

House Legislative Oversight Committee

March 4, 2021



South Carolina
Department of Commerce

Just right for business.

Presentation Outline

- **AGENCY** Overview
- **SETTING** the Table
- **MARKETING** the State
- **PROJECT MANAGEMENT/Incentives**
 - **SERVICE** After the Sale
 - **AGENCY/LEGAL** Changes



Agency Overview



South Carolina
Department of Commerce

Just right for business.

“ Working together to
create opportunities by
promoting job creation,
economic growth and
improved living standards for
all South Carolinians. ”

Mission



Vision

“South Carolina’s economy will become more competitive in a global economy, providing South Carolinians of all ages and skill levels an opportunity to maximize their talents and abilities.”



Agency Head Duties and Background



South Carolina
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Past Agency Directors

Name of Director	Time of Service	Years of Service	Governors
John A. Warren	1993-1994	1 year	Carroll A. Campbell, Jr.
Robert V. Royall, Jr.	1995-1998	4 years	David Beasley
Charles S. Way, Jr.	1999-2002	4 years	Jim Hodges
Robert A. Faith	2003-2005	3 years	Mark Sanford
Joe E. Taylor, Jr.	2006-2010	5 years	Mark Sanford
Robert M. Hitt III	2011-Present	10+ years	Nikki Haley; Henry McMaster



Agency Head Qualifications, Selection & Key Duties

Qualification to serve in position

- No specific qualifications outlined in statute

Selection process

- Appointed by Governor upon advice and consent of Senate
- Subject to removal by Governor as provided in Section 1-3-240

Key Duties

- Oversee, manage and control the Department
- Chair of the Coordinating Council for Economic Development and Rural Infrastructure Authority
- Chair (or appoint a designee to chair) the Coordinating Council for Workforce Development
- Appoint an advisory council/councils to advise with respect to each broad function which may be the responsibility of the Secretary of Commerce



Applicable laws:

Section 13-1-30, -40, -45, -380, 1710, -2030

Agency Head Background

Robert “Bobby” M. Hitt III, a native of Charleston, was appointed by Governor Nikki Haley to serve as Secretary of Commerce in January 2011.



Prior Experience

- Chair of the Board of Directors at the S.C. Manufacturers Alliance
- Vice Chair of Southeast Region for the National Association of Manufacturers
- Executive committees of AdvanceSC and the Upstate Alliance
- Manager of Corporate Affairs, BMW Manufacturing Company in Spartanburg County (1993-2011)
- Director of Planning and Development, Nelson Mullins Riley & Scarborough law firm in Columbia (1991-1993)
- Managing Editor, The State and Columbia Record newspapers (1971-1991)

Education

- Harvard University, Nieman Fellow, Politics, Law, Business (1988-89)
- University of South Carolina, BA Journalism (1968-1973)



About SC Commerce

25+

YEARS

of economic development
excellence

100+

EMPLOYEES

full-time basis

92%

EMPLOYEES

Hold Bachelor's degree
or higher

5

**INTERNATIONAL
LOCATIONS**

Representatives in China,
Germany, India, Japan & Korea

23

LANGUAGES

spoken by
SCDOC staff

Areas of Service:

