

**PROVISO SUBCOMMITTEE
CONSTITUTIONAL
RECOMMENDATIONS FOR FY 2021-22
TO THE HOUSE WAYS AND MEANS COMMITTEE**

SECTION 3 - H660 - LOTTERY EXPENDITURE ACCOUNT

- 3.1 AMEND** (Audit) Directs each state agency that receives lottery funds to develop and implement procedures to monitor lottery expenditures to ensure that lottery funds are expended in accordance with applicable state laws, rules, and regulations. Directs the Executive Budget Office to ensure that these state agencies have effective monitoring procedures in place.
PROVISO SUBCOMMITTEE RECOMMENDATION: AMEND proviso to update calendar year references from “2019” to “2021.”

3.1.(LEA: Audit) Each state agency receiving lottery funds shall develop and implement procedures to monitor the expenditures of lottery funds in order to ensure that lottery funds are expended in accordance with applicable state laws, rules, and regulations.

For institutions of higher learning, adopted procedures to monitor expenditures of lottery funds shall be reported to the Commission on Higher Education and the Executive Budget Office by October 1, ~~2019~~ 2021, and these expenditures are subject to annual verification and audit by the Commission on Higher Education on a rotational schedule not to exceed three years. The annual verification and audit shall be funded from the funds appropriated to or authorized for the Commission on Higher Education and the commission shall not assess a fee or charge institutions of higher learning for performing this function. In addition, the Commission on Higher Education shall provide a report to the Executive Budget Office, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee by October first each year summarizing, by institution, how lottery funds were expended in the prior fiscal year, issues and concerns as well as institution responses to those issues and concerns discovered as a result of the commission’s verification and/or audit activity during the prior fiscal year, if any.

For the Department of Education, adopted procedures to monitor expenditures of lottery funds that are allocated to the South Carolina school districts and other recipient institutions according to law and Department of Education guidelines shall be reported to the Executive Budget Office by October 1, ~~2019~~ 2021. In addition, the Department of Education shall provide a report to the Executive Budget Office, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee on the amount of lottery funds the department distributed to each entity in the prior fiscal year.

All other state agencies must submit their adopted procedures to monitor expenditures of lottery funds to the Executive Budget Office by October 1, ~~2019~~ 2021.

The Executive Budget Office shall ensure that state agencies receiving lottery funds have procedures in place to monitor expenditures of lottery funds and that the monitoring procedures are operating effectively.

- 3.4 DELETE** (FY 2020-21 Lottery Funding) Directs expenditure of lottery funds for Fiscal Year 2020-21.
PROVISO SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *Technical.*

3.4. (LEA: FY 2020-21 Lottery Funding) ~~There is appropriated from the Education Lottery Account for the following education purposes and programs and funds for these programs and purposes shall be transferred by the Executive Budget Office as directed below. These appropriations must be used to supplement and not supplant existing funds for education. For cash flow purposes, the Executive Budget Office may facilitate limited transfers from the general deposits of the state for the exclusive purpose of ensuring the timely distribution of scholarships and tuition assistance payments as provided below. Any use of this transfer allowance must~~

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include full reimbursement from the Education Lottery Account to the general deposit accounts of the state prior to the close of the fiscal year.

The Executive Budget Office is directed to prepare the subsequent Lottery Expenditure Account detail budget to reflect the appropriations of the Education Lottery Account as provided in this section.

All Education Lottery Account revenue shall be carried forward from the prior fiscal year into the current fiscal year including any interest earnings, which shall be used to support the appropriations contained below.

For Fiscal Year 2020-21, certified net lottery proceeds and investment earnings for the current fiscal year, Fiscal Year 2019-20 certified surplus, and Fiscal Year 2018-19 surplus are appropriated as follows:

- (1) Commission on Higher Education—LIFE Scholarships as provided in Chapter 149, Title 59 \$ 240,102,429;
- (2) Commission on Higher Education—HOPE Scholarships as provided in Section 59-150-370 \$ 14,557,008;
- (3) Commission on Higher Education—Palmetto Fellows Scholarships as provided in Section 59-104-20 \$ 61,809,959;
- (4) Commission on Higher Education and State Board for Technical and Comprehensive Education—Tuition Assistance.... \$ 51,100,000;
- (5) Commission on Higher Education—Need Based Grants..... \$ 20,000,000;
- (6) Higher Education Tuition Grants Commission—Tuition Grants \$ 10,000,000;
- (7) Commission on Higher Education—National Guard Tuition Repayment Program as provided in Section 59-111-75..... \$ 2,631,129;
- (8) State Board for Technical and Comprehensive Education—South Carolina Workforce Industry Needs Scholarship \$ 17,000,000;
- (9) South Carolina State University..... \$ 2,500,000;
- (10) State Board for Technical and Comprehensive Education—ReadySC Direct Training..... \$ 10,000,000;
- (11) State Board for Technical and Comprehensive Education—High Demand Job Skill Training Equipment..... \$ 12,500,000;
- (12) Commission on Higher Education—Technology Public Four Year Institutions, Two Year Institutions, and State Technical Colleges as provided in Section 59-150-356 \$ 8,000,000;
- (13) Commission on Higher Education—SREB Program and Assessments..... \$ 236,195;
- (14) Department of Education—Instructional Materials \$ 20,000,000;
- (15) Department of Alcohol and Other Drug Abuse Services—Gambling Addiction Services..... \$ 50,000;
- (16) Department of Education—School Bus Lease/Purchase..... \$ 19,363,280; and
- (17) Department of Education—Reading Partners \$ 250,000.

