Agency Name:	Department of Administration		
Agency Code:	D500	Section:	93

Fiscal Year FY 2027-2028

Agency Budget Plan

FORM A - BUDGET PLAN SUMMARY

	For FY 2027-2028, my agency is (mark "X"):	
OPERATING REQUESTS *(FORM B1)*	X	Requesting General Fund Appropriations.
	X	Requesting Federal/Other Authorization.
		Not requesting any changes.

	For FY 2027-2028, my agency is (mark "X"):	
NON-RECURRING REQUESTS *(FORM B2)*		Requesting Non-Recurring Appropriations.
		Requesting Non-Recurring Federal/Other Authorization.
	X	Not requesting any changes.

	For FY 2027-2028, my agency is (mark "X"):	
CAPITAL REQUESTS *(FORM C)*		Requesting funding for Capital Projects.
	X	Not requesting any changes.

	For FY 2027-2028, my agency is (mark "X"):	
PROVISOS *(FORM D)*	X	Requesting a new proviso and/or substantive changes to existing provisos.
		Only requesting technical proviso changes (such as date references).
		Not requesting any proviso changes.

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

	Name	*Phone*	*Email*
PRIMARY CONTACT:	Tom Kaminer	(803) 737-0526	thomas.kaminer@admin.sc.gov
SECONDARY CONTACT:	Karen Rumfelt	(803) 737-1749	karen.rumfelt@admin.sc.gov

I have reviewed and approved the enclosed FY 2027-2028 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	Agency Director	*Board or Commission Chair*
SIGN/DATE:	Marcia S. Adams 9/25/26	
TYPE/PRINT NAME:	Marcia S. Adams	

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

Agency Name:	Department of Administration
Agency Code:	D500
Section:	93

BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	Earmarked Funds Authorization	0	0	7,500,000	0	7,500,000	0.00	0.00	0.00	0.00	0.00
2	B1 - Recurring	AI Security and Emerging Cyber Threat Protection	5,500,000	0	0	0	5,500,000	0.00	0.00	0.00	0.00	0.00
TOTALS			5,500,000	0	7,500,000	0	13,000,000	0.00	0.00	0.00	0.00	0.00

Agency Name:	Department of Administration		
Agency Code:	D500	Section:	93

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY

1

Provide the Agency Priority Ranking from the Executive Summary.

TITLE

Earmarked Funds Authorization

Provide a brief, descriptive title for this request.

AMOUNT

General: $0

Federal: $0

Other: $7,500,000

Total: $7,500,000

What is the net change in requested appropriations for FY 2027-2028? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS

0.00

Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST

Mark "X" for all that apply:	
X	Change in cost of providing current services to existing program audience
X	Change in case load/enrollment under existing program guidelines
	Non-mandated change in eligibility/enrollment for existing program
	Non-mandated program change in service levels or areas
	Proposed establishment of a new program or initiative
	Loss of federal or other external financial support for existing program
	Exhaustion of fund balances previously used to support program
X	IT Technology/Security related
	HR/Personnel Related
	AI Related
	Related to a Non-Recurring request – If so, Priority #

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES

Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	Education, Training, and Human Development
	Healthy and Safe Families
	Maintaining Safety, Integrity, and Security
	Public Infrastructure and Economic Development
X	Government and Citizens

ACCOUNTABILITY OF FUNDS

Strategy 3.2: Identify and advance services provided through Admin.

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?

Current Admin staff and vendors

RECIPIENTS OF FUNDS	

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	In 2026, the Department of Administration (Admin), working on behalf of and in close coordination with the Department of Behavioral Health and Developmental Disabilities (BHDD), undertook a significant body of work to transition BHDD to the State's shared IT services model and establish a more secure, reliable, and sustainable technology environment. Admin established a multi-faceted project to execute this transition. Major accomplishments include firewall migration and VPN/MFA modernization; deployment and configuration of an entirely new network across 84 BHDD county offices, replacing more than 3,000 legacy network devices; consolidation of email services with enhanced security; early launch of BHDD.sc.gov; expansion of endpoint and network security capabilities; improved incident response coordination; and assessment and implementation of a consolidated BHDD and DPH print operation. A central component of this effort has been the transition of IT infrastructure responsibilities from BHDD to Admin. During the initial phase, the BHDD IT staffing footprint was reduced by 42 FTEs, including 14 filled positions and 28 vacant positions. While those agency-specific positions are no longer required under the shared services model, the underlying technology functions and service obligations remain. Those responsibilities are now being transferred to and performed by Admin. The additional revenue to Admin reflects the transfer of IT services and responsibilities from BHDD to the State's shared services model. This revenue will allow Admin to assume and sustain these responsibilities while allowing BHDD to eliminate IT positions that are no longer required under the consolidated service model.

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 Administration		
Agency Code:	D500	Section:	93

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY

2

Provide the Agency Priority Ranking from the Executive Summary.

