

**HIGHER EDUCATION SUBCOMMITTEE
RECOMMENDATIONS FOR FY 2026-27
TO THE PROVISO SUBCOMMITTEE**

SECTION 3 - H660 - LOTTERY EXPENDITURE ACCOUNT

3.5. DELETE (LEA: FY 2025-26 Lottery Funding) Directs expenditure of lottery funds for Fiscal Year 2025-26.

SUBCOMMITTEE RECOMMENDATION: DELETE proviso.

~~3.5. (LEA: FY 2025-26 Lottery Funding) (A) 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 include full reimbursement from the Education Lottery Account to the general deposit accounts of the state prior to the close of the fiscal year.~~

~~(B) 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.~~

~~(C) 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.~~

~~(D) For Fiscal Year 2025-26, certified net lottery proceeds and investment earnings for the current fiscal year, Fiscal Year 2023-24 certified surplus, and Fiscal Year 2024-25 projected surplus and undesignated fund balance are appropriated as follows:~~

~~(1) Commission on Higher Education — LIFE Scholarships as provided in Chapter 149, Title 59 — \$ 215,903,281;~~

~~(2) Commission on Higher Education — HOPE Scholarships as provided in Section 59-150-370 \$ 13,007,732;~~

~~(3) Commission on Higher Education — Palmetto Fellows Scholarships as provided in Section 59-104-20.....\$ 60,957,272;~~

~~(4) Commission on Higher Education and State Board for Technical and Comprehensive Education —~~

~~Tuition Assistance.....\$ 52,994,528;~~

~~(5) Commission on Higher Education — Need Based Grants.....\$ 80,000,000;~~

~~(6) Higher Education Tuition Grants Commission — Tuition Grants....\$ 20,000,000;~~

~~(7) Commission on Higher Education — SC National Guard College Assistance Program as provided~~

~~in Section 59-111-75.....\$ 6,200,000;~~

~~(8) State Board for Technical and Comprehensive Education — South Carolina Workforce Industry Needs Scholarships\$ 54,324,046;~~

~~(9) South Carolina State University\$ 2,500,000;~~

~~(10) Commission on Higher Education — Nursing Initiative\$ 10,000,000;~~

~~(11) Commission on Higher Education — PASCAL\$ 1,500,000;~~

~~(12) State Board for Technical and Comprehensive Education — readySC.....\$ 1,000,000;~~

~~(13) Department of Education — K-12 Education Scholarships.....\$ 20,000,000;~~

~~and~~

~~(14) State Board for Technical and Comprehensive Education Intellectual and Developmental Disabilities Pilot Program.....\$ 700,000.~~

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~~(E) For Fiscal Year 2025-26, funds certified from unclaimed prizes are appropriated as follows:~~

- ~~(1) Department of Behavioral Health and Developmental Disabilities,
Office of Substance Use Services—Gambling Addiction
Services.....\$ 100,000;~~
- ~~(2) State Board for Technical and Comprehensive Education—South
Carolina Workforce Industry Needs Scholarships.....\$ 2,848,953;~~
- ~~(3) Commission on Higher Education—College Transition Program
Scholarships.....\$ 3,551,046;~~
- ~~(4) State Department of Education—School Bus Purchase.....\$ 1;~~
- ~~(5) Commission on Higher Education—Higher Education
Excellence Enhancement Program.....\$ 9,000,000;~~

~~and~~

- ~~(6) Commission on Higher Education—Technology—Public
Four Year, Two Year, and State Technical Colleges.....\$ 8,000,000.~~

~~(F) Any unclaimed prize funds available in excess of the Board of Economic Advisors estimate of \$23,500,000 shall be appropriated as follows:~~

- ~~Department of Education—School Bus Purchase.....\$ All remaining.~~

~~(G) If the lottery revenue received from certified unclaimed prizes for Fiscal Year 2025-26 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.~~

~~(H) Fiscal Year 2025-26 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.~~

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

~~(J) 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.~~

~~(K) Fiscal Year 2025-26 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 2025-26 are fully funded.~~

~~(L) If the lottery revenue received for Fiscal Year 2025-26 certified net lottery proceeds and investment earnings for the current fiscal year, Fiscal Year 2024-25 projected surplus, and Fiscal Year 2023-24 certified surplus and the undesignated fund balance are less than the amounts appropriated, the Executive Budget Office is authorized to use surplus lottery proceeds accumulated in the lottery account from previous fiscal years to fully fund appropriations from the lottery authorized by the General Assembly. If a revenue shortfall still exists once the fund balance has been exhausted, then 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.~~

~~(M) 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.~~

~~(N) Any funds carried forward for the South Carolina Institutes of Innovation and Information (SCII) shall be redirected to support the Higher Education Excellence Enhancement~~

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Program and be distributed based on the requirements of Section 2-77-20 and those contained in this act. By March fifteenth, the Commission on Higher Education shall provide a final report on the expenditures of the SCIII program to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee.