Global Business Development

International Strategy & Trade

Business Services

Innovation Development

Workforce Development

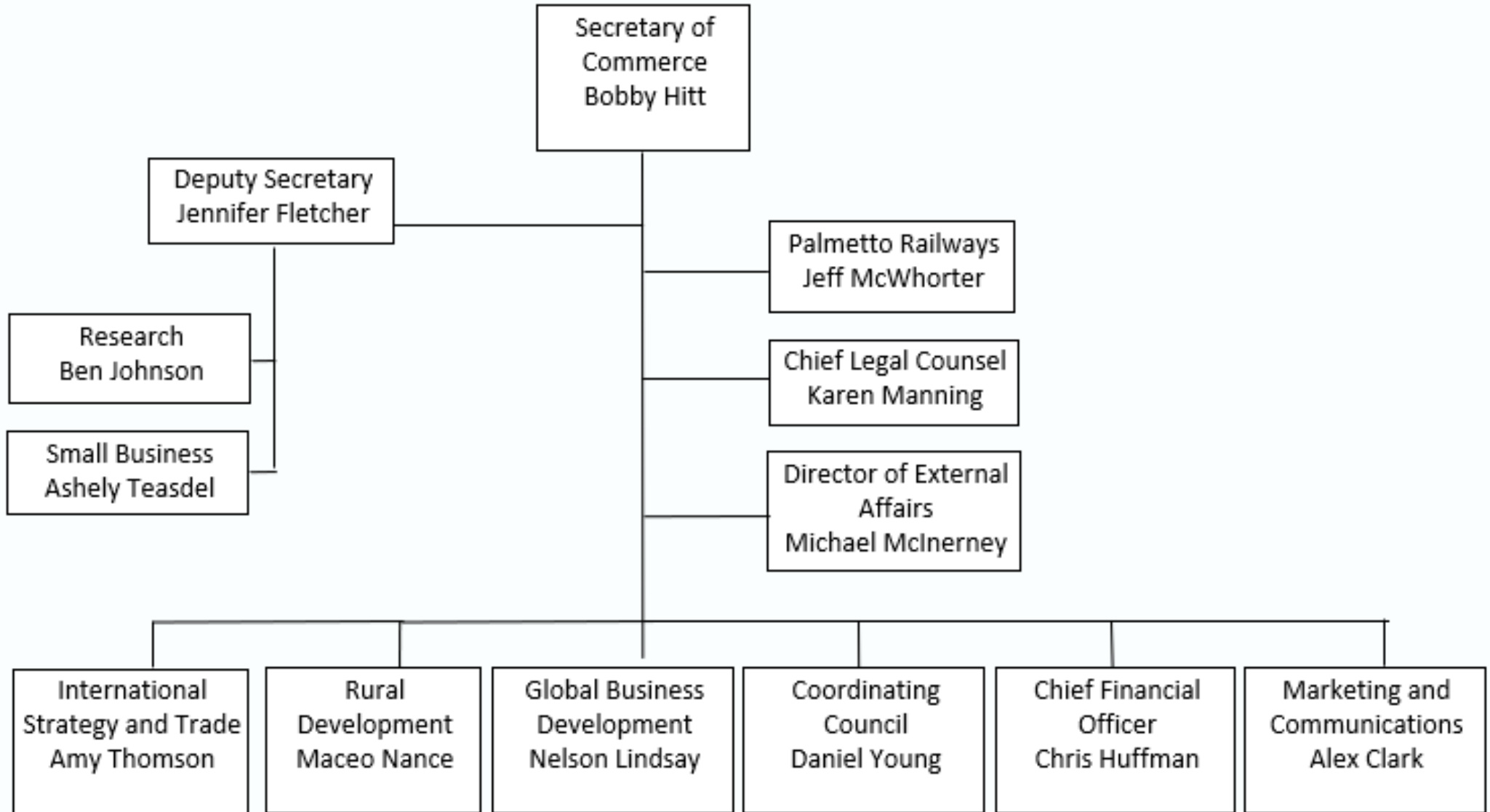
Grants & Incentives

Research & Product Development

Rural Development



Organizational Chart



Agency Successes

151,800+

JOBS

recruited Jan 2011-2020

\$43.1B+

CAPITAL INVESTMENT

recruited Jan 2011-2020

1,429

PROJECTS

recruited Jan 2011-2020

153,000

South Carolinians

employed by foreign-affiliated
companies

\$30.3B

EXPORT SALES

in 2020

130,000+

TIRES MADE EACH DAY

making S.C. the top U.S. tire
manufacturer

16%

MFTG. GROWTH

in the last 10 years

195

MARKETS

were destinations for
S.C. exports in 2020

1,200+

OPERATIONS

of international companies
in S.C.

*Note: A project refers to a new or expanding company, recruited and managed by Commerce to facilitate the creation of new jobs and taxable investment in South Carolina. The recruited capital investment and jobs shown are new and are a direct reflection of the recruited projects.



