Agency Name:	Secretary Of State's Office		
Agency Code:	E080	Section:	96

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)*		Requesting a new proviso and/or substantive changes to existing provisos.
		Only requesting technical proviso changes (such as date references).
	X	Not requesting any proviso changes.

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

	Name	*Phone*	*Email*
PRIMARY CONTACT:	Melissa Dunlap	(803) 734-2157	mdunlap@sos.sc.gov
SECONDARY CONTACT:	Tracy Watford	(803) 734-1797	twatford@sos.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:	Mark Hammond	
TYPE/PRINT NAME:	MARK HAMMOND	

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

Agency Name:	Secretary Of State's Office
Agency Code:	E080
Section:	96

BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	Three New FTEs	138,138	0	69,069	0	207,207	2.00	0.00	1.00	0.00	3.00
2	B1 - Recurring	General Fund Allocation Increase	150,000	0	0	0	150,000	0.00	0.00	0.00	0.00	0.00
3	B1 - Recurring	Other Funds Pay Allocation and Health Insurance Increase	0	0	33,224	0	33,224	0.00	0.00	0.00	0.00	0.00
4	B1 - Recurring	Increase in Authorization	0	0	120,000	0	120,000	0.00	0.00	0.00	0.00	0.00
TOTALS			288,138	0	222,293	0	510,431	2.00	0.00	1.00	0.00	3.00

Agency Name:	Secretary Of State's Office		
Agency Code:	E080	Section:	96

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	**1**

Provide the Agency Priority Ranking from the Executive Summary.

TITLE	**Three New FTEs**

Provide a brief, descriptive title for this request.

AMOUNT	**General: $138,138** **Federal: $0** **Other: $69,069** **Total: $207,207**

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	**3.00**

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
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
X	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
	IT Technology/Security related
X	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

The Secretary of State's Office is mandated by the South Carolina Code of Laws to serve as the state filing office for business corporations, nonprofit corporations, limited partnerships, limited liability partnerships, and limited liability companys, as well as for all Uniform Commercial Code Article 9 secured transaction filings. The Secretary of State also serves as the agent for service of process for corporations that do not have authority to transact business in South Carolina, and serves as registered agent as otherwise provided by statute. The Secretary of State also serves as the repository for municipal filings, including annexation notices. The office incorporates municipalities, files special purpose district notification forms and issues a biennial directory, and handles the escheatment of real property in South Carolina. The Secretary of State's Office protects charitable donors by regulating charitable organizations, professional fundraisers, and nonprofit raffles.

The request for three FTE Administrative Assistant positions is necessary in order to meet the challenges with the increased volume of filings in the Business Filings Division and the Charities Division. The requested $138,138 in General Funds includes salary and fringe for two of the three positions. The third position we are requesting $69,069, and includes salary and fringe from other funds.

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 three Secretary of State's Office Administrative Assistant FTE positions.

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 Secretary of State's Office is requesting authorization for three additional FTE positions to address ongoing operational needs, support increasing workloads, and ensure the Office has sufficient staffing to fulfill its statutory responsibliites and maintain timely and efficient services to the public.

Two of the requested positions are proposed to be funded through the General Fund. These positions include one FTE in the Business Filings Divsion, and the conversion of one existing interim FTE to a permanent, authorized FTE in Business Filings. The Interim FTE was authorized due to the Legislature enacting SCDOT Modernization -Act 177. On May 18, 2026, this was signed by the Governor and became law June 2, 2026. When SCDOT proposes to enter into a public-private partnership arrangement under this section, it shall, prior to the execution and delivery of the contract documents for the public-private partnership arrangement, file with the Secretary of State. The additional staffing will provide the capacity necessary to manage current and anticipated workloads, improve operational efficiency, and maintain appropriate levels of customer service.

In FY25-26, our Business Filings Division saw a significant increase in volume over the prior fiscal year. The number of corporate filings increased by 21.3% from 146,834 filings in FY24-25, to 178,093 filed in FY25-26. The division went from having an average of 300-350 online filings per day to 6,000 - 7,000 a day. This was a tremendous burden on staff affecting multiple divisions. We were unable to meet our turnaround times that our customers expect. We eventually had to hire two temporary employees to help keep up with the workload. In FY25-26, we brought in over $11,033,600 in domestic corporations and $1,594,300 in foreign corporations which all goes to the State General Fund.