~~(O) Of the funds appropriated to the Commission on Higher Education for College Transition Scholarships, the commission shall provide scholarships to South Carolina resident students enrolled at a public institution of higher education in an established College Transition Program (CTP) that serves students with intellectual disabilities. The commission, in consultation with the CTPs, shall develop guidelines establishing scholarship eligibility, retention, and/or renewal requirements in accordance with this paragraph. Scholarships shall be awarded to each South Carolina resident student enrolled in an established public CTP in an amount of at least \$2,500 per semester, not to exceed \$15,000 per academic year (including summer semester), and no student may receive a scholarship for more than eight semesters in total. In addition, the limitations of Proviso 11.10 notwithstanding, individual CTPs shall have the discretion to allocate a portion of their aggregate funding provided pursuant to this provision for need-based grants to eligible students. This discretion is allowable only to the extent that the funding for need-based grants for eligible CTP students provided pursuant to Proviso 11.10 has first been fully exhausted. The commission, in cooperation with the CTPs, shall collect and report the number of scholarship recipients and other information determined necessary to evaluate the effectiveness of these scholarships in assisting students with intellectual disabilities in college transition programs. The commission shall provide this report to the Governor, the Chairman of the House Education and Public Works Committee, the Chairman of the Senate Education Committee, the Chairman of the House Ways and Means Committee, and the Chairman of the Senate Finance Committee no later than September 30. Unexpended funds may be carried forward and used for the same purpose, except that up to \$250,000 may be used by the CTP consortium (known as The South Carolina Inclusive Post-Secondary Education Consortium) to be used collaboratively by the consortium to promote better awareness of CTP programs statewide as an option for youth with intellectual disabilities after high school through dedicated support for activities such as, but not necessarily limited to, student recruitment, development and maintenance of a consortium website and associated materials, and the provision of strategic informational events for prospective students and families across the State.~~

~~(P) Of the funds appropriated to the Commission on Higher Education for Need-Based Grants, public colleges and universities must submit final invoices for Need-based Grants by a date determined by the commission. Funds allocated for Fiscal Year 2025-26 must be distributed in the same academic year.~~

~~(Q) Of the funds appropriated to the Commission on Higher Education for the Nursing Initiative, the commission shall use the funds to address the nursing shortage. Funds shall be allocated accordingly to the state's public colleges and universities, including technical colleges and two-year institutions of the University of South Carolina, that have accredited nursing programs accredited by a national accrediting agency recognized by the United States Department of Education. For purposes of this provision, two-year institutions of the University of South Carolina System shall be eligible if their programs are accredited by and/or through the accreditation of a comprehensive or research institution within the University of South Carolina system. The first \$5 million shall be used to provide bonuses or supplement the salaries of existing full-time faculty and the hourly rates of part-time faculty, or the salaries of clinical nursing faculty, which includes adjunct faculty. The funds shall be allocated to each public college or university, including technical colleges, based on the number of students enrolled in nursing programs as defined by the Commission on Higher Education. The second five million shall be used to provide tuition reimbursement or scholarships for students enrolled in regionally accredited, not-for-profit, South Carolina-based, public and private institution's graduate-level~~

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~~Master of Science (MSN) programs, Doctor of Nursing Practice, Ph.D., or other like programs appropriate to prepare individuals for faculty roles. The recipient must agree to assume a faculty role in a public South Carolina nursing program after graduation for a minimum of two years for each year they receive the scholarship. Annually by February 1, the Commission shall report on the Nursing Initiative, at a minimum, the following: (1) total number of students receiving tuition reimbursements or scholarships; (2) total number of students receiving tuition reimbursements or scholarships subsequently hired as faculty; (3) total number of students receiving tuition reimbursements or scholarships not hired as faculty; (4) amount of funding allocated to each institution with eligible nursing programs; (5) expenditures and encumbrances of Nursing Initiative funds for eligible faculty for each program; and (6) retention rates, new hires and vacancies for full time, part time (including adjunct), and clinical faculty for each eligible program. The Commission may also request institutions to provide other information related to nursing workforce development. This report shall be submitted to the House Education and Public Works Committee, House Ways and Means Committee, Senate Education Committee, and Senate Finance Committee.~~

~~(R) 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	\$ 336,141;
(2) University of Charleston	\$ 704,188;
(3) Coastal Carolina University	\$ 699,612;
(4) Francis Marion University.....	\$ 320,888;
(5) Lander University.....	\$ 341,677;
(6) South Carolina State University.....	\$ 262,080;
(7) USC Aiken Campus	\$ 310,494;
(8) USC Upstate.....	\$ 394,951;
(9) USC Beaufort Campus	\$ 240,556;
(10) USC Lancaster Campus	\$ 131,927;
(11) USC Salkehatchie Campus	\$ 98,932;
(12) USC Sumter Campus	\$ 116,052;
(13) USC Union Campus	\$ 109,659;
(14) Winthrop	\$ 389,413;

~~and~~

(15) State Technical Colleges and State Board for Technical and Comprehensive Education	\$ 3,543,430.
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~~(S) 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.~~

~~(T) 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.~~

~~(U) 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.~~

~~(V) 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 that they continue to meet the requirement of this provision.~~

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SECTION 11 - H030 - COMMISSION ON HIGHER EDUCATION

11.12 DELETE (CHE: Other Funded FTE Revenue) Requires the Executive Budget Office, when higher education institutions request additional other funded FTE's, to inform CHE of its decision regarding the request and whether the institution has sufficient revenue to fund the salary and fringe benefits.