History

- The Dept. of Commerce prepared for transitioning the staff of the Office of Rural Development, Division of Economic Development from the Governor's Office to Commerce's Office of Community Development located in the State Development Division.
- The Community Development Block Grant (CDBG) program was transferred from the Governor's Office.

1993

1994

1995

- The General Assembly reorganized state government, eliminated the State Development Board and created the Dept. of Commerce as part of the Executive Branch, to be led by a Secretary of Commerce, appointed by the Governor and approved by the Senate.
 - All previous departments and functions remained intact except the SC Film Office, which was moved to Parks, Recreation and Tourism (PRT).
 - The Dept. of Commerce inherited the functions, duties and powers of the State Development Board; Savannah Valley Authority; SC Aeronautics Commission; SC Public Railways Commission and Coordinating Council for Economic Development.
 - The Recycling Market Advisory Council was established within Commerce.

- The Enterprise Zone Act (EZA) was enacted with the purpose of encouraging economic development in rural and underdeveloped areas and areas in which significant job losses had occurred.
 - The EZA established job development fees (the precursor to credits).



History

- The Closing Fund was created when additional, more flexible funding was appropriated by the General Assembly to assist with high impact economic development projects.

1996

- The Rural Development Act (RDA) was enacted and established tiers for job development fees, and also gave the Coordinating Council for Economic Development the responsibility for administering the newly created Rural Infrastructure Fund (RIF).

2006

2012

- The assets and liabilities of the Savannah Valley Division were transferred to other interested parties upon approval of the Budget and Control Board.
- The Applied Research Fund received its first appropriation from the General Assembly.



History

- The Regional Education Center Program was transferred from Dept. of Education.
- The administration of the Enterprise Zone Retraining Program was transferred to the State Board for Technical and Comprehensive Education.
- The LocateSC fund was created when additional funding was appropriated by the General Assembly to assist with proactive site preparation and development.

