging the state procurement process [via competitive open and fair competition] to select a contractor to conduct the survey and provide results.</p>
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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

**JUSTIFICATION
OF REQUEST**

The strategic importance of South Carolina's military community as part of the broader United States military is critical. South Carolina's military community provides a variety of resources that the nation regularly draws from for training, combat, and support services. These include:

- Force generation for the long-term sustainability of the U.S. Armed Forces
- Active defense of Continental United States (CONUS) with ground, air, sea, and cyber forces
- Direct support of combat operations with ground, air, sea, and cyber forces
- Strategic transportation
- Department of Defense contractors producing weapon systems for the nation and supporting ongoing military activities
- Domestic and state emergency support operations

The 2022 report provides valuable information to military installations, legislators, congressional delegation, state agencies, the Governor's office and the media. This information is used to support requests for federal funds to enhance the eight active-duty military installations in South Carolina. It is used to understand the number of service members, veterans, retirees, and Department of Defense personnel in our state, as well as the jobs they bring. This report also gives counties and municipalities information necessary to provide support for the people working and living in their areas.

The South Carolina Department of Veterans' Affairs requests funding for an updated report in 2026 in order for the state to have current information on the critically important military installations in our state. The department plans to update this report every four years.

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 C – CAPITAL REQUEST

AGENCY PRIORITY	2
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	E. Roy Stone State Veteran Home Facility Maintenance Improvements
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Provide a brief, descriptive title for this request.

AMOUNT	\$4,345,538
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How much is requested for this project in FY 2025-2026? This amount should correspond to the total for all funding sources on the Executive Summary.

CPIP PRIORITY	<p>Projected for Comprehensive Permanent Improvement Plan planning year 2025 - 2026; the projects associated with this capital funding request are not included in the agency's Comprehensive Permanent Improvement Plan for the current fiscal year - 2024-2025. Transfer of the Stone Pavilion State Veteran Home from the Department of Mental Health occurs 1 July 2025—in concert with South Carolina Act 60 of 2024, Section 1, Paragraph (5). If state funding is not made available, the Department of Veterans' Affairs is unable to mediate and / or repair life - safety maintenance requirements. Consequently, the resulting risks associated with required life / safety maintenance requirements are exacerbated as a direct result of the age of Stone Pavilion as a 53-year-old (aging) facility.</p>
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Identify the project's CPIP plan year and priority number, along with the first year in which the project was included in the agency's CPIP. If not included in the agency's CPIP, please provide an explanation. If the project involves a request for appropriated state funding, briefly describe the agency's contingency plan in the event that state funding is not made available in the amount requested.

OTHER APPROVALS	Joint Bond Review Committee and State Fiscal Accountability Authority is required.
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What approvals have already been obtained? Are there additional approvals that must be secured in order for the project to succeed? (Institutional board, JBRC, SFAA, etc.)

LONG-TERM PLANNING AND SUSTAINABILITY	<p>There are no known funds vested for the corresponding capital projects. Future capital projects to support the operations of the facility will be addressed when necessary. We anticipate an Estimated Useful Life of at least 10 years for the capital projects listed here to—once repair and / or replacement is complete.</p>
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What other funds have already been invested in this project (source/type, amount, timeframe)? Will other capital and/or operating funds for this project be requested in the future? If so, how much, and in which fiscal years? Has a source for those funds been identified/secured? What is the agency's expectation with regard to additional annual costs or savings associated with this capital improvement? What source of funds will be impacted by those costs or savings? What is the expected useful life of the capital improvement?

COMMENTS	<p>This budget request of \$4,345,538 compliments the associated \$5M appropriated to the Department of Mental Health During last fiscal year. To this end, total current forecasted cost to address life safety-specific capital projects for Stone Pavilion is \$9,345,538.</p> <p>During the 20 June 2023 Joint Bond Review Committee Hearing, the Committee selected Lexington County as the location for constructing the next South Carolina Veteran Home. The Lexington Veteran Home, slated to be a 129-bed facility, replaces Stone Pavilion. Stone Pavilion is a 45,684 sqft 53-year-old aging facility.</p>
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TEST TABLE

The estimated date of construction for the Lexington Home completion is 2034. As a result, this request addresses current and immediate maintenance and renovation requirements for Stone Pavilion—as identified in the Building Condition Assessment Report provided by the Department of Mental Health. The Building Condition Assessment was a necessary component of transitioning the State Veteran Home Enterprise from the Department of Mental Health to the Department of Veterans’ Affairs.