TITLE

AI Security and Emerging Cyber Threat Protection

Provide a brief, descriptive title for this request.

AMOUNT

General: $5,500,000

Federal: $0

Other: $0

Total: $5,500,000

What is the net change in requested appropriations for FY 2027-2028? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS

0.00

Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST

Mark "X" for all that apply:	
	Change in cost of providing current services to existing program audience
	Change in case load/enrollment under existing program guidelines
	Non-mandated change in eligibility/enrollment for existing program
	Non-mandated program change in service levels or areas
	Proposed establishment of a new program or initiative
	Loss of federal or other external financial support for existing program
	Exhaustion of fund balances previously used to support program
X	IT Technology/Security related
	HR/Personnel Related
X	AI Related
	Related to a Non-Recurring request – If so, Priority #

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES

Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	Education, Training, and Human Development
	Healthy and Safe Families
X	Maintaining Safety, Integrity, and Security
	Public Infrastructure and Economic Development
	Government and Citizens

ACCOUNTABILITY OF FUNDS

Strategy 3.3: Provide leadership and support to enhance and mature information security and privacy and advance the protection of citizens' data.

This request supports the agency's strategy to strengthen the State's cybersecurity capabilities to protect State systems, information, and services against evolving threats.

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 would be used to engage leading industry experts, specialized cybersecurity contractors, and technology vendors with demonstrated expertise in AI security, advanced cyber defense, monitoring, and automation. Resources would be procured

FUNDS	through the State's established competitive procurement and contracting processes, with selections based on defined technical requirements, relevant expertise, demonstrated capabilities, and best value to the State.

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	The rapid expansion of artificial intelligence (AI) is changing both the cyber threats facing State government and the technologies the State must protect. Cyber adversaries are increasingly using AI to increase the speed, scale, and sophistication of their activities, while State agencies are adopting AI-enabled technologies to improve government services. These developments create a dual cybersecurity responsibility for the Division of Information Security (DIS): protecting the State against AI-enabled threats while ensuring that AI technologies adopted across State government are implemented securely and appropriately monitored. This request provides specialized resources and supporting technology to enhance the capabilities DIS uses today to meet these responsibilities as AI and associated risks continue to evolve. DIS already supports the State's AI efforts through its participation in the AI Center of Excellence, providing cybersecurity guidance as agencies evaluate and adopt AI technologies. As the use of AI expands across State government, DIS must strengthen its ability to turn that guidance into practical security protections and provide agencies with the support needed to adopt AI securely. AI security is a rapidly evolving and highly specialized area, the requested funding will allow DIS to acquire specialized expertise as needs emerge and adjust those skills as AI technologies and associated security risks change. DIS currently maintains the cybersecurity technologies and operational capabilities needed to monitor threats, investigate and respond to incidents, protect State information, and support agencies. AI requires these existing capabilities to evolve and requires both specialized expertise and the expansion of security technologies to address new risks. The State needs greater visibility into how AI is being used, what State information may be shared with AI services, and where potentially unauthorized or high-risk use may occur. Additional investment will allow DIS to expand monitoring and protections, evaluate the security of AI technologies, automate appropriate security activities, and provide the expertise and supporting technology necessary to keep pace with increased AI use. DIS also currently evaluates technologies and security risks as part of its existing responsibilities. The requested funding will provide additional specialized resources to strengthen these capabilities so DIS can evaluate emerging AI technologies, identify risks earlier, and develop security protections that can be consistently used by agencies statewide. These resources will also strengthen the State's ability to identify and respond to increasingly sophisticated cyber threats and allow DIS to responsibly use AI and automation within its own cybersecurity operations to improve the speed and effectiveness of threat identification, investigation, and response. This request strengthens the cybersecurity functions DIS performs today. By investing in specialized resources and expertise, along with the security technologies, oversight, monitoring, and operational capabilities needed in an AI-enabled environment, the State can build upon its existing cybersecurity investments while adapting to a rapidly changing landscape. This approach provides DIS the flexibility to acquire and adjust specialized skills as the technology evolves while continuing to build knowledge and capabilities within the State. These enhancements will allow DIS to continue protecting State systems, information, and services while supporting the secure adoption and use of AI across State government through its existing role in the AI Center of Excellence.

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 Administration		
Agency Code:	D500	Section:	93

FORM D – PROVISO REVISION REQUEST

NUMBER	117.157
	Cite the proviso according to the renumbered list (or mark "NEW").
TITLE	Land Acquisitions
	Provide the title from the renumbered list or suggest a short title for any new request.
BUDGET PROGRAM	N/A
	Identify the associated budget program(s) by name and budget section.
RELATED BUDGET REQUEST	None
	Is this request associated with a budget request you have submitted for FY 2027-2028? If so, cite it here.
REQUESTED ACTION	Amend
	Choose from: Add, Delete, Amend, or Codify.
OTHER AGENCIES AFFECTED	Department of Natural Resources, the Department of Parks, Recreation and Tourism, the Office of Resilience, the Forestry Commission, and the SC Conservation Bank
	Which other agencies would be affected by the recommended action? How?
SUMMARY & EXPLANATION	This proviso directs the Executive Budget Office within the SC Department of Administration (Admin) to prepare a report to the General Assembly of the properties acquired in the prior fiscal year by the Department of Natural Resources, the Department of Parks, Recreation and Tourism, the Office of Resilience, the Forestry Commission, and the SC Conservation Bank (Resource Agencies). The Capital Budget Office within the Division of Facilities Management and Property Services at Admin now prepares this report.