For Fiscal Year 2020-21, funds certified from unclaimed prizes are appropriated as follows:

- (1) State Board for Technical and Comprehensive Education—Workforce Scholarships and Grants..... \$ 11,000,000;
- (2) Commission on Higher Education—Higher Education Excellence Enhancement Program..... \$ 6,072,473;
- (3) Department of Alcohol and Other Drug Abuse Services—Gambling Addiction Services \$ 50,000;
- (4) Commission on Higher Education—SREB Program and Assessments \$ 377,526;

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- ~~(5) Commission on Higher Education PASCAL..... \$ 1,500,000;~~
~~(6) Commission on Higher Education Need Based Grants..... \$ 1; and~~
~~(7) Department of Education School Bus Lease/Purchase..... \$ All Remaining.~~

~~If the lottery revenue received from certified unclaimed prizes for Fiscal Year 2020-21 is less than the amounts appropriated, the projects and programs receiving appropriations for any such year shall have their appropriations reduced on a pro rata basis.~~

~~Fiscal Year 2020-21 funds appropriated to the Commission on Higher Education and the State Board for Technical and Comprehensive Education for Tuition Assistance must be distributed to the technical colleges and two-year institutions as provided in Section 59-150-360. Annually the State Board for Technical and Comprehensive Education and the Commission on Higher Education shall develop the Tuition Assistance distribution of funds.~~

~~The provisions of Section 2-75-30 of the 1976 Code regarding the aggregate amount of funding provided for the Centers of Excellence Matching Endowment are suspended for the current fiscal year.~~

~~The Commission on Higher Education is authorized to temporarily transfer funds between appropriated line items in order to ensure the timely receipt of scholarships and tuition assistance. It is the goal of the General Assembly to fund the Tuition Assistance program at such a level to support at least \$996 per student per term for full-time students.~~

~~Fiscal Year 2020-21 net lottery proceeds and investment earnings in excess of the certified net lottery proceeds and investment earnings for this period are appropriated and must be used to ensure that all LIFE, HOPE, and Palmetto Fellows Scholarships for Fiscal Year 2020-21 are fully funded.~~

~~If the lottery revenue received for Fiscal Year 2020-21 certified net lottery proceeds and investment earnings for the current fiscal year, Fiscal Year 2019-20 certified surplus, and Fiscal Year 2018-19 surplus are less than the amounts appropriated, the projects and programs receiving appropriations for any such year shall have their appropriations reduced on a pro rata basis, except that a reduction must not be applied to the funding of LIFE, HOPE, and Palmetto Fellows Scholarships.~~

~~The Commission on Higher Education is authorized to use up to \$345,000 of the funds appropriated in this provision for LIFE, HOPE, and Palmetto Fellows scholarships to provide the necessary level of program support for the scholarship award process and to provide for a Scholarship Compliance Auditor.~~

~~The Higher Education Tuition Grants Commission is authorized to use up to \$70,000 of the funds appropriated in this provision for Tuition Grants to provide the necessary level of program support for the grants award process.~~

~~The funds appropriated to the State Board for Technical and Comprehensive Education (SBTCE) for Workforce Scholarships and Grants shall be used to provide grants for tuition, fees, transportation, or textbook expenses to South Carolina residents enrolled in a career education program that meets all eligibility guidelines promulgated by the SBTCE in consultation with the Department of Education. Funds shall not be used for continuing education courses that do not lead to a degree, professional certificate, or industry-recognized credential (IRC).~~

~~(A) Prior to disbursement of funds and no later than July 30, SBTCE must provide the colleges with a Board-approved list, compiled based on regional and statewide industry needs of the programs and credentials for which the colleges are allowed to award grants for the current fiscal year.~~

~~(B) Grants shall be awarded from the fund in an amount not exceeding five thousand dollars or the total cost of attendance, whichever is less, for students to attend the program of their choice, including a professional certification program, at a South Carolina public technical~~

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college. Priority for grant awards shall be given to students seeking a degree, professional certificate, or industry recognized credential (IRC) in an industry sector with critical workforce needs as identified and recommended by the SBTCE and ratified by the Coordinating Council for Workforce Development.

(C) ~~By April fifteenth, the SBTCE shall provide a report to the Chairman of House Ways and Means Committee and the Chairman of the Senate Finance Committee detailing use of funds received in the prior fiscal year. The report must include at minimum for each technical college: a list of programs that received funding, amount spent per program, number of students that received grants, grant amount per student, names of credentials completed by students receiving grants, amount of each type of credential completed, and job placement rates for students who completed programs and/or credentials.~~

~~Of the funds appropriated to the Commission on Higher Education for institutions of higher learning entitled "Technology Public Four Year Institutions, Two Year Institutions, and State Technical Colleges,"(Technology) the commission shall allocate the realized funds on a proportional basis as follows:~~

(1) The Citadel	\$ 267,228;
(2) University of Charleston	\$ 607,631;
(3) Coastal Carolina University	\$ 591,366;
(4) Francis Marion University.....	\$ 260,984;
(5) Lander University.....	\$ 224,174;
(6) South Carolina State University	\$ 224,476;
(7) USC Aiken Campus	\$ 243,662;
(8) USC Upstate.....	\$ 330,928;
(9) USC Beaufort Campus.....	\$ 183,437;
(10) USC Lancaster Campus.....	\$ 145,010;
(11) USC Salkehatchie Campus	\$ 145,010;
(12) USC Sumter Campus	\$ 145,010;
(13) USC Union Campus	\$ 145,010;
(14) Winthrop University	\$ 362,400; and
(15) State Technical Colleges and State Board for Technical and Comprehensive Education.....	\$ 4,123,674.

~~Each institution shall use the amount appropriated only for technology repair and related technology maintenance and/or upgrades that are necessary to support an institution's educational purpose.~~

~~Prior to the utilization of these funds, institutions must certify to the Commission on Higher Education, in a manner it prescribes, the extent to which they have met this requirement.~~

~~Not later than one hundred twenty days after the close of the fiscal year, the Commission on Higher Education shall report to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee regarding the utilization of this provision.~~

~~Funds not expended in the prior fiscal year may be carried forward into the current fiscal year and utilized for the same purpose, subject to certification from the Commission on Higher Education they continue to meet the requirement of this provision.~~

~~Of the funds appropriated to the State Board for Technical and Comprehensive Education for the South Carolina Workforce Industry Needs Scholarship, the board shall administer the South Carolina Workforce Industry Needs Scholarship as outlined below:~~

~~(A) (1) In the current fiscal year, a student attending a two year public technical college and majoring in a critical workforce area program, as defined and recommended by the State Board for Technical and Comprehensive Education (SBTCE) and ratified by the South Carolina Coordinating Council for Workforce Development, and who is receiving a Lottery Tuition~~