Approval of this request provides the necessary funding to establish and execute Phase II once Phase I Architecture and Engineering requirements are complete—for permanent improvement projects established by the Department of Mental Health for Stone. Projects include the domestic **hot water system repair, chilled water piping** and sprinkler line **replacement**, existing **Heating Ventilation and Air Conditioning system modification** to provide needed conditioned outside air and to control humidity, 1971 sheet vinyl **flooring replacement in Resident rooms** and failing security **fence repair** [which mitigates resident elopement and trespassing (critically important) in light of Resident vulnerability]. The hot water system, chilled water piping and Heating Ventilation and Air Conditioning are currently well beyond the Estimated Useful Life.

Stone Pavilion Capital Project Cost Assessment		
Piping Replacement	5,000,000	As reflected in SCDMH FY25 Budget Request
Hot Water System Modifications	1,000,000	
Stone Whole Building Generator	1,000,000	
HVAC Replacement/Modifications	750,000	
Flooring Replacement	250,000	
Security Fencing	250,000	
Total	8,250,000	
Stone BCA Short Term Costs	960,500	Building Conditional Assessment Report
Stone BCA Capital Reserve Costs	135,038	- Not included in SCDMH Budget Request -
Total Cost Estimate	9,345,538	
FY24-25 Funds Appropriated Department of Mental Health for Stone Pavilion Capital Projects	5,000,000	
Department of Veterans’ Affairs FY25-26 Budget Request for Stone Pavilion Capital Projects	<u>4,345,538</u>	

What other funds have already been invested in this project (source/type, amount, timeframe)? Will other capital and/or operating funds for this project be requested in the future? If so, how much, and in which fiscal years? Has a source for those funds been identified/secured? What is the agency’s expectation with regard to additional annual costs or savings associated with this capital improvement? What source of funds will be impacted by those costs or savings? What is the expected useful life of the capital improvement?

SUMMARY

This budget request of \$4,345,538 compliments the associated \$5M appropriated to the Department of Mental Health During last fiscal year. To this end, total current forecasted cost to address life safety-specific capital projects for Stone Pavilion is \$9,345,538.

During the 20 June 2023 Joint Bond Review Committee Hearing, the Committee selected Lexington County as the location for constructing the next South Carolina Veteran Home. The Lexington Veteran Home, slated to be a 129-bed facility, replaces Stone Pavilion. Stone Pavilion is a 45,684 sqft 53-year-old aging facility.

The estimated date of construction for the Lexington Home completion is 2034. As a result, this request addresses current and immediate maintenance and renovation requirements for Stone Pavilion—as identified in the Building Condition Assessment Report provided by the Department of Mental Health. The Building Condition Assessment was a necessary component of transitioning the State Veteran Home Enterprise from the Department of Mental Health to the Department of Veterans’ Affairs.

Approval of this request provides the necessary funding to establish and execute Phase II once Phase I Architecture and Engineering requirements are complete—for permanent improvement projects established by the Department of Mental Health for Stone. Projects include the domestic **hot water system repair, chilled water piping** and sprinkler line **replacement**, existing **Heating Ventilation and Air Conditioning system modification** to provide needed conditioned outside air and to control humidity, 1971 sheet vinyl **flooring replacement in Resident rooms** and failing security **fence repair** [which mitigates resident elopement and trespassing (critically important) in light of Resident vulnerability]. The hot water system, chilled water piping and Heating Ventilation and Air Conditioning are currently well beyond the Estimated Useful Life.

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Stone BCA Capital Reserve Costs	135,038	- Not included in SCDMH Budget Request -
Total Cost Estimate	9,345,538	
FY24-25 Funds Appropriated Department of Mental Health for Stone Pavilion Capital Projects	5,000,000	
Department of Veterans’ Affairs FY25-26 Budget Request for Stone Pavilion Capital Projects	<u>4,345,538</u>	

Provide a summary of the project and explain why it is necessary. Please refer to the budget guidelines for appropriate questions and thoroughly answer all related items.

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

FORM D – PROVISO REVISION REQUEST

NUMBER

101.1

Cite the proviso according to the renumbered list (or mark "NEW").

TITLE

VET: M.J. "Dolly" Cooper Veterans Cemetery Carry Forward

Provide the title from the renumbered list or suggest a short title for any new request.

BUDGET PROGRAM

SECTION 101 DEPARTMENT OF VETERANS' AFFAIRS

Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST

Is this request associated with a budget request you have submitted for FY 2025-2026? If so, cite it here.

REQUESTED ACTION

Amend

Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED

N/A

Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION

Allows Department of Veterans' Affairs to carry forward unspent funds into the new fiscal year. Removes wording referring to the Cooper Veterans Cemetery.

Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT

N/A

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

**PROPOSED
PROVISO TEXT**

(VET: M.J. M.J. "Dolly" Cooper Veterans Cemetery Carry Forward) The Department of Veterans' Affairs may carry forward unexpended funds appropriated and/or authorized for the same purpose. In addition, any unexpended funds in the Department of Veterans Affairs, including Special Line Items, ~~shall~~ may be carried forward from the prior fiscal year into the current fiscal year ~~and used for the operation of the M.J. "Dolly" Cooper Veterans Cemetery.~~ Funds carried forward in excess of the amount needed for the operation of the Cemetery may be used for other expenses of the Department of Veterans Affairs.