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

None

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

117.157. (GP: Land Acquisitions) (A) Prior to entering into contracts to utilize funds appropriated or authorized by the General Assembly to acquire interests in land for natural resource protection and rural land preservation, including conservation easements (Land Protection Projects), the Department of Natural Resources, the Department of Parks, Recreation and Tourism, the Office of Resilience, the Forestry Commission, and the SC Conservation Bank (Resource Agencies) shall coordinate and collaborate with each other to maximize the most cost effective options available for the acquisition with the greatest public benefit. The Resource Agencies shall coordinate with each other to ensure that the funds are used for projects that support the agency's objectives, and do not substantially encroach upon another agency's objectives, the State's broader conservation objectives, and that demonstrate a satisfactory degree of financial leverage, partnerships, and other indicators of quality as determined by the Resource Agencies.

(B) In addition to the requirements set forth above, collaboration and coordination shall include, but are not limited to:

(1) quarterly collaboration and planning meetings to coordinate on projects and ensure compliance with this proviso;

(2) consideration of easement versus acquisition strategies for a proposed project;

(3) consideration of a proposed project's importance in terms of natural conservation, historic resource protection, flood mitigation, agricultural resource protection, or other applicable co-benefits;

(4) consideration of public access; and

(5) consideration of funding sources for the potential project.

(C)(1) Along with its statutorily required annual budget requests, each one of the Resource Agencies shall certify, in writing, to the Executive Budget Office that its budget requests for Land Protection Projects will conform with the requirements of this proviso, with a copy of that written certification being contemporaneously provided to the Chairman of the House Ways and Means Committee and the Chairman of the Senate Finance Committee.

(2) By August 15th of the fiscal year, the ~~Executive Budget Office~~ **Department of Administration** shall prepare a report to the General Assembly of the properties acquired in prior fiscal year, the funding sources for the acquisition, the identification of any reductions in the State's basis in the property including owner agreement to sell below market value and any grants applied to the acquisition, and the intended agency for long-term management of the acquisition.

(D) Where required, the acquisitions process shall follow the existing JBRC and SFAA approval processes. The Resource Agency acquiring the interest in land, any Resource Agency directly participating in the acquisition financially or otherwise, and the Conservation Bank shall continue to submit a proviso compliance certification document when submitting a project.

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

Agency Name:	Department of Administration		
Agency Code:	D500	Section:	93

FORM D – PROVISO REVISION REQUEST

NUMBER	118.21
	Cite the proviso according to the renumbered list (or mark "NEW").
TITLE	ARPA Funds
	Provide the title from the renumbered list or suggest a short title for any new request.
BUDGET PROGRAM	II. A. Executive Budget Office
	Identify the associated budget program(s) by name and budget section.
RELATED BUDGET REQUEST	None
	Is this request associated with a budget request you have submitted for FY 2027-2028? If so, cite it here.
REQUESTED ACTION	Delete
	Choose from: Add, Delete, Amend, or Codify.
OTHER AGENCIES AFFECTED	None
	Which other agencies would be affected by the recommended action? How?
SUMMARY & EXPLANATION	The proviso authorizes the Department of Administration (Admin) to reallocate any unused authorization in a particular enumerated item in Act 239 of 2022, Act 244 of 2022, Act 6 of 2023, or any other act through which American Rescue Plan Act (ARPA) funds were appropriated to any enumerated item of the aforementioned acts for which approved reimbursements exceed the authorization. The proviso directs Admin to reallocate any unused authorization according to the prioritization listed in the proviso. The funds will be reallocated, and the program will be completed in FY27.

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

None

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

~~118.21. (SR: ARPA Funds) (A) To ensure that the State of South Carolina maximizes the use of federal funds authorized through the American Rescue Plan Act (ARPA), beginning July 15 of the current fiscal year, the Director of the Department of Administration is authorized to reallocate any unused authorization in a particular enumerated item in Act 239 of 2022, Act 244 of 2022, Act 6 of 2023, or any other act through which ARPA funds were appropriated to any enumerated item of the aforementioned acts for which approved reimbursements exceed the authorization. The Director shall reallocate any unused authorization according to the following prioritization:~~

~~(1) Department of Public Health;~~

~~(2) Department of Transportation;~~

~~(3) Department of Environmental Services;~~

~~(4) Office of Regulatory Staff;~~

~~(5) Office of Resilience; and~~

~~(6) Rural Infrastructure Authority.~~

~~(B) Applicants for Water and Sewer Infrastructure grants administered by the Rural Infrastructure Authority may exceed ten million dollars per project or application.~~