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~~Assistance Program Scholarship (LTAP) for the current fiscal year, shall receive an additional South Carolina Workforce Industry Needs Scholarship (SC WINS). A student who is attending a two-year public technical college, who meets the income eligibility guidelines for free and reduced-priced meals as established by the United States Department of Agriculture (USDA) and who is receiving a LTAP scholarship for the current fiscal year, shall receive a SC WINS scholarship regardless of the student's major. The SC WINS scholarship is equal to the cost of tuition and mandatory fees after applying all other scholarships or grants, not to exceed two thousand five hundred dollars.~~

~~(2) If the student is a freshman, the student must be enrolled in at least six credit hours of instruction each semester, including at least three credit hours of instruction in one of the critical workforce areas defined by the SBTCE. A student who meets the income guidelines for free and reduced-priced meals as established by the USDA, must be enrolled in at least six credit hours of instruction each semester for the purpose of meeting the required minimum level of instruction in the student's major courses. To receive the additional SC WINS scholarship, the student must receive the underlying LTAP scholarship for that fiscal year and must be making acceptable progress towards receiving a degree in one of the majors pursuant to this proviso. For purposes of meeting this required minimum level of instruction in the freshman's major courses, dual-enrollment courses taken in high school in these critical workforce area programs count toward the fulfillment of the minimum requirement.~~

~~(B) The SBTCE shall adopt rules to define what constitutes a critical workforce program area. Nothing herein prevents a student from changing majors within the acceptable disciplines. Additionally, the SBTCE shall communicate with high school guidance counselors regarding the list of qualifying majors. Critical workforce program additions or deletions must be ratified by the South Carolina Coordinating Council for Workforce Development.~~

~~(C) If the additional SC WINS scholarship is lost, it may be regained in the same manner the underlying LTAP scholarship is regained.~~

~~(D) In order for a student to be eligible after attempting twenty-four academic credit hours, the student must have earned a grade point average of 2.0 or better on a 4.0 grading scale.~~

~~(E) A student may not be eligible to receive the SC WINS scholarship for more than one certificate, diploma, or degree unless the additional certificate, diploma, or degree constitutes progress in the same field of study.~~

~~(F) A dual-enrollment student in high school who is majoring in one of the critical workforce areas at a technical college qualifies for the SC WINS scholarship. A dual-enrollment student in high school who receives a LTAP scholarship at a technical college and qualifies for free and reduced-priced meals, also qualifies for the SC WINS scholarship regardless of the student's major.~~

~~(G) Additionally, an up to three hundred dollar book allowance is applied to a SC WINS recipient's account, who is majoring in one of the critical workforce areas, for expenses towards the cost of textbooks.~~

~~(H) If a critical workforce area program is placed on suspension during the SBTCE's program evaluation process, that program no longer qualifies for SC WINS funds at that specific college. Students must be advised on how to complete their program by transferring to another technical college or serving as a transient student at another technical college to complete specified courses.~~

~~Funds appropriated to the Department of Education for Reading Partners shall be allocated to Reading Partners and must be used to increase the number of reading interventions for students in low-performing schools in grades K-5. The Office of Early Learning and Literacy shall specify planning criteria to be submitted by Reading Partners no later than July 15 of the current fiscal year. Planning criteria shall include, but is not limited to, pre and post assessment data, parental~~

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~~and family literacy engagement, summer learning support and building school level capacity for intervention. The department shall report to the Governor, the Chairman of the Senate Finance Committee, the Chairman of the Senate Education Committee, the Chairman of the House Ways and Means Committee and the Chairman of the House Education Committee by June 15, 2020 on the impact of the program.~~

SECTION 91 - A990 - LEGISLATIVE DEPARTMENT

- 91.20 DELETE** (Other Funds Oversight Committee) Establishes the Other Funds Oversight Committee to review and make recommendations regarding receipt, appropriation, expenditure and reporting of other funds.

PROVISO SUBCOMMITTEE RECOMMENDATION: DELETE proviso.

~~**91.20.** (LEG: Other Funds Oversight Committee) There is created a joint committee of the Senate and of the House of Representatives entitled the Other Funds Oversight Committee. The committee shall consist of eight members as follows: the Chairman of the Senate Finance Committee, or his designee; one member of the Senate Finance Committee appointed by the Chairman of the Senate Finance Committee; the Chairman of the House of Representatives Ways and Means Committee, or his designee; one member of the House Ways and Means Committee appointed by the Chairman of the House Ways and Means Committee; the Senate Majority Leader, or his designee; the Senate Minority Leader, or his designee; the House Majority Leader, or his designee; and the House Minority Leader, or his designee.~~

~~The committee shall review and examine the source of other funds in this State and recommend to the General Assembly the appropriate policy for the receipt, appropriation, expenditure, and reporting of other funds. In making its determination, the committee shall solicit and receive testimony from state agencies, departments, boards or commissions regarding the status of the receipt of other funds, the conditions of receipt, the expenditure of other funds, and any relevant statistic or measurement. The committee shall make recommendations to the General Assembly regarding any necessary action.~~

~~The Executive Budget Office must notify the committee of any request for an increase in interim budget authorization resulting from other funds collections that is made by any state agency, department, board, or commission. The committee shall review each request and recommend appropriate action.~~

~~Members of the committee shall serve without compensation, but are allowed the usual per diem and mileage as provided by law for members of boards, commissions, and committees while on official business.~~

~~For purposes of the proviso, 'other funds' means any revenues received by an agency which are not federal funds and are not general funds appropriated by the General Assembly in the appropriations act.~~

- 91.23 AMEND** (Technology Panel) Directs the K-12 Technology Initiative partnership to provide a report that describes the state's efforts to facilitate providing cost effective connectivity and internet bandwidth to schools and libraries statewide and to report on certain technology related activities by June 1, 2021.

PROVISO SUBCOMMITTEE RECOMMENDATION: AMEND proviso to update report due date to no later than June first of the current fiscal year. Requested by Department of Administration.

