

**SENATE FINANCE COMMITTEE  
CONSTITUTIONAL SUBCOMMITTEE  
PROVISO RECOMMENDATIONS FOR FY 2022-23**

**SECTION 98 - E160 - OFFICE OF STATE TREASURER**

- 98.9**     **AMEND** (TREAS: Penalties for Non-Reporting) Directs that if a municipality does not submit audited financial statements within 13 months of the end of their fiscal year, the State Treasurer must withhold their state payments until the statement is received. Requires the State Treasurer to follow the requirements of proviso 117.48 when an audit report is received from a county or municipality with significant findings related to court fine reports or remittances. Provides penalties for deficiencies and delinquent reports. Provides for funds to be made available to the State Auditor for an audit to determine amounts due to the State Treasurer. Suspends the penalty requirement for municipalities for FY 2021-22 and authorizes and directs the State Treasurer to release all funds withheld from municipalities in the prior two fiscal years.  
**WMC:** AMEND proviso to update fiscal year reference to “2022-23.”  
**HOU:** ADOPT proviso as amended.  
**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

**98.9.** (TREAS: Penalties for Non-reporting) If a municipality fails to submit the audited financial statements required under Section 14-1-208 of the 1976 Code to the State Treasurer within thirteen months of the end of their fiscal year, the State Treasurer must withhold all state payments to that municipality until the required audited financial statement is received.

If the State Treasurer receives an audit report from either a county or municipality that contains a significant finding related to court fine reports or remittances to the Office of State Treasurer, the requirements of Proviso 117.48 shall be followed if an amount due is specified, otherwise the State Treasurer shall withhold twenty-five percent of all state payments to the county or municipality until the estimated deficiency has been satisfied.

If a county or municipality is more than ninety days delinquent in remitting a monthly court fines report, the State Treasurer shall withhold twenty-five percent of state funding for that county or municipality until all monthly reports are current.

After ninety days, any funds held by the Office of State Treasurer will be made available to the State Auditor to conduct an audit of the entity for the purpose of determining an amount due to the Office of State Treasurer, if any.

The penalty provisions in this proviso are suspended during Fiscal Year ~~2021-22~~ 2022-23 for municipalities. The State Treasurer is authorized and directed to release all funds withheld from municipalities in the prior two fiscal years due to a municipality not submitting the required audited financial statements or submitting financial information to the Revenue and Fiscal Affairs Office as required by Section 6-1-50 of the 1976 Code.

**SECTION 100 - E240 - OFFICE OF ADJUTANT GENERAL**

- 100.1.**     **DELETE** (ADJ: Unit Maintenance Funds) Directs that unit maintenance funds be distributed to various National Guard units at the direction of the Adjutant General.  
**WMC:** DELETE proviso. Requested by the Office of Adjutant General.  
**HOU:** ADOPT deletion.  
**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT deletion.

~~**100.1.** (ADJ: Unit Maintenance Funds) The funds appropriated as unit maintenance funds shall be distributed to the various National Guard units at the direction of the Adjutant General.~~

- 100.17**     **AMEND** (ADJ: 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

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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 1/15/22.

**WMC:** AMEND proviso to update fiscal year reference to “2022-23” and report date reference to “2023.”

**HOU:** ADOPT proviso as amended.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

**100.17.** (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 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 ~~2021-22~~ 2022-23. 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, ~~2022~~ 2023.

**100.18 DELETE** (ADJ: Salary Adjustment) Directs that the Adjutant General’s salary is subject to the Agency Head Salary Commission. Directs that the salary be immediately adjusted to match the commission’s recommendation.

**WMC:** DELETE proviso. Requested by the Office of Adjutant General.

**HOU:** ADOPT deletion.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT deletion.

~~**100.18.** (ADJ: Salary Adjustment) The Adjutant General is subject to all provisions related to agency heads covered by the Agency Head Salary Commission. The Adjutant General’s salary shall be immediately adjusted to match the recommendation from the commission upon its receipt.~~

**100.21 ADD** (ADJ: PPE Stockpile) **WMC:** ADD new proviso to allow the Emergency Management Division to rotate and replace the State’s PPE stockpile, including the rotation of public and private like-kind stock. Requested by the Office of Adjutant General.

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**HOU:** ADOPT new proviso.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT new proviso.