The Office is also requesting authorization for one additional FTE in the Charities Division, which will be funded through other funds. This position is needed to provide additional capacity to address the Division's workload and support its regulatory and administrative responsiblities. In FY25-26, 19,255 charitable organizations registered or filed annual applications for registration exemption with the Secretary of State's Division of Public Charities. These included 1,963 initial charity registrations. The Division filed 20,527 annual financial reports and 11,105 financial report extensions, as well as 3,196 professional fundraiser registrations, fundraising contracts, and joint financial reports. In FY25-26, the Division filed 863 raffle registrations and 1,232 raffle financial reports. The Charities Division assisted 21,580 customers via telephone, an 8.6% increase from the past year. They also had 547 walk-in customers, an 11.4% increase over the past fiscal year. The Secretary of State's Office collected $1,422,831 in fine revenue in FY25-26, an increase of 11.8% over the prior fiscal year.

The requested positions will allow the Secretary of State's Office to better align staffing resources with operational demands, maintain service levels, and ensure the continued and effective administration of the programs and services provided by the Office. Without the requested positions, existing staff will continue to absorb additional workload, which will impact processing times, service delivery, and the Office's ability to efficiently meet its statutory obligations.

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:	Secretary Of State's Office		
Agency Code:	E080	Section:	96

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	**2**

Provide the Agency Priority Ranking from the Executive Summary.

TITLE	**General Fund Allocation Increase**

Provide a brief, descriptive title for this request.

AMOUNT	**General: $150,000** **Federal: $0** **Other: $0** **Total: $150,000**

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
	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

The request is related to the Legislative enactment of Act No. 177, SCDOT Modernization, that was signed by the Governor on May 18, 2026.

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?

Anticipated fund recipients would include information technology vendors for the development, storage, indexing, certifying and securing the data. In addition, the application development would provide for electronic delivery of the certified copies of

RECIPIENTS OF FUNDS	the proposed contracts to the interested parties. The estimate also includes modifications that would be made to the SOS website to make this information available online. The funds will also go towards the increasing operational expenses associated with programs supported by general revenue.

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 Secretary of State's Office is requesting $150,000 in General Funds to support the legislative enactment and implementation of Act 177, the South Carolina Department of Transportation (SCDOT) Modernization legislation, which was signed into law by the Governor on May 18, 2026. Act No 177 establishes new responsibilities for the Secretary of State's Office related to public-private partnership arrangements entered into by SCDOT. Under the legislation, when SCDOT proposes to enter into a public-private partnership, copies of the required contract documents must be filed with the Office of the Secretary of State prior to their execution and delivery. To fulfill these statutory responsibilities, the Secretary of State's Office will need to develop and implement a secure, searchable database and supporting software application to receive, maintain, organize, and provide appropriate access to these filings. The system will provide the technological infrastructure necessary to manage the increased volume and complexity of records associated with SCDOT public-private partnership arrangements and ensure that the Office can meet its new statutory obligations efficiently and accurately. The requested $150,000 in General Funds will support the design, development, implementation, and related technology needs associated with establishing this database and software solution. Funding will enable the Office to establish the necessary infrastructure and processes to ensure timely compliance with Act No 177 and the effective administration and preservation of the required records. This request is directly attributable to the new statutory responsibilities created by S.831 and is necessary for the Secretary of State's Office to successfully implement and administer the requirements of the legislation. Secretary Hammond remains committed to providing online filing capabilities which are critical for our customers. With continuous enhancements to the many systems along with creating additional online services, the funds would be committed to information technology needs of the agency. In FY26, The Secretary of State's Office returned of $15 million to the State General Fund.

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:	Secretary Of State's Office		
Agency Code:	E080	Section:	96

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY

3

Provide the Agency Priority Ranking from the Executive Summary.

TITLE

Other Funds Pay Allocation and Health Insurance Increase

Provide a brief, descriptive title for this request.