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91.23. (LEG: Technology Panel) Of the funds appropriated in the Department of Education's program VIII.D. for Technology the K-12 Technology Initiative partnership shall provide a report to the House Education and Public Works Committee, the House Ways and Means Committee, the Senate Education Committee and the Senate Finance Committee, describing the state's efforts to facilitate the cost effective provision of connectivity and internet bandwidth to schools and libraries on a statewide basis, regardless of location, activities to assist schools and libraries in minimizing and detecting internet security threats, the development and utilization of technological and online resources to support student development and achievement, the development and utilization of curriculum and professional training to support the use of instructional technology in schools and libraries, and other educational technology related activities engaged in by the partnership. Further, the report must detail information on the expenditure of the K-12 Technology funds by each district as well as a list of the districts requesting flexibility in the use of those funds. The report shall be submitted no later than June 1, 2021 first of the current fiscal year.

SECTION 93 - D500 - DEPARTMENT OF ADMINISTRATION

93.2 ~~AMEND (State House Operation & Maintenance Account~~ Capitol Complex & Mansion) Directs that funds appropriated for State House maintenance and operations be retained in a separate account and requires DOA to annually report to the State House Committee the amount spent from this fund.

PROVISO SUBCOMMITTEE RECOMMENDATION: AMEND proviso to change references to "State House Maintenance & Operations & Renovations" and "State House" to "Capitol Complex & Mansion." Requested by Department of Administration.

93.2. (DOA: ~~State House Operation & Maintenance Account~~ Capitol Complex & Mansion) Funds appropriated to the Department of Administration - for ~~State House Maintenance & Operations & Renovations~~ Capitol Complex & Mansion must be set aside in a separate account for the operation and maintenance of the ~~State House~~ Capitol Complex & Mansion. The department shall report annually to the State House Committee on the amount expended from this fund for the operation and maintenance of the State House.

SECTION 97 - E120 - OFFICE OF COMPTROLLER GENERAL

97.4 **AMEND** (Unemployment Compensation Fund Administration) Directs that the lesser of 2% or \$200,000 of the balance in the Unemployment Compensation Fund be paid annually to the Comptroller General's Office to recover the costs of administering the fund and authorizes these funds to be carried forward and used for the same purposes.

PROVISO SUBCOMMITTEE RECOMMENDATION: AMEND proviso to delete the lesser of 2% provision. Requested by Office of Comptroller General.

97.4. (CG: Unemployment Compensation Fund Administration) ~~The lesser of two percent or \$200,000 of the fund balance of the Unemployment Compensation Fund shall be paid out annually to the Office of Comptroller General to be used by that agency to recover the costs of administering the fund. The Unemployment Compensation Fund is provided for in Section 41-31-820, South Carolina Code of Laws, 1976, as amended. Any unexpended balance may be carried forward from the prior fiscal year to the current fiscal year and used for the same purposes.~~

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SECTION 100 - E240 - OFFICE OF ADJUTANT GENERAL

100.11 DELETE (Funeral Caisson) Prohibits Funeral Caisson funds from being reduced if a general fund budget reduction is mandated and also prohibits these funds from being transferred or used for any other purpose.

PROVISO SUBCOMMITTEE RECOMMENDATION: DELETE proviso. Requested by Office of Adjutant General.

~~100.11. (ADJ: Funeral Caisson) In the event of a mandated general fund budget reduction, the Adjutant General's Office is prohibited from reducing the funds appropriated for the Funeral Caisson. In addition, these funds shall not be transferred to any other program or be used for any other purpose by the Office of Adjutant General.~~

100.13 AMEND (National or State Guard State Active Duty) Authorizes and directs the State Treasurer and the Comptroller General to pay from the general fund any funds necessary, not to exceed \$500,000, to cover actual costs incurred if the Governor activates the National Guard or State Guard to State Active Duty in a declared state of emergency, in response to an imminent or anticipated emergency, or for Emergency Management Assistance Compact activities. Directs that funds reimbursed, up to the amount advanced, be deposited into the general fund.

PROVISO SUBCOMMITTEE RECOMMENDATION: AMEND proviso to change "\$500,000" to "\$1,000,000." Requested by Office of Adjutant General.

~~100.13. (ADJ: National or State Guard State Active Duty) In the event of the activation of the South Carolina National Guard or State Guard to State Active Duty in response to a declared emergency or in response to an imminent or anticipated emergency, including support provided under Section 25-9-420 of the 1976 Code, the Emergency Management Assistance Compact, the State Treasurer and the Comptroller General are hereby authorized and directed to pay from the general fund of the State such funds as necessary, not to exceed \$500,000 \$1,000,000, to cover the actual costs incurred. Any funds reimbursed to the state shall be deposited in the state general fund, up to the amount of funds advanced to the Office of Adjutant General for these activities.~~

100.18 AMEND (Natural Disaster FEMA Match) Authorizes EMD to use existing fund balances to provide the non-federal cost share to state and local government entities for work associated with Hurricane Irma and Hurricane Florence that is eligible under FEMA Public Assistance Program; and prohibits these funds from being used to provide the non-federal cost share to private non-profits. Directs EMD to make surplus 2015 Flood disaster non-federal cost share funds available to counties and municipalities with unreimbursed non-federal cost share from 2014 Ice Storm damages and requires counties and municipalities to submit an application for the funds by 7/31/18. Allows the \$500,000 authorized by Proviso 100.21 in Act 264 of 2018 [2017 HURRICANE IRMA AND 2014 ICE STORM FEMA MATCH] for grants to non-profit entities to be carried forward and used for the same purpose. Directs EMD to report grant recipients and amounts to the Chairmen of the Senate Finance and House Ways and Means Committees by 1/15/21.

PROVISO SUBCOMMITTEE RECOMMENDATION: AMEND proviso to update fiscal year reference to "2021-22" and report due date to January 15, "2022."

~~100.18. (ADJ: Natural Disaster FEMA Match) The Office of Adjutant General, Emergency Management Division shall be authorized to utilize existing fund balances to provide the non-federal cost share to state and local government entities for work that is eligible under the~~

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Federal Emergency Management Agency Public Assistance Program for Hurricane Irma and Hurricane Florence. Existing fund balances may not be used to provide the non-federal cost share to private non-profit entities.

The Office of Adjutant General, Emergency Management Division is directed to use existing fund balances for the 2015 Flood disaster (Presidential Disaster Declaration DR-4241) to reimburse counties and municipalities with unreimbursed non-federal cost share from the 2014 Ice Storm disaster for storm cleanup expenses incurred during and after states of emergency declared by Executive Orders 2014-06 and 2014-11 and Presidential Disaster Declaration DR-4166. Counties and municipalities must submit an application for such funds by July 31, 2018.