*100.21. (ADJ: PPE Stockpile) The Emergency Management Division shall be permitted to rotate and replace the State's personal protection equipment stockpile, housed pursuant to a state contract. This may include the rotation of like-kind stock owned by participating entities, both public and private, in order to minimize the cost of maintaining a personal protective equipment stockpile for the State and to ensure the useful life of the State's personal protective equipment stockpile.*

**100.fic ADD** (ADJ: Facility Insurance Coverage) **SFC SUBCOMMITTEE RECOMMENDATION:** ADD new proviso to direct the Adjutant General to work with IRF to ensure state-owned or -leased properties are insured and directs that consideration shall be given to facilities that are eligible for federal and state cost sharing agreements in determining insurance coverage. Allows the Adjutant General to use federal funding for renovation, repair, or replacement on damage to their state-owned or -leased National Guard facilities and allows the use of federal funding for the procurement of building coverage insurance. States that the IRF is not obligated to provide reimbursements or payments to any uninsured properties.

*100.fic. (ADJ: Facility Insurance Coverage) For the current fiscal year, the Adjutant General is authorized to work with the South Carolina State Fiscal Accountability Authority, Insurance Reserve Fund (IRF), to ensure state-owned or state-leased properties are properly insured. Consideration must be given to facilities which are eligible for federal and state cost sharing agreements, which use federal funding to cover, either in whole or in part, costs of renovation, repair, or replacement in determining insurance coverage. The Adjutant General may utilize funds available from the federal government to pay for renovation, repair, or replacement following damage to the agency's state-owned or state-leased National Guard facilities. The Adjutant General may also utilize any federal funding which may be available for the procurement of building coverage insurance. This provision does not obligate the Insurance Reserve Fund to provide reimbursement or payments relating to any uninsured properties.*

**SECTION 102 - E280 - ELECTION COMMISSION**

**102.13 DELETE** (ELECT: November 2020 Election Investigation Report) Directs the Election Commission to submit a report by August 1, 2021, to the General Assembly on the number of election fraud investigations conducted on the November 2020 election and to post the report on their website.

**WMC:** DELETE proviso. Requested by the Election Commission.

**HOU:** ADOPT deletion.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT deletion.

~~102.13. (ELECT: November 2020 Election Investigation Report) From the funds appropriated to the Election Commission for statewide elections, the commission shall submit a report to the General Assembly by August 1, 2021, on the number of election fraud investigations conducted regarding the November 2020 election. Such report shall also be posted on the commission's website.~~

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**SECTION 103 - E500 - REVENUE AND FISCAL AFFAIRS OFFICE**

**103.6** **AMEND** (RFAO: Revenue Forecast) Suspends Section 11-9-1130(A) [BOARD OF ECONOMIC ADVISORS TO MAKE FORECASTS OF ECONOMIC CONDITIONS; ADJUSTMENTS TO FORECASTS] for Fiscal Year 2021-22.

**WMC:** AMEND proviso to update the fiscal year reference to “2022-23.” Requested by Revenue and Fiscal Affairs Office.

**HOU:** ADOPT proviso as amended.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

**103.6.** (RFAO: Revenue Forecast) For Fiscal Year ~~2021-22~~ 2022-23, Section 11-9-1130(A) of the 1976 Code shall be suspended.

**SECTION 104 - E550 - STATE FISCAL ACCOUNTABILITY AUTHORITY**

**104.2** **DELETE** (SFAA: Lawsuit Funding) Requires the Insurance Reserve Fund pay the State’s cost of defending the Abbeville school funding litigation and the prisoner mental health care litigation.

**WMC:** DELETE proviso. Requested by State Fiscal Accountability Authority.

**HOU:** ADOPT deletion.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT deletion.

~~**104.2.** (SFAA: Lawsuit Funding) The Executive Director shall pay from the Insurance Reserve Fund the defense costs of the State, which are incurred in the current fiscal year, in the Abbeville school funding litigation and the prisoner mental health care litigation. The appropriate official from the House of Representatives and the Senate must certify to the Executive Director on a monthly basis the costs incurred in defense of this litigation. Upon receipt of the certification, the Executive Director shall pay the provider of these services the amount certified.~~

**104.9** **AMEND** (SFAA: Compensation - Agency Head Salary) Provides a process for establishing the compensation for agency heads and technical college presidents. Requires SFAA contract for a compensation study of agency heads and technical college presidents every four years.

**WMC:** AMEND proviso to include the Constitutional Officers in the four year study of agency head compensation and the distribution of costs of the study. Requested by State Fiscal Accountability Authority.