AMOUNT

General: $0

Federal: $0

Other: $33,224

Total: $33,224

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
	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
	IT Technology/Security related
X	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

This funding request will support all divisions of the agency that are staffed by employees whose compensation is supported by other funds. Therefore, all goals and strategies that the office seeks to meet would be impacted by the fulfillment of this funding request.

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?

Fund recipients will be the Secretary of State's Office employees whose compensation is supported by other funds, and who are eligible for health insurance.

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	The Secretary of State's Office has 17 FTEs supported by other funds. This funding request will support the Pay Plan Allocation ($33,224.00) along with the increase to the employer portion of health insurance.

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:	Secretary Of State's Office		
Agency Code:	E080	Section:	96

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY

4

Provide the Agency Priority Ranking from the Executive Summary.

TITLE

Increase in Authorization

Provide a brief, descriptive title for this request.

AMOUNT

General: $0

Federal: $0

Other: $120,000

Total: $120,000

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
	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
	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

The request for an additonal $120,000 increase in spending authorization will support the agency with increasing operational costs. The agency spent over $192,000 in postage expenses in FY26; certified mail alone accounted for over $138,000. These costs reflect higher volumes of statutory notifications and secure correspondence that connot be handled through standard postage methods. The remaining funds requested will be spent on information technology projects.

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

Anticipated fund recipients would include include the customers of the state along with vendors for the agency.

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	The Secretary of State's Office returned over $15 million to the State General Funds last year. The agency continues to have increases in general operation expenses that are beyond its control. As a result, the office is requesting an increase in spending authority to help with these costs, including postage expenses.

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:	Secretary Of State's Office		
Agency Code:	E080	Section:	96

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

TITLE	Agency Cost Savings and General Fund Reduction Contingency Plan
AMOUNT	$49,908 *What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.*
ASSOCIATED FTE REDUCTIONS	The Secretary of State's Office will plan to reduce one State FTE in association with this General Fund reduction. *How many FTEs would be reduced in association with this General Fund reduction?*
PROGRAM / ACTIVITY IMPACT	Administration and Employee Benefits are supported by these General Funds. Elimination of funding for an FTE would hinder the Secretary of State's Office in maintaining the staff levels required to fulfill the statutory mission of the agency. *What programs or activities are supported by the General Funds identified?*
SUMMARY	The agency has 18 FTE General Funded employees excluding Secretary Hammond. Service delivery to customers would be directly impacted by the reduction of one full-time equivalent (FTE) position. Eliminating funding for an FTE would hinder the Secretary of State's Office's ability to maintain the staffing levels necessary to fulfill the agency's statutory missions. A potential future 3% budget reduction would require the Secretary of State's Office to move a state funded position to other funding position. Additionally, the reduction would prevent the Office from filling positions that become vacant. These staffing reductions would decrease the agency's capacity to provide timely and effective services to customers and could negatively impact its ability to fulfill its statutory responsibilities.

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

The Secretary of State's Office continues to reduce costs to taxpayers by working with the state web portal SC.GOV (Tyler Technologies), to provide online filing applications to our customers, such as the Uniform Commercial Code (UCC) and Business Filings Online applications.

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:	Secretary Of State's Office		
Agency Code:	E080	Section:	96

FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE	Reducing Fines and Fees

Provide a brief, descriptive title for this request.

EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	Not applicable.

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.
	Greater efficiency in agency services or reduction in compliance burden.
X	Other

METHOD OF CALCULATION	Not applicable.

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

REDUCTION OF FEES OR FINES	Filing fees in the Secretary of State's Office are mandated by statute. Any revisions will require statutory revisions from the General Assembly. The Secretary of State's Office returned over $15 million to the General Fund in FY25-26 for fees collected.

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	Securities Division, 113-1 through 113-6 repealed by State Register Volume 41, Issue No. 5, Doc. 4649, effective May 26, 2017.

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

SUMMARY	The Secretary of State no longer administers the Securities Division, therefore the office formally began the process of repealing regulations 113-1 through 113-26 in March of 2016. The regulations were repealed effective May 26, 2017. There are no other regulations needing to be repealed at this time. The Secretary of State's Office's filing fees are set by the General Assembly and connot be reduced by the office. Additionally, most fees collected by the agency have not been increased for several decades and therefore have not maintained pace with inflation.

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