The \$500,000 authorized by Proviso 100.21 in Act 264 of 2018 for grants for non-profit entities may be carried forward and used for the same purpose in Fiscal Year ~~2020-21~~ 2021-22. The Emergency Management Division shall prepare a report listing the name of the grant recipient and the amount received and submit the report to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee by January 15, ~~2021~~ 2022.

SECTION 101 - E260 - DEPARTMENT OF VETERANS' AFFAIRS

101.3 DELETE (Additional Claims Representative) Directs that the director of the department shall appoint an additional claims representative and provides for the responsibilities and expectations of the position.

PROVISO SUBCOMMITTEE RECOMMENDATION: DELETE proviso. Requested by Department of Veterans' Affairs.

~~**101.3.** (VET: Additional Claims Representative) Of the funds appropriated for the Department of Veterans' Affairs, the director shall appoint an additional claims representative who, in addition to being charged with the duty of assisting all ex-servicemen, regardless of the wars in which their service may have been rendered, in filing, presenting, and prosecuting to final determination all claims which they have for money compensation, hospitalization, training, and insurance benefits under the terms of federal legislation, shall also specialize in the specific needs and diseases associated with veterans of the Vietnam era. The person appointed as a claims representative under this section must be versed in federal legislation relating to these matters and the rules, regulations, and practice of the Veterans Administration as created by Congress and his appointment must be approved by the Governor.~~

~~Subject to the direction of the director, and in addition to other duties prescribed in this section, the claims representative appointed pursuant to this provision may represent the Department of Veterans' Affairs on the South Carolina Agent Orange Advisory Council and on the Hepatitis C Coalition established by the South Carolina Department of Health and Environmental Control, assist the Department of Veterans' Affairs in carrying out its duties in connection with the Agent Orange Information and Assistance program, represent the director in connection with functions relating to Vietnam veterans, and perform other duties as may be assigned by the director.~~

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SECTION 102 - E280 - ELECTION COMMISSION

102.13 DELETE (Third Party Consultant) Directs the commission to expend funds to contract for a third party consultant to advise the commission on the conduct of elections in the current fiscal year.

PROVISO SUBCOMMITTEE RECOMMENDATION: DELETE proviso. Requested by Election Commission.

102.13.(ELECT: Third-Party Consultant) ~~In the current fiscal year and from the funds appropriated, the Election Commission must expend funds to contract for a third party consultant to advise the Richland County Election Commission on the conduct of elections.~~

SECTION 103 - E500 - REVENUE AND FISCAL AFFAIRS OFFICE

103.6 DELETE (NG9-1-1 Strategic Plan) Authorizes RFA to use up to \$150,000 of wireless 9-1-1 fund compliance cost monies to further plan, develop and implement the comprehensive statewide NG9-1-1 system as outlined in the strategic plan; and define associated costs.

PROVISO SUBCOMMITTEE RECOMMENDATION: DELETE proviso. Requested by Revenue and Fiscal Affairs Office.

103.6. (RFAO: NG9-1-1 Strategic Plan) ~~The Revenue and Fiscal Affairs Office shall be authorized to use up to \$150,000 of the funds from the 58.2 percent compliance cost portion of the wireless 9-1-1 fund for costs associated with the further planning, development, and implementation of the comprehensive statewide NG9-1-1 system as outlined in the South Carolina NG9-1-1 strategic plan. Associated costs include, but are not limited to, the hiring of consultants, technical experts, or other professionals for assistance in defining, developing, or implementing the operating model and standards, system or technical requirements, or other elements of the system as outlined in the strategic plan.~~

SECTION 106 - F300 - STATEWIDE EMPLOYEE BENEFITS

106.2 AMEND (Suspend SCRS & PORS Employer Contribution Rate Increase) Suspends the increase in the employer contribution rate pursuant to Section 9-1-1085 [EMPLOYER AND EMPLOYEE CONTRIBUTION RATES] and Section 9-11-225 [EMPLOYER AND EMPLOYEE CONTRIBUTION RATES] for Fiscal Year 2020-21. Directs that the contribution rate for SCRS and PORS shall remain at the same rate as in Fiscal Year 2019-20.

PROVISO SUBCOMMITTEE RECOMMENDATION: AMEND proviso to update fiscal year references from “2020-21” to “2021-22”. Direct that the contribution rate for SCRS and PORS shall increase by 1% from the Fiscal Year 2020-21 rates set in Act 135 of 2020.

106.2. (SEB: Suspend SCRS & PORS Employer Contribution Rate Increase) The increase in the employer contribution rate imposed by Section 9-1-1085 and Section 9-11-225 for Fiscal Year ~~2020-21~~ 2021-22, respectively, are suspended. The employer contribution rate for the South Carolina Retirement Systems and the Police Officers Retirement Systems during Fiscal Year ~~2020-21~~ 2021-22, expressed as a percentage of earnable compensation, shall ~~remain at the same rate imposed for Fiscal Year 2019-20~~ increase by 1% from Fiscal Year 2020-21 rates as set in Act 135 of 2020.

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SECTION 113 - X220 - AID TO SUBDIVISIONS, STATE TREASURER

113.2 **AMEND** (Quarterly Distributions) Provides for the quarterly distribution of Aid to Subdivisions Local Government Fund.

PROVISO SUBCOMMITTEE RECOMMENDATION: AMEND proviso to update fiscal year references to “2021-22.”

113.2. (AS-TREAS: Quarterly Distributions) For Fiscal Year ~~2020-21~~ 2021-22, one quarter of the amount appropriated in Part IA for Aid to Subdivisions-Local Government Fund shall be distributed as soon after the beginning of each quarter as practical with the four distributions together totaling the Fiscal Year ~~2020-21~~ 2021-22 Part IA appropriation for the Local Government Fund.

113.5 **DELETE** (LGF) Suspends Sections 6-27-30 [FUNDING OF LOCAL GOVERNMENT FUND FROM GENERAL FUND REVENUES] and 6-27-50 [RESTRICTIONS ON AMENDMENT OR REPEAL OF CHAPTER] for Fiscal Year 2020-21.