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

Agency Name:	Department of Administration		
Agency Code:	D500	Section:	93

FORM D – PROVISO REVISION REQUEST

NUMBER	93.11
	Cite the proviso according to the renumbered list (or mark "NEW").
TITLE	SCEIS Carry Forward Authorization
	Provide the title from the renumbered list or suggest a short title for any new request.
BUDGET PROGRAM	II.D. SC Enterprise Information System
	Identify the associated budget program(s) by name and budget section.
RELATED BUDGET REQUEST	None
	Is this request associated with a budget request you have submitted for FY 2027-2028? If so, cite it here.
REQUESTED ACTION	Amend
	Choose from: Add, Delete, Amend, or Codify.
OTHER AGENCIES AFFECTED	None
	Which other agencies would be affected by the recommended action? How?
SUMMARY & EXPLANATION	For fiscal year 2023-2024, the SC Department of Administration (Admin) received a recurring appropriation totaling $13m and a non-recurring appropriation totaling $40m for migration of the current SAP ERP System – the South Carolina Enterprise Information System (SCEIS) – from an on-premise system to the next generation cloud-based SAP platform (S/4 HANA). Carryforward authorization for these funds is needed because of the timing of expenditures will be subject to the implementation schedule of the third-party vendor managing the project, and many of the initial project expenditures are contingent upon the timing of the procurement to acquire the third-party vendor managing the project.

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

None

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

93.11. (DOA: SCEIS Carry Forward Authorization) Notwithstanding any provision of state law, for ~~Fiscal Year 2026-27~~ **the current fiscal year**, unexpended funds appropriated for the SC Enterprise Information System may be carried forward from the prior fiscal year and used for the same purpose.

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

Agency Name:	Department of Administration		
Agency Code:	D500	Section:	93

FORM D – PROVISO REVISION REQUEST

NUMBER	93.13
	Cite the proviso according to the renumbered list (or mark "NEW").
TITLE	Carry Forward Forensic Accounting Review Audit
	Provide the title from the renumbered list or suggest a short title for any new request.
BUDGET PROGRAM	N/A
	Identify the associated budget program(s) by name and budget section.
RELATED BUDGET REQUEST	None
	Is this request associated with a budget request you have submitted for FY 2027-2028? If so, cite it here.
REQUESTED ACTION	Delete
	Choose from: Add, Delete, Amend, or Codify.
OTHER AGENCIES AFFECTED	None
	Which other agencies would be affected by the recommended action? How?
SUMMARY & EXPLANATION	This proviso authorizes the Department of Administration to carry forward any remining funds appropriated pursuant to Proviso 117.186 of Act 226 of 2024 and to expend them in the FY26 fiscal year to fund activities related to oversight of the implementation of the recommendations in the AlixPartners report, including the hiring of an independent compliance consultant pursuant to Act 72, S.253 (R.1) of 2025. The independent consultant, Forvis Mazars, LLP, completed and submitted its report as required in March 2026. The engagement is complete and the remaining funds will be transferred to the general 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

None

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

~~93.13. (DOA: Carry Forward Forensic Accounting Review Audit) The Department of Administration is authorized to carry forward any remaining funds appropriated pursuant to Proviso 117.186 of Act 226 of 2024 and to expend them in the current fiscal year to fund activities related to oversight of the implementation of the recommendations in the AlixPartners report, including the hiring of an independent compliance consultant pursuant to S.253 (R.1) of 2025.~~

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

Agency Name:	Department of Administration		
Agency Code:	D500	Section:	93

FORM D – PROVISO REVISION REQUEST

NUMBER	93.14
	Cite the proviso according to the renumbered list (or mark "NEW").
TITLE	Centralized Software Pilot
	Provide the title from the renumbered list or suggest a short title for any new request.
BUDGET PROGRAM	II. G. State Technology Operations
	Identify the associated budget program(s) by name and budget section.
RELATED BUDGET REQUEST	None
	Is this request associated with a budget request you have submitted for FY 2027-2028? If so, cite it here.
REQUESTED ACTION	Delete
	Choose from: Add, Delete, Amend, or Codify.
OTHER AGENCIES AFFECTED	None
	Which other agencies would be affected by the recommended action? How?
SUMMARY & EXPLANATION	This proviso directed the Department of Administration (Admin) to implement a pilot program in the sixteen technical colleges to utilize a single, third party centralized software system and provide an assessment report on the pilot's impact, cost savings, and improved financial transparency to the Chairmen of Senate Finance and the House Ways and Means Committees no later than June 30, 2026. Admin submitted the report on June 30, 2026.