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

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

FORM D – PROVISO REVISION REQUEST

NUMBER

101.3
Cite the proviso according to the renumbered list (or mark "NEW").

TITLE

Base Protection Plan Allocation
Provide the title from the renumbered list or suggest a short title for any new request.

BUDGET PROGRAM

SECTION 101 DEPARTMENT OF VETERANS' AFFAIRS
Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST

Is this request associated with a budget request you have submitted for FY 2025-2026? If so, cite it here.

REQUESTED ACTION

Amend
Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED

N/A
Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION

Removes reference to Base Protection Plan, and amends wording to Military Enhancement Fund.

Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT

N/A

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

**PROPOSED
PROVISO TEXT**

101.3 (VET: ~~Base Protection Plan~~ Military Enhancement Fund Allocation) Funds appropriated to the department for the ~~Base Protection Plan~~ Military Enhancement Fund may be allocated to items including, but not limited to, land acquisition, recreational purposes, educational purposes, and facilities for military personnel. Eligible recipients are counties and municipalities with federal military installations.

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

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

FORM D – PROVISO REVISION REQUEST

NUMBER	NEW
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Cite the proviso according to the renumbered list (or mark "NEW").

TITLE	Resident Fee Account
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Provide the title from the renumbered list or suggest a short title for any new request.

BUDGET PROGRAM	SECTION 101 DEPARTMENT OF VETERANS' AFFAIRS
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Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST	
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Is this request associated with a budget request you have submitted for FY 2025-2026? If so, cite it here.

REQUESTED ACTION	Add
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Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED	N/A
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Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION	<p>Allows Veterans' Affairs to retain and expend its Resident Fee Account funds; allows Medicare funds collected by the department to be considered as resident fees.</p>
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Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT

N/A

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

**PROPOSED
PROVISO TEXT**

NEW (VET: Resident Fee Account) The Department of Veterans' Affairs is hereby authorized to retain and expend its Resident Fee Account funds. In addition to funds collected for the maintenance and medical care for residents, Medicare funds collected by the department from residents' Medicare benefits and funds collected by the department from its veteran facilities shall be considered as resident fees. The department is authorized to expend these funds for departmental operations, for capital improvements and debt service under the provisions of Act 1276 of 1970, and for the cost of residents' Medicare Part B premiums.

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

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
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AMOUNT	\$2,243,850
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What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.

ASSOCIATED FTE REDUCTIONS	None
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How many FTEs would be reduced in association with this General Fund reduction?

PROGRAM / ACTIVITY IMPACT	<p>Should the need arise for a 3% reduction of Recurring program funding in the amount \$2,243,850, our Department request that such reduction occur in the Military Enhancement Fund. 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.</p>
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What programs or activities are supported by the General Funds identified?

SUMMARY	<p>The main components of the Department’s budget request are distributed across two major areas: Veteran Home Enterprise Costs and Other Agency Program needs. As was the case with last year’s request, the bulk of our requirements aim to effectively operate the state’s Veterans Homes which transferred to SCDVA from the Department of Mental Health (DMH) on 1 July 2024. There are three major cost drivers in this portion of our budget request:</p> <ol style="list-style-type: none"> 1. Stone Pavilion Transfer. The Stone Pavilion Veteran Home, located in Columbia, transfers from the Department of Mental Health to our Department on 1 July, 2025. Upon transfer this facility transitions from being state-operated to a contractor-operated home. Anticipated contractual costs for this facility are the largest single cost driver in our budget request. The shift from a state-operated facility to a third-party vender operated facility was described in the Department of Administration commissioned study conducted by Boston Consulting Group. 2. Inflationary Pressure in Other Contract Operated Homes. While inflation has eased we have seen continued cost increases in the Veteran Home Enterprise. Our budget request recognizes these pressures and ensures we can continue to provide the quality of care our Veteran Home residents deserve. 3. FY 24-25 Cost Underestimation. Our FY 24-25 budget included requests based on analysis and recommendations provided by the Boston Consulting Group under contract to the Department of Administration. Those requests were fully met by our FY 24-25 appropriations. In the period since we assumed oversight of Veterans Homes we found actual costs to be, on average, more than twice the consultant’s estimated amount. <p>The rest of our budget request focuses on existing programs and updating a detailed study on the economic impact of the state's active-duty military presence. While these requests are less than those associated with the Veteran Home Enterprise they provide for key capabilities and insights that allow our agency to support our state’s Veteran and military affiliated members.</p>
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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.

AGENCY COST SAVINGS PLANS

N/A

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	N/A
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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	N/A
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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?