PROVISO SUBCOMMITTEE RECOMMENDATION: DELETE proviso.

113.5. (AS-TREAS: LGF) For Fiscal Year ~~2020-21~~, the provisions of Section ~~6-27-30~~ and Section ~~6-27-50~~ of the 1976 Code are suspended.

113.7 **AMEND** (Political Subdivision Flexibility) Authorizes political subdivisions that receive Local Government Fund monies to reduce the amount of support they provide to any state mandated program or requirement up to the percentage their Local Government Fund appropriation has been reduced compared to the amount required to be funded by law, but excludes the court system and assessment for indigent medical care from the reductions.

PROVISO SUBCOMMITTEE RECOMMENDATION: AMEND proviso to update fiscal year reference to “2021-22.”

113.7. (AS-TREAS: Political Subdivision Flexibility) For Fiscal Year ~~2020-21~~ 2021-22, a political subdivision receiving aid from the Local Government Fund may reduce its support to any state mandated program or requirement, by up to a percentage equal to the percentage reduction in the actual amount appropriated to the Local Government Fund as compared to the amount required to be appropriated pursuant to Section 6-27-30. Excluded from said reductions are Administrative Law Judges and their offices, Court of Appeals and their offices, Circuit and Family Courts and their offices, Magistrates and their offices, Masters-in-Equity and their offices, Probate Courts and their offices, Public Defenders and their offices, Solicitors and their offices, and the Supreme Court and their offices, and assessment for indigent medical care pursuant to Section 44-6-146 of the 1976 Code.

113.cps **ADD** (Excess Sales Tax Collections) **PROVISO SUBCOMMITTEE RECOMMENDATION:** ADD new proviso to authorize a county to use excess unexpired capital project sales tax collections to fund road improvements, intersection improvements and pedestrian transportation. Require the county, before the tax expires, to adopt an ordinance that specifies how the funds will be used. Allow a county to spend Aid to Subdivision distributions to meet the requirements of this provision.

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113.cps. (AS-TREAS: Excess Sales Tax Collections) In the current fiscal year, if a county has capital projects sales tax collections in excess of the amount necessary to complete all projects for which the tax was imposed and the tax has not yet expired, the county may pledge and use the excess collections to fund road improvements, intersection improvements, and pedestrian transportation. However, prior to the expiration of the tax, an eligible county must adopt an ordinance specifying the purposes for which the excess funds will be used. A county may expend distributions received pursuant to the Aid to Subdivisions, State Treasurer section to meet the requirements of this provision.

SECTION 117 - X900 - GENERAL PROVISIONS

117.2 **AMEND** (Appropriations From Funds) Directs that funds appropriated from the General Fund, EIA Fund, Highways and Public Transportation Fund and other applicable funds are to meet the ordinary expenses of the State for FY 2020-21.

PROVISO SUBCOMMITTEE RECOMMENDATION: AMEND proviso to update fiscal year reference to “2021-22.” *Technical.*

117.2. (GP: Appropriations From Funds) Subject to the terms and conditions of this act, the sums of money set forth in this part, if so much is necessary, are appropriated from the General Fund of the State, the Education Improvement Act Fund, the Highways and Public Transportation Fund, and other applicable funds, to meet the ordinary expenses of the state government for Fiscal Year ~~2020-21~~ 2021-22, and for other purposes specifically designated.

117.3 **AMEND** (Fiscal Year Definitions) Defines current and prior fiscal year time frames.

PROVISO SUBCOMMITTEE RECOMMENDATION: AMEND proviso to update fiscal year references from “2020” to “2021;” “2021” to “2022;” and “2019” to “2020.” *Technical.*

117.3. (GP: Fiscal Year Definitions) For purposes of the appropriations made by this part, “current fiscal year” means the fiscal year beginning July 1, ~~2020~~ 2021, and ending June 30, ~~2021~~ 2022, and “prior fiscal year” means the fiscal year beginning July 1, ~~2019~~ 2020, and ending June 30, ~~2020~~ 2021.

117.123 **AMEND** (SCRS & PORS Trust Fund) Directs that the funds allocated to PEBA for the SCRS or PORS Trust Funds be credited toward contributions due from participating employers in those systems for FY 2020-21; directs that no credits shall be issued for covered employees of special purpose districts, joint authorities, non-profits, hospitals, participating associations or service organizations as defined in Section 9-1-10(11)(e) [RETIREMENT SYSTEMS DEFINITIONS], and state employees whose salaries are paid with federal funds. Directs that the SC Ports Authority, the SC Public Service Authority, and the Medical University Hospital Authority are excluded from this prohibition. Directs PEBA to collaborate with DOA, EBO, and RFA to determine the amount of credit exclusion for federally funded state employees.

PROVISO SUBCOMMITTEE RECOMMENDATION: AMEND proviso to update fiscal year reference to “2021-22.”

117.123. (GP: SCRS & PORS Trust Fund) Unless otherwise provided in Paragraphs A through D of this provision, the funds appropriated to the Public Employee Benefit Authority (PEBA) for the South Carolina Retirement System Trust Fund and the Police Officers’ Retirement System Trust Fund in Part IA, Section 108 of this act shall be credited toward the

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contributions due from participating employers in SCRS and PORS for Fiscal Year ~~2020-21~~ 2021-22. Each employer's credit shall be determined at the same rate as calculated by PEBA for the pension funding allocation credit for Fiscal Year 2017-18. A participating employer shall not receive a credit that exceeds the employer contributions due from the employer.

(A) From the funds available for allocation pursuant to this provision, no credits shall be issued for covered employees of special purpose districts, joint authorities, or non-profit corporations; however, this provision does not apply to the South Carolina State Ports Authority and the South Carolina Public Service Authority.

(B) From the funds available for allocation pursuant to this provision, no credits shall be issued for covered employees of hospitals; however this provision does not apply to the Medical University Hospital Authority.

(C) From the funds available for allocation pursuant to this provision, no credits shall be issued for covered employees of participating associations or service organizations as defined in Section 9-1-10(11)(e) of the 1976 Code.

(D) From the funds available for allocation pursuant to this provision, no credits shall be issued for state employees who are funded with federal funds. The Public Employee Benefits Authority shall collaborate with the Department of Administration, Executive Budget Office and the Revenue and Fiscal Affairs Office to determine the amount of credit exclusion for federally-funded employees of state agencies.