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

None

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

~~93.14. (DOA: Centralized Software Pilot) From the funds appropriated, the Department of Administration shall implement a pilot program in the sixteen technical colleges to utilize a single, third-party centralized software system that operates above existing accounting or enterprise resource planning (ERP) software without requiring major workflow changes, automatically standardizes naming conventions across all colleges to enable direct comparisons of key financial measures, employs AI-driven analytics to detect anomalies, outliers, or compliance flags while providing plain-language summaries of trends and findings, supports multi-campus, multi-fiscal-year data with secure role-based access, and grants the department top-level oversight to view aggregated data in real time, compare performance across colleges, and identify compliance concerns or best practices that could enhance statewide financial oversight. The State Board for Technical and Comprehensive Education and the sixteen technical schools must assist the department as directed with the coordination and technical facilitation of data collection, the implementation of the software, and any additional assistance as requested. The department shall provide an assessment report on the pilot's impact, cost savings, and improved financial transparency to the Chairmen of Senate Finance and the House Ways and Means Committees no later than June 30, 2026.~~

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

Agency Name:	Department of Administration		
Agency Code:	D500	Section:	93

FORM D – PROVISO REVISION REQUEST

NUMBER	93.15
	Cite the proviso according to the renumbered list (or mark "NEW").
TITLE	Health Agencies Analysis
	Provide the title from the renumbered list or suggest a short title for any new request.
BUDGET PROGRAM	N/A
	Identify the associated budget program(s) by name and budget section.
RELATED BUDGET REQUEST	None
	Is this request associated with a budget request you have submitted for FY 2027-2028? If so, cite it here.
REQUESTED ACTION	Delete
	Choose from: Add, Delete, Amend, or Codify.
OTHER AGENCIES AFFECTED	None
	Which other agencies would be affected by the recommended action? How?
SUMMARY & EXPLANATION	This proviso directed the Department of Administration (Admin) to conduct an analysis of the Department of Alcohol and other Drug Abuse Services (DAODAS), the Department of Disabilities and Special Needs (DDSN), and the Department of Mental Health (DMH) that created the Department of Behavioral Health and Development Disabilities (BHDD), to effectuate structural reorganization and provide a detailed report on the structural reorganization no later than June 30, 2026. Admin completed its analysis and submitted the report in FY26.

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

None

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

~~93.15. (DOA: Health Agencies Analysis) From funds appropriated, the Department of Administration shall conduct an analysis of the Department of Behavioral Health and Developmental Disabilities, Office of Substance Use Services, Office of Intellectual and Developmental Disabilities, and Office of Mental Health, or their successor agencies, that includes, but is not limited to, the current organizational structures, management and supervision of full-time employees, duplication of administrative efforts, suitability for shared services, and opportunities for collaboration between the offices. Each office must provide their full cooperation, and make available any staff, books, records, statements, and other information needed by the Department of Administration to complete the analysis. The department is authorized to effectuate structural reorganization, including any reduction in force needed based upon the findings in their analysis. The department shall provide a detailed report on structural reorganization and the Executive Budget Office shall report the number of FTEs deleted by agency, program, and funding source to the Senate Finance Committee and the House Ways and Means Committee no later than June 30, 2026.~~

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

Agency Name:	Department of Administration		
Agency Code:	D500	Section:	93

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

TITLE	Agency Cost Savings and General Fund Reduction Contingency Plan
AMOUNT	$3,754,075 *What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.*
ASSOCIATED FTE REDUCTIONS	9 FTEs *How many FTEs would be reduced in association with this General Fund reduction?*
PROGRAM / ACTIVITY IMPACT	A potential 3% reduction will affect most of the areas in Admin that receive appropriations. SCEIS, and the special appropriations for Health Agencies Complex and Enterprise Technology and Remediation will not be affected. *What programs or activities are supported by the General Funds identified?*
SUMMARY	Statewide services that may be affected include the Office of Executive Director, the Executive Budget Office, the Division of State Human Resources, the Capital Projects team, Facilities Management Projects, the Division of Information Security, the Enterprise Privacy Office, State Technology Operations, the Program Management Office, Statewide Training, Digital Government Transformation, Development Disabilities Council, and the Governor's Ombudsman. The 3% reduction would be spread proportionally among areas funded by the General Fund in Admin excluding SCEIS and the special appropriations for Health Agencies Complex and Enterprise Technology and Remediation.

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 Administration		
Agency Code:	D500	Section:	93

FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE	Collaboration, innovation, and effective stewardship of public resources based success

Provide a brief, descriptive title for this request.

EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	Increased efficiencies, effectiveness, and transparency, and improved customer access to services are outlined below in the Summary section of this form.

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:**
	Repeal or revision of regulations.
	Reduction of agency fees or fines to businesses or citizens.
X	Greater efficiency in agency services or reduction in compliance burden.
	Other

METHOD OF CALCULATION	N/A

Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.

REDUCTION OF FEES OR FINES	N/A

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

Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?