2013

2014

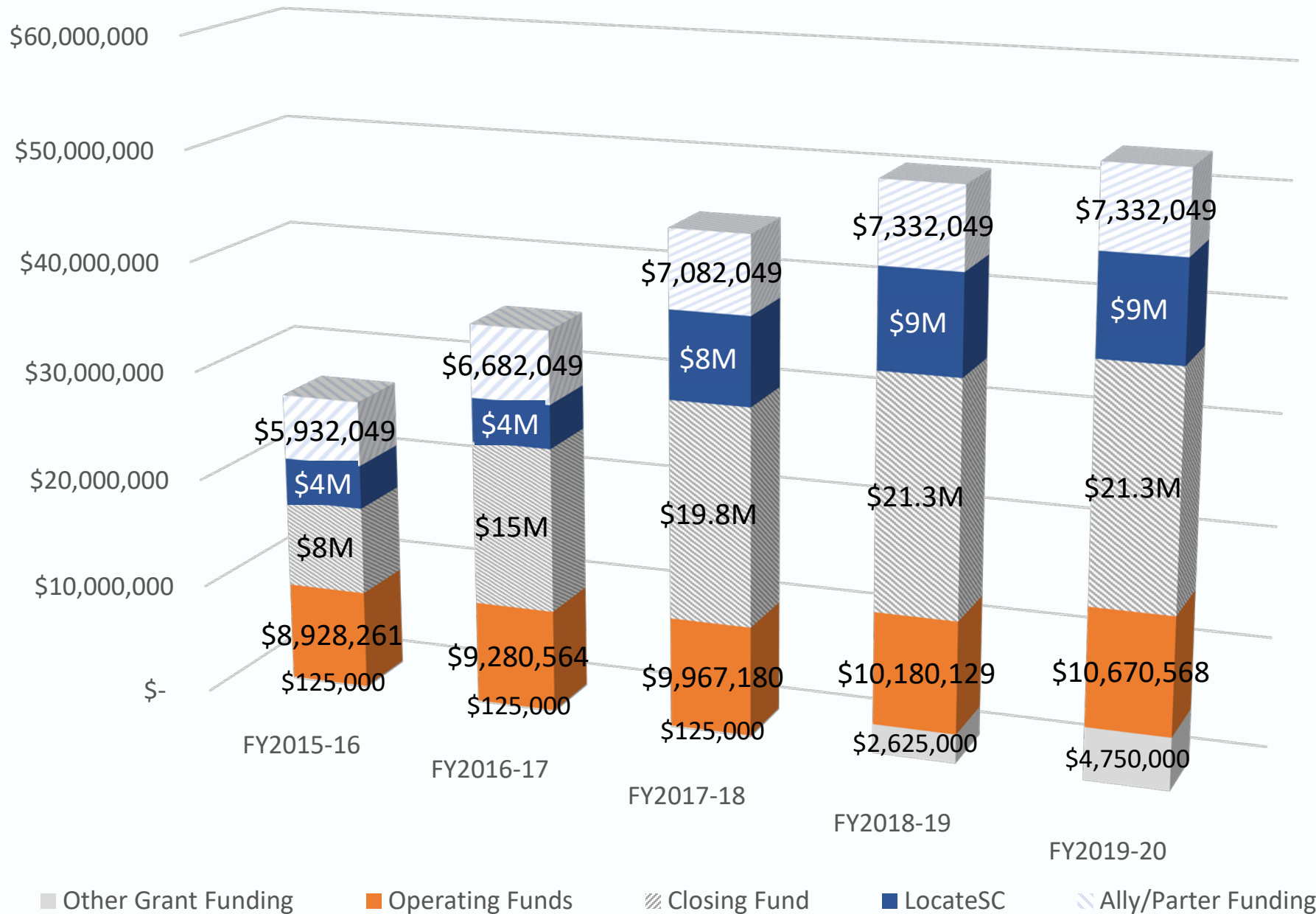
2019

- The Office of Innovation was created at Commerce.
- The administration of the Military Base Task Force was transferred to Commerce.
- Commerce rebranded the agency's special events fund as Palmetto Partners.
- Commerce unveiled the 'Just right' statewide image campaign to better coordinate marketing efforts in coordination with Parks, Recreation & Tourism and the SC Ports Authority.

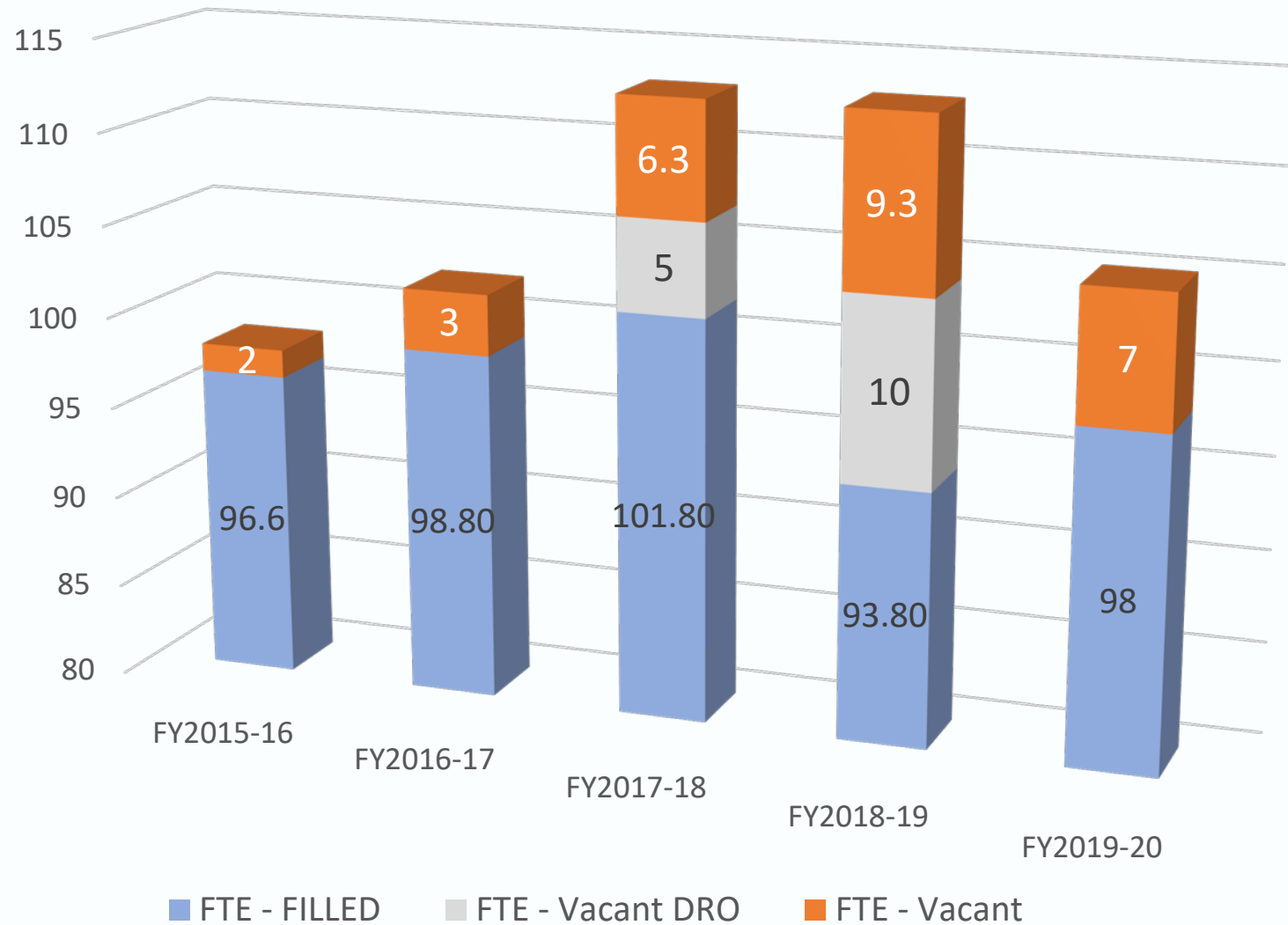
- Military Base Task Force was transferred to the Dept. of Veterans' Affairs.