117.128 AMEND (Statewide Administrative Services) Authorizes the Department of Administration to provide consolidated administrative services to agencies to promote cost savings, process integrity and other efficiencies and to reduce duplication, overlap and redundancies. Requires agencies that receive appropriations of \$20,000,000 or less to consult with DOA to determine whether the use of consolidated administrative services would be beneficial to the agency. Directs DOA to provide a report to the Chairmen of the Senate Finance and House Ways and Means Committees by December 31, 2020 on the usage of the administrative services offered. **PROVISO SUBCOMMITTEE RECOMMENDATION:** AMEND proviso to update "2020" to "2021."

117.128. (GP: Statewide Administrative Services) The Department of Administration may provide consolidated administrative services to all agencies to promote cost savings, process integrity and other efficiencies, and to reduce duplication, overlap and redundancies, or any combination thereof and to provide for consistency in transactions and processes and to advance a statewide approach to agency administration. Consolidated administrative services may include, but are not limited to: 1) financial and accounting support, such as accounts payable and receivable processing, procurement processing, journal entry processing and financial reporting assistance; 2) human resources administrative support, such as transaction processing and reporting, payroll processing, and human resources training; and 3) budget support, such as budget transaction processing and budget reporting assistance.

Agencies that receive twenty million dollars or less in total appropriations in the current fiscal year shall consult with the Department of Administration to determine whether the use of consolidated administrative services offered by the department would be beneficial to the agency. The Legislative Branch, the Judicial Branch, public institutions of higher learning and technical colleges shall be exempt from the requirements of this provision.

The Department of Administration shall provide a report to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee regarding agency utilization of administrative services offered by the department no later than December 31, ~~2020~~ 2021.

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- 117.137 DELETE** (CDBG-DR Flexibility) Directs the Department of Commerce to transfer to DOA any funds that remain from a 2017 appropriation for 2015 - Non-CDBG - Disaster Recovery and directs DOA to use the funds for any disaster recovery program.

PROVISO SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *Funds expended.* Requested by Department of Administration.

~~**117.137.** (GP: CDBG-DR Flexibility) The Department of Commerce is directed to transfer any funds remaining from the appropriation it received through Act 97 of 2017 for 2015 - Non-CDBG - Disaster Recovery to the Department of Administration which shall utilize these funds for any disaster recovery program.~~

- 117.140 DELETE** (Voting System Funds Transfer) Directs the Election Commission to transfer to DOA any funds, excluding federal funds, appropriated to the commission for the purchase of a new statewide voting system or refurbishment of the current system. Directs DOA to hold these funds as well as funds appropriated to them for this purpose in a separate account. Directs that funds available to the commission or the department shall be used in FY 2020-21 to purchase a new statewide voting system.

PROVISO SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *Funds expended.* Requested by Department of Administration.

~~**117.140.** (GP: Voting System Funds Transfer) The State Election Commission is directed to transfer any funds which have been appropriated to the commission for the purchase of a new statewide voting system or for the refurbishment of the current statewide voting system to the Department of Administration. The Department of Administration shall hold these funds and any other funds appropriated to the department for the same purpose in a separate account. This transfer requirement shall not apply to any federal funds granted to the State Election Commission. Any funds available to the State Election Commission or the Department of Administration shall be used in Fiscal Year 2020-21 to purchase a new statewide voting system.~~

- 117.151 DELETE** (Voluntary Support Payments to Employees Furloughed - COVID-19) Directs that all voluntary support payments made to a furloughed employee as a result of COVID-19 shall be classified as a form of severance pay, not wages, and are not subject to repayment by the employee.

PROVISO SUBCOMMITTEE RECOMMENDATION: DELETE proviso.

~~**117.151.** (GP: Voluntary Support Payments to Employees Furloughed - COVID-19) All voluntary support payments made by an employer to a furloughed employee as a result of the COVID-19 crisis shall be classified as a form of severance pay, are not wages, and are not subject to repayment by the furloughed employee. Any provision of law that conflicts with this section is suspended until July 31, 2020.~~

- 117.spb ADD** (Statewide Strategic Personnel Budgeting) **PROVISO SUBCOMMITTEE RECOMMENDATION:** ADD new proviso to require agencies to submit all human resources and personnel related budget requests to DOA's Executive Budget Office (EBO) and Division of State Human Resources (SHR) by September 1st. Direct EBO and SHR to jointly review the budget requests and submit funding recommendations to the Governor and the Chairmen of the House Ways and Means and Senate Finance Committees. Require agencies to comply with all SHR human resources rules, regulations, standards, plans, policies and directives. Exempt the

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Judicial and Legislative Departments, political subdivisions and quasi-governmental bodies from these requirements.

117.spb. (GP: Statewide Strategic Personnel Budgeting) (A) To encourage consistency in human resources compensation decisions, support data driven decisions regarding expenditure of funds for personnel in state government, and improve the state's ability to recruit and retain top talent, all state agencies are directed as follows:

With regard to the annual Appropriations Act budget plan submission, agencies shall submit all human resources and personnel related budget requests to the Department of Administration's Executive Budget Office and Division of State Human Resources on or before September 1 of the current fiscal year. The Executive Budget Office and the Division of State Human Resources shall jointly review the budget requests and make recommendations for funding consideration. These funding recommendations shall be submitted to the Governor, the Chairman of the House Ways and Means Committee, and the Chairman of the Senate Finance Committee.

Agencies shall comply with all human resources rules, regulations, standards, plans, policies, and directives of the Division of State Human Resources.

(B) The Judicial Department, Legislative Department, political subdivisions, and quasi-governmental bodies are exempt from the requirements of this provision.

117.joc ADD (Job Order Contracting Pilot Program) **PROVISO SUBCOMMITTEE RECOMMENDATION:** ADD new proviso to authorize SFAA Procurement Services to pilot test a job order contracting method on behalf of one or more governmental bodies or public procurement units by entering into job order contracts to acquire construction services when exact time or quantities of future jobs are not know when the contract is awarded. Authorize Procurement Services to enter into contracts with up to four businesses for each geographic area for each licensing classification and sub-classification for construction. Direct that an individual project using a job order may not exceed \$500,000 and the sum of all individual job orders may not exceed \$4,000,000 per contract.