FY 2025-26 ACCOMPLISHMENTS AND MILESTONES

During fiscal year (FY) 2025-26, the South Carolina Department of Administration (Admin) advanced its mission through enterprise leadership, collaboration, innovation, strengthened security, effective stewardship of public resources and continued investment in the people and systems that support state government. Admin delivered major assignments from the Governor and General Assembly, expanded shared services, prepared statewide systems for significant upgrading and generated measurable savings, cost avoidance and risk reduction. Together, these efforts helped state agencies operate more efficiently and reliably so they can focus resources on their core missions and better serve South Carolinians.

Provide leadership and guidance to others in the executive branch and deliver statewide projects assigned to Admin by the General Assembly or the Governor.

• Admin led the analysis, stabilization and restructuring of the newly created South Carolina Department of Behavioral Health and Developmental Disabilities (BHDD), established by Act 3 (S.2) of 2025 and further directed by Proviso 93.23 of the FY 2025-

26 Appropriations Act and the Governor. Together, those directives required Admin to help facilitate consolidation, support day-to-day operations, review organizational structures, evaluate full-time equivalent (FTE) supervision, identify duplication, consider shared services and collaboration and, where warranted, effectuate structural reorganization and reductions in force. The work brought together the former Department of Disabilities and Special Needs, Department of Mental Health and Department of Alcohol and Other Drug Abuse Services while preserving continuity of critical behavioral health, developmental disability and substance-use services. Admin organized the work in phases — stabilizing urgent conditions, supporting day-to-day operations and then implementing consolidation and efficiencies — and embedded expertise across human resources, finance, procurement, facilities, fleet, information technology, cybersecurity, communications and legal services.

The restructuring produced significant operational and financial value. BHDD administrative positions were reduced from 1,100 to 825, a 25% reduction, through vacancy management, targeted reductions and reallocations designed to limit disruption to services. State Fleet validated and consolidated fleet operations, reducing the fleet from 1,033 vehicles to 786, a 24% reduction, and transferring 711 vehicles to the State Fleet Lease Fleet Program. These changes generated approximately $698,000 in annual fleet-management cost avoidance, approximately $1.08 million in projected annual savings from fleet reduction and additional annual insurance savings.

Admin also stabilized and modernized BHDD's technology environment. Negotiated network-equipment pricing produced approximately $6 million in savings; moving from a multiprotocol label switching network to dedicated internet access generated more than $880,000 in annual savings; and timely firewall migration avoided approximately $315,000 in renewal costs. Admin consolidated email, expanded endpoint protection, vulnerability management, centralized logging and Security Operations Center support and developed a road map for application, infrastructure and security modernization.

A unified BHDD identity and website further reduced duplication. Fifteen separate websites were migrated to a single site on the state's Digital Government Services platform, avoiding approximately $439,000 in one-time development costs and $66,000 in recurring annual fees. Admin also developed 67 common administrative, human resources, information technology, information security and facilities policies and forms.

Collectively, the work moved BHDD from three largely separate administrative environments toward a more centralized, accountable and sustainable model while maintaining services and creating measurable, recurring value for taxpayers.

• Admin's Division of State Human Resources (DSHR) and Executive Budget Office (EBO) worked with state agencies to implement Proviso 117.193 of the FY 2025-26 Appropriations Act, which required elimination of 25% of vacant full-time equivalent (FTE) positions as of Feb. 1, 2025, unless exempted. Admin reviewed vacant positions across agencies and eliminated approximately 1,700 vacant FTEs, meeting the statewide reduction requirement.

Admin also coordinated revised agency authorizations and related SCEIS changes. The effort improved the accuracy of statewide staffing data, removed outdated or unused position authority and created a stronger basis for workforce planning and personnel-resource decisions while allowing agencies to focus authorized staffing on current mission needs.

• Admin also completed a series of legislative-directed operational assignments and reports during FY 2025-26. These included transferring staffing and responsibilities for the Nuclear Advisory Council to the South Carolina Department of Commerce; supporting the transfer of the Educator Report Card program to the South Carolina Department of Education; and completing required reporting related to federal and other fund authorizations, Battelle Alliance expenditures, land acquisition and Aid to Fire District funding.

Completing these assignments on schedule reduces transition risk, ensures the General Assembly receives timely information for oversight and budget decisions and demonstrates Admin's capacity to mobilize cross-functional expertise for statutory requirements beyond its routine operations.

Advance an enterprise approach to state government services.

• Admin's shared services enable agencies to deliver efficient, reliable services to South Carolina's citizens without independently building and maintaining duplicative administrative capabilities. Admin continued to grow enterprise use of human resources, finance, budgeting, procurement, information technology (IT), information security, training and development, state vehicle fleet oversight and support, and surplus property programs. Compared with June 30, 2025, eight additional agencies were consuming IT shared services, five additional agencies were using finance shared services, three additional agencies were using procurement shared services and four additional agencies were using HR shared services.