SUBCOMMITTEE RECOMMENDATION: DELETE proviso. Requested by the Commission on Higher Education.

~~11.12. (CHE: Other Funded FTE Revenue) When institutions of higher learning request additional other funded full-time equivalent positions, the Executive Budget Office shall inform the Commission on Higher Education of its decision regarding the request and whether or not sufficient revenues exist to fund the salary and fringe benefits for the positions.~~

11.20 DELETE (CHE: Review of Tuition Mitigation Calculations) Requires CHE to review the calculation of tuition mitigation funding in collaboration with public research institutions, four-year public institutions, and systems of higher education, and report their findings by October 1.

SUBCOMMITTEE RECOMMENDATION: DELETE proviso.

~~11.20. (CHE: Review of Tuition Mitigation Calculations) The Commission on Higher Education shall review the calculation of tuition mitigation funding to public institutions of higher education. The commission shall collaborate with representatives from each of South Carolina's public research institutions, four-year public institutions, and systems of higher education and report on suggested recommendations to the General Assembly no later than October 1, 2025.~~

SECTION 20 - H450 - UNIVERSITY OF SOUTH CAROLINA

20.6 DELETE (USC: Permanent Improvement Projects) Redirects remaining funds appropriated to USC for the Tucker Center to be used for permanent improvement projects by the university.

SUBCOMMITTEE RECOMMENDATION: DELETE proviso.

~~20.6. (USC: Permanent Improvement Projects) Of the funds appropriated in Act 239 of 2022, Section 118.19, Item (18)(b) to the University of South Carolina, the remaining \$5,800,000 shall be redirected to be used by the University for permanent improvement projects.~~

20.7 DELETE (USC: Harper/Elliott Honors College) Allows the use of funds appropriated in Act 285 of 2016, Section 1(11) to be redirected towards renovations and repairs of E&G space in the Harper/Elliott Honors College. Requested by the University of South Carolina.

SUBCOMMITTEE RECOMMENDATION: DELETE proviso. Requested by the University of South Carolina.

~~20.7. (USC: Harper/Elliott Honors College) Capital Reserve Fund appropriations to the University of South Carolina in Section 1(11) of Act 285 of 2016 for construction of Education and General (E&G) space in the addition to the Honors College dormitory may instead be redirected by the university towards necessary renovations and repairs of E&G space in the Harper/Elliott Honors College located on the historic Horseshoe of campus.~~

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20.9 **DELETE** (USC: Substance Abuse Prevention) Encourages USC division of student health and wellness to apply for applicable grant funding intended for the pilot program across the USC system for access to over-the-counter opioid reversal medications through non-traditional distribution mechanisms. Directs USC to examine practices by other states and annually report metrics related the effectiveness and costs of this proviso by May 31.

SUBCOMMITTEE RECOMMENDATION: DELETE proviso. Requested by the University of South Carolina.

~~20.9.(USC: Substance Abuse Prevention) Of the funds appropriated to the University of South Carolina for the current fiscal year, the University's Division of Student Health and Well-Being, Office of Substance Abuse Prevention and Education is encouraged to apply for applicable local, state, and/or federal grant funding intended to support the creation and ongoing maintenance of a pilot program across the eight campus University system that is designed to increase the availability of, and provide more ready access to, over the counter opioid reversal medications, such as naloxone, through non-traditional distribution mechanisms including, but not limited to, harm reduction vending machines. In implementing the pilot program, the University shall examine best practices deployed by other states including, but not limited to, Georgia, Louisiana, and Oklahoma. In addition, implementation shall be in accordance with applicable local, state, and/or federal laws and regulations and access to the opioid reversal medications distributed as a direct result of this provision shall be at no cost to the end user/consumer. The University annually shall report metrics related to the utilization and effectiveness of this provision, including associated costs and funding sources to support the pilot program, to the Chairmen of the Senate Finance Committee, the House Ways and Means Committee, the House Medical, Military, Public and Municipal Affairs Committee, and the Senate Medical Affairs Committee on or before May thirty first of each year. A copy of the report shall be forwarded to the Department of Behavioral Health and Developmental Disabilities, Office of Substance Use Services. Notwithstanding the requirements of this provision, nothing herein shall create an unfunded mandate on the University, and the creation and ongoing maintenance of this pilot program is dependent on the successful awarding of local, state and/or federal grant funding in an amount sufficient to support the program. Unexpended funds shall be reinvested in this program for the following fiscal year.~~