117.joc. (GP: Job Order Contracting Pilot Program) For the current fiscal year, Procurement Services of the State Fiscal Accountability Authority may pilot test a job order contracting method on behalf of one or more governmental bodies or public procurement units by entering into job order contracts to acquire construction services when the exact time or exact quantities of future jobs are not known at the time of contract award. Procurement Services shall determine, in its sole discretion, which governmental bodies and public procurement units may participate in the pilot project. Procurement Services may enter into job order contracts with up to four businesses for each geographic area for each licensing classification and sub-classification for construction.

For purposes of this proviso, the term 'job order contract' means a contract that provides for the issuance of job orders for the performance of construction, renovation, and repair work, where contractors propose an adjustment factor or factors to be applied to a catalog of preset unit prices calculated using local prevailing wage rates, local equipment, and local material costs, and where individual job orders are issued to the awarded contractors on an as-needed basis and the price paid for the work is a lump sum of the preset unit prices needed to complete the job order multiplied by the quantity required multiplied by the adjustment factor.

For purposes of the pilot project, an individual project using job orders may not exceed five hundred thousand dollars and the sum of all individual job orders may not exceed four million dollars per contract. Work may not be divided artificially in order to avoid these limits. A single

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project must not be performed using job order contracts in combination with contracts awarded pursuant to Section 11-35-1550 of the 1976 Code.

For purposes of the pilot project, a job order must clearly specify all tasks to be performed or property to be delivered under the order so the full price for the performance of the work can be established when the order is placed. All job orders must be issued on a fixed-price basis. All job orders must be issued within the period of the contract and must be within the scope and maximum value of the contract. Each job order shall provide an itemized list of each construction tasks required to complete the work with the task's associated unit price and applied adjustment factor. Each job order proposal shall be certified as contract compliant by a reviewer independent of the contractor.

Any solicitation for a job order contract must include the following: (1) the period of the contract; (2) the maximum dollar value of the services to be procured under the contract; (3) the maximum dollar value of the services to be procured under a single job order; (4) a description that reasonably describes the licensing classification and the general scope, nature, complexity, and purposes of the services to be procured under the contract in a manner that will enable a prospective bidder to decide whether to submit a bid; (5) the procedures that the governmental body will use for issuing job orders for the pilot program; (6) if applicable, the geographic area to which the job order contract applies; ordinarily, a geographically contiguous area should not be subdivided; and (7) the number of job order contracts to be awarded.

SECTION 118 - X910 - STATEWIDE REVENUE

118.1 AMEND (Year End Cutoff) Directs year-end expenditure deadlines.

PROVISO SUBCOMMITTEE RECOMMENDATION: AMEND proviso to update calendar year references from “2021” to “2022.” *Technical.* Requested by Office of Comptroller General.

118.1. (SR: Year End Cutoff) Unless specifically authorized herein, the appropriations provided in Part IA of this act as ordinary expenses of the State Government shall lapse on July 31, ~~2024~~ 2022. State agencies are required to submit all current fiscal year input documents and all electronic workflow for accounts payable transactions to the Office of Comptroller General by July 14, ~~2024~~ 2022. Appropriations for Permanent Improvements, now outstanding or hereafter provided, shall lapse at the end of the second fiscal year in which such appropriations were provided, unless definite commitments shall have been made, with the approval of the State Fiscal Accountability Authority and Joint Bond Review Committee, toward the accomplishment of the purposes for which the appropriations were provided. Appropriations for other specific purposes aside from ordinary operating expenses, now outstanding or hereafter provided, shall lapse at the end of the second fiscal year in which such appropriations were provided, unless definite commitments shall have been made, with the approval of the State Fiscal Accountability Authority, toward the accomplishment of the purposes for which the appropriations were provided.

118.9 AMEND (Tax Relief Reserve Fund) Creates the Tax Relief Reserve Fund; directs that accrued interest remain in the fund; and directs the State Treasurer, on December 31, 2019, to transfer from the General Fund any funds identified in this act designated for the Tax Relief Reserve Fund. Directs that the fund may only be used to provide tax relief to businesses and individuals as provided by law and authorizes these funds to be retained, carried forward, and used for the same purpose.

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PROVISO SUBCOMMITTEE RECOMMENDATION: AMEND proviso to update calendar year reference from “2019” to “2021.”

118.9. (SR: Tax Relief Reserve Fund) There is created the Tax Relief Reserve Fund, which shall be separate and distinct from the General Fund. Interest accrued by the fund must remain in the fund. Notwithstanding any other provision of law, on December 31, ~~2019~~ 2021, the State Treasurer shall transfer funds identified in this act from the General Fund to the Tax Relief Reserve Fund. These funds may only be used to provide tax relief to businesses and individuals as provided by law. Funds within the Tax Relief Reserve Fund shall be retained and carried forward to be used for the same purpose.

118.14 DELETE (Taxpayer Rebate) Provides for a one-time taxpayer refund of up to \$50 per taxpayer if excess FY 2018-19 unobligated general revenue as certified by the BEA become available due to increased income tax collections resulting from the October 24, 2018 Mega Millions lottery ticket redemption. Directs that those funds, combined with funds appropriated for a taxpayer rebate, must be used to provide the one-time rebate.

PROVISO SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *Funds expended.*

118.14. (SR: Taxpayer Rebate) ~~In the event that amounts in excess of the Fiscal Year 2018-19 unobligated general fund revenue as certified by the Board of Economic Advisors become available due to increased income tax collections resulting from the lottery ticket redemption associated with the October 24, 2018 Mega Millions contest, the Comptroller General shall transfer such amounts in excess of the total certified unobligated general fund revenue up to \$61,400,000 to a Taxpayer Rebate Fund after the close of Fiscal Year 2018-19. To the extent sufficient funds are available, the Department of Revenue shall provide a fifty dollar refund to each individual income tax return filed for tax year 2018 that has at least a state individual income tax liability of fifty dollars, after credits, for returns filed on or before October 15, 2019. The Department of Revenue may prorate this amount based upon actual funds and eligible returns and is directed to issue these checks on December 2, 2019.~~