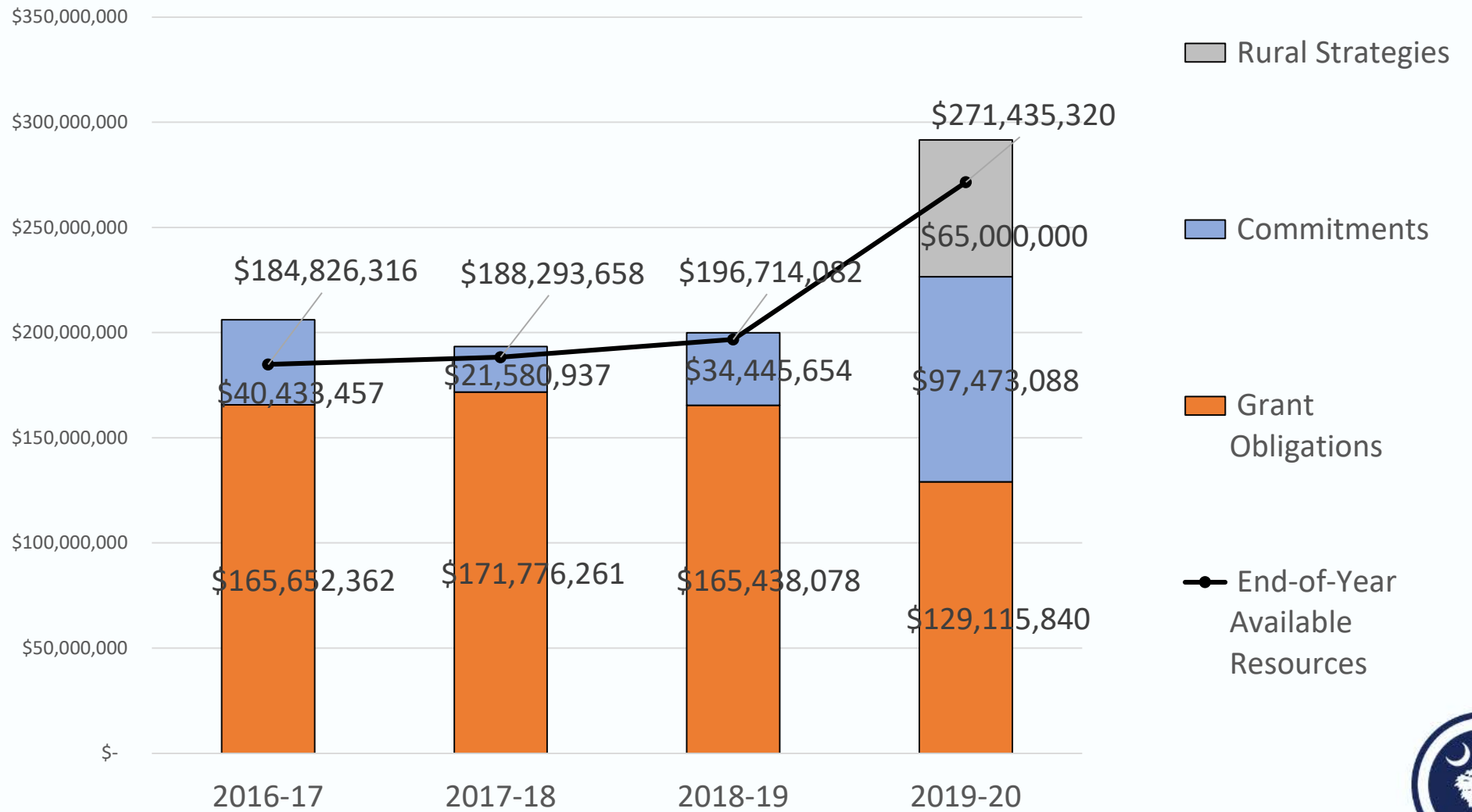
State Recurring Appropriations by Fiscal Year