As of June 30, 2026, shared services and enterprise programs included:

o 51 agencies consumed IT shared services.

o 22 state agencies consumed finance shared services.

o 20 state agencies consumed budget shared services.

o 20 state agencies consumed procurement shared services.

o 18 state agencies consumed human resources (HR) shared services.

o 156 active law enforcement agencies participated in the 1033 Program and had acquired property valued at $58,336,613.

o 550 organizations participated in the Federal Surplus Program.

o 72 state and local government agencies participated in the Lease Fleet Program.

o 88 state and local government agencies had employees participate in Fleet Safety training classes at no cost to those agencies.

o 58 state and local government agencies participated in the Commercial Vendor Repair Program, which provided average savings of 20.6% on labor and 9.4% on parts.

o 472 state and local government agencies participated in the Fuel Card Program.

o The State Surplus Property Program returned $15,543,393 to state agencies in FY 2025-26.

o Admin's Digital Government Services program provided 1,158 services to 205 state and local government agencies.

o Admin served 104 state and local government agencies and 6,220 participants through 254 training and development classes.

SUMMARY

o More than 80 agencies utilized DIS statewide cybersecurity services to strengthen governance, manage risk, protect state systems and data, enhance workforce capabilities and improve the state's ability to prevent, detect and respond to cyber threats.

The continued adoption of shared services demonstrates enterprise value: agencies can leverage standardized processes, specialized expertise, common technology and statewide purchasing power while reducing the need to maintain duplicative capabilities. Programs such as surplus property, fleet repair and shared technology also generate direct savings or return value to participating agencies, allowing more public resources to remain focused on mission delivery.

• Admin continued implementation of the South Carolina State Agencies Artificial Intelligence (AI) Strategy by coordinating agency use cases and budget requests, piloting enterprise AI solutions and advancing citizen-facing AI services. In FY26, the AI Center of Excellence's (CoE) expanded 455.56%, growing from 36 use cases at the end of FY 2024–25 to tracking 200 AI use cases across state agencies and higher education as of June 30, 2026. The AI CoE expanded statewide collaboration by 125%, growing participation from 20 organizations in FY25 to 45 state agencies and higher education institutions in FY26. This momentum drove 450 cumulative attendees across six FY26 sessions, with peak attendance exceeding 100 participants per session.

Admin also advanced "Bradley," the AI resident assistant on SC.GOV, to help citizens more easily find publicly available government information and services. In addition, Admin developed and launched an AI Finance Dashboard Assistant, an extension of Bradley designed to help users navigate the state's public finance data dashboards, and the solution was approved to move into production. From its launch in October 2025 through June 30, 2026, Bradley responded to 57,144 questions. Bradley was also nationally recognized with a 2026 Communicator Award of Excellence for AI-enabled customer experience.

This coordinated approach creates value by reducing duplicative agency experimentation, establishing common guardrails for responsible AI use and informing enterprise purchasing decisions with evidence from real use cases. Citizen-facing tools provide a more accessible front door to government information and demonstrate how a reusable statewide platform can improve service without requiring each agency to build its own solution.

Collaborate with customers to identify needs, measure satisfaction and enhance services.

• Admin completed an effort to revise and standardize descriptions for its non-IT shared services using the common format established for IT shared services. Budget, finance, fleet, human resources, information security, learning and organizational development, procurement and surplus services were defined in a consistent, customer-oriented format and prepared for inclusion in the online Shared Services Catalog.

Clear service descriptions improve customer experience by defining scope and expectations before service begins, supporting more consistent service level and performance measurements, and reducing misunderstanding and avoidable support needs. Standardization also gives Admin a scalable foundation for communicating new services, benchmarking performance and expanding enterprise offerings.

Develop a proactive and diversified approach to recruit and develop qualified employees.

• Building on the state's classification and compensation reform implemented for state agencies in June 2025, Admin's Division of State Human Resources extended the modernization to South Carolina's institutions of higher education. Effective Feb. 1, 2026, the higher education classification and compensation system transitioned from the previous 10 pay bands to four pay structures — General, Clinical, Certified Law Enforcement and Technology — with defined pay grades and state salary ranges. Existing classified higher education positions were slotted into the new structure, aligning the core compensation framework with the state's broader reform while maintaining a system tailored to higher education.

The change provides institutions, employees and state leaders with a more consistent, transparent and market-based framework for compensation. Clearer job placement and salary ranges support more informed pay decisions, strengthen recruitment and retention efforts and improve employees' understanding of compensation opportunities. Aligning the higher education framework with the state's restructured approach also replaces two legacy band structures with a more sustainable model that Admin can evaluate and update as labor-market conditions change, extending the long-term value of the statewide classification and compensation reform to higher education.

Identify and advance services provided through Admin.

• State Fleet completed the planning needed to move a shared-fleet concept toward initial deployment. The model would allow preapproved agency employees to reserve vehicles from a centralized location and pay for vehicles only when used, providing an alternative to maintaining underutilized agency-owned assets. Admin selected the State of South Carolina Health Campus as the initial prototype site, identified vehicles for deployment and developed a hardware procurement based on available technology.

State Fleet also completed a law-enforcement fleet feasibility study using its own operating data and Department of Public Safety fleet data. The analysis found that a distinct patrol-vehicle lease rate would improve cost allocation because high engine-idle time can make mileage-only billing less representative of actual use. A new patrol rate is planned for FY 2026-27. These initiatives use statewide data and pooled assets to improve fleet utilization, reduce cross-subsidization and give agencies lower-cost alternatives to owning vehicles that may sit idle.

Provide leadership and support to enhance and mature information security and privacy and advance the protection of citizens' data.

• Admin operationalized the SC Cyber Health program and centralized Cyber Risk Dashboard to provide statewide and agency-level visibility into cyber risk, remediation progress, security-tool adoption and program maturity across more than 80 agencies. The program achieved 100% agency participation, a 25% reduction in identified cyber-risk findings statewide and more than a tenfold increase in findings actively managed through structured remediation.

The dashboard translates complex technical data into a common set of facts for agency and statewide leaders. This improves accountability, helps identify the risks with the greatest potential impact and supports targeted, data-driven investments rather than broad or duplicative spending.

Assess, develop and deploy resources and tools to promote consistent business processes and standards across state government.

• Admin completed Phase II of the Capital Asset Planning System initiative, automating the previously manual Permanent Improvement Project (PIP) submission process. The Capital Budgeting Office and its technology vendor developed an online OnBase workflow integrated with the existing Comprehensive Permanent Improvement Plan (CPIP) system. Projects already included in an agency's CPIP can be converted into a PIP request, reducing duplicate data entry and connecting long-range capital planning more directly to project initiation.

The automated workflow also improves accuracy and consistency by requiring key information before submission and requiring project costs to remain balanced throughout the request. These controls reduce incomplete submissions and corrections, shorten review cycles and lower administrative burden for both agencies and Admin while reducing better information for capital decision-making.

• Admin updated the standard state commercial lease for the first time since 2016. The revised template further refined required termination provisions, incorporated practices such as subordination and non-disturbance agreements and memoranda of lease for major leases, and clarified which clauses are negotiable. The Attorney General approved the updated lease April 8, 2026, and it is now in use by Admin's Facilities Management and Property Services.

Using a modern, standardized lease strengthens protection of the state's contractual interests, improves consistency across transactions and gives staff clearer negotiating parameters. It also reduces onboarding time for new employees and lowers legal and operational risk associated with inconsistent lease language.

Enhance the public's awareness of the use of the state's resources.

• Admin continued to improve public-facing data visualizations that provide information on state finances, vendors, capital activity and other areas. During the fiscal year, Admin enhanced dashboard functionality and performance, including the development of a Finance Dashboard AI Assistant that extends the Bradley platform.

These enhancements make complex public data easier to navigate and understand, extending the value of the state's transparency investments. Helping users find relevant information more quickly can increase utilization of existing dashboards without requiring additional manual support from agency staff.

Recruit, develop and support employees to best serve state government through Admin.

• Admin developed and launched a new agency intranet Jan. 2, 2026, following a soft launch to a 23-member cross-divisional project team in December 2025. The SharePoint-based platform replaced the legacy intranet with a centralized communications and knowledge-management hub for agency news, policies, forms, resources and division-specific information. Employees from every Admin division participated in discovery, content development, testing and workflow refinement.

Employee usage demonstrated the value of the investment. During the first five months after launch, site visits increased 92% and total page views increased 32% compared with the final five months of the legacy platform. Admin also reduced the project cost from $366,730 to $192,530 through vendor negotiations, scope refinement and appropriate use of internal resources, avoiding $174,200 in costs while preserving the core objectives.

The intranet improves productivity by making information easier to find, standardizing navigation and content and supporting self-service access to resources. It also strengthens organizational awareness and gives Admin a scalable platform for employee communication, feedback and future workflow improvements.

Continuously build the Admin enterprise of knowledgeable and engaged employees.

• Admin continued its agencywide effort to identify and document "single thread" business processes in which critical knowledge or responsibility could otherwise be concentrated with one employee or a small number of employees. During FY 2025-26, Admin documented 17 priority processes against an established target of 10, covering financial management, cybersecurity, human resources, construction, communications, technology and administrative services.

The documentation goes beyond high-level instructions and includes standardized steps, roles and responsibilities, business rules, dependencies, decision points, process maps, swim-lane diagrams and other operating resources. Examples include the fiscal year-end financial process, which standardized 17 sequential steps and clarified responsibilities across five stakeholder groups; a construction change-order process aligned with procurement and state engineer requirements; and a repeatable AI cyber-risk assessment process.

Formalizing these processes reduces dependence on individual subject-matter experts, supports cross-training and onboarding, strengthens compliance and audit readiness, and improves business continuity during absences, turnover or organizational change. The work also creates a foundation for future process improvement because teams can evaluate a documented current state rather than relying on informal knowledge.

Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?