Filled and Vacant FTEs by Fiscal Year



Cash and Available Funds by Fiscal Year – All Programs



Expenditures by Fiscal Year

	FY2016-17	FY2017-18	FY2018-19	FY2019-20	Average
<i>CCED* Grants</i>	67,222,322	68,609,081	46,932,733	51,127,422	49%
<i>CDBG/ARC* Grant Program</i>	18,522,340	18,023,681	19,505,544	16,422,006	15%
<i>Operating Costs</i>	14,389,382	14,787,157	15,350,722	15,740,663	13%
<i>LocateSC</i>	5,120,987	17,614,377	11,700,080	10,983,748	10%
<i>Ally Funding</i>	6,632,049	7,112,544	7,343,512	7,382,049	6%
<i>Other Costs</i>	7,106,408	9,767,675	7,473,175	8,746,256	7%
<i>Normal Operations Total</i>	118,993,488	135,914,515	108,305,766	110,402,144	100%
<i>ED* Bond Funding</i>	55,025,879	6,832,905	25,186,654	18,825,016	
<i>Disaster Recovery</i>	15,006,246	61,579,343	36,205,964	-	
<i>Special Projects</i>	70,032,125	68,412,248	61,392,618	18,825,016	
Grand Total	189,025,613	204,326,763	169,698,384	129,227,160	

*Note: CCED means Coordinating Council for Economic Development; CDBG/ARC means Community Development Block Grants/Appalachian Regional Council; ED means economic development.



Operating Costs by Fiscal Year

	FY2016-17	FY2017-18	FY2018-19	FY2019-20	Average
<i>Personnel Services</i>	7,353,040	7,696,740	8,096,116	8,078,423	52%
<i>Employer Contributions</i>	2,320,071	2,599,445	2,893,088	2,951,430	18%
<i>Contractual Services</i>	2,733,039	2,605,932	2,291,975	2,565,586	17%
<i>Supplies</i>	487,704	386,042	598,974	651,238	4%
<i>Fixed Charges</i>	758,875	788,390	708,834	826,549	5%
<i>Travel</i>	638,449	628,192	640,519	472,604	4%
<i>Other Costs</i>	98,204	82,416	121,216	194,833	1%
Grand Total	14,389,382	14,787,157	15,350,722	15,740,663	100%



VIDEO