**HOU:** ADOPT proviso as amended.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

**104.9.** (SFAA: Compensation - Agency Head Salary) In the event of an agency head or technical college president vacancy, the governing board of the agency or the Governor, or the appointing authority of a technical college president, must have the prior favorable recommendation of the Agency Head Salary Commission to set, discuss, offer, or pay a salary for the agency head or technical college president at a rate that exceeds the minimum of the range established by the Agency Head Salary Commission. No agency head or technical college president shall be paid a salary higher than that recommended by the commission. Boards and commissions, or the Governor if he is the appointing authority, of newly created agencies or technical colleges shall not offer or pay a salary to a prospective agency head until a salary range has been established and the salary approved by the Agency Head Salary Commission. The funding of the salaries of any agency head or technical college president should come from resources within the agency. The State Fiscal Accountability Authority shall contract every four years for a study of agency head, ~~and~~ technical college president, and constitutional officer

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compensation, *as required under Sections 8-11-160 and 8-11-165*. The cost of the study must be shared by the participating agencies, *technical colleges, and constitutional offices*. The staff of the State Fiscal Accountability Authority shall serve as the support staff to the Agency Head Salary Commission. Limited only by the maximum of the respective salary range, the General Assembly authorizes the respective appointing authority for an agency head or technical college president to provide salary increases for an agency head or technical college president not to exceed that recommended by the Agency Head Salary Commission. No agency head or technical college president shall be paid less than the minimum of the pay range nor receive an increase that would have the effect of raising the salary above the maximum of the pay range.

**SECTION 105 - F270 - SFAA, OFFICE OF STATE AUDITOR**

**105.1** **AMEND** (SFAA-AUD: Annual Audit of Federal Programs) Requires each state agency subject to federal audit requirements to pay the State Auditor for their share of the expense of contracting with a CPA firm to conduct the federal portion of the audit as determined by a schedule developed by the State Auditor. Authorizes the State Auditor to retain, expend, and carry forward these funds.

**WMC:** AMEND proviso to delete the reference to the expense of “contracting with a nationally recognized CPA firm” and add a reference to the expense of “conducting” the audit. Deletes the requirement that the audit re-bid every five years. Requested by the Office of State Auditor.

**HOU:** ADOPT proviso as amended.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

**105.1.** (SFAA-AUD: Annual Audit of Federal Programs) Each state agency receiving federal funds subject to the audit requirements of the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (C.F.R) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) shall remit to the State Auditor an amount representing an equitable portion of the expense of ~~contracting with a nationally recognized CPA firm to conduct a portion of~~ *conducting* the audit of the State’s federal financial assistance.

Each state agency’s equitable portion of the expense will be determined by a schedule developed by the State Auditor. Such remittance will be based upon invoices provided by the State Auditor. ~~The audit shall be re-bid every five years.~~ The State Auditor shall retain and expend the funds received and shall carry forward any unexpended funds from the prior fiscal year into the current fiscal year for the same purpose.

**105.6** **DELETE** (SFAA-AUD: Audited Financial Statements) Directs the State Auditor’s Office to issue a statewide contract for audit services to facilitate timely reporting from municipalities and to convene a working group of stakeholders to develop municipalities auditing requirements and to make recommendations to the General Assembly.

**WMC:** DELETE proviso. Requested by the Office of State Auditor.

**HOU:** ADOPT deletion.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT deletion.

**105.6.** (SFAA-AUD: Audited Financial Statements) ~~The Office of the State Auditor is directed to work with the State Fiscal Accountability Authority to issue a statewide contract for Fiscal Year 2021-22 for the performance of audited financial statements which municipalities could use for audits required by Section 5-7-240 of the 1976 Code.~~

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- 105.7** **ADD** (SFAA - AUD: Internal Audit Services) **WMC:** ADD new proviso to authorize the Auditor’s Office to offer internal audit services to state agencies under a cost reimbursement/shared services model. Allows any state agency without an internal audit function to use the services. Directs that the audit plan will be agreed upon by the office and the agency.  
**HOU:** ADOPT new proviso.  
**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT new proviso.

*105.7. (SFAA - AUD: Internal Audit Services) The State Auditor’s Office is authorized to offer internal audit services to state agencies under a cost reimbursement, shared services model. Any state agency that does not have an internal audit function may opt to use the services to conduct such audit. The audit plan will be agreed upon between the State Auditor’s Office and the state agency, and cost will be determined by nature, timing, and extent of the audit work.*

**SECTION 112 - V040 - DEBT SERVICE**

- 112.2** **AMEND** (DS: Excess Debt Service) Directs that excess debt service funds available in FY 2021-22 may be used to pay down general obligation bond debt.  
**WMC:** AMEND proviso to update the fiscal year reference to “2022-23.”  
**HOU:** ADOPT proviso as amended.  
**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

**112.2.** (DS: Excess Debt Service) Excess debt service funds available in Fiscal Year ~~2021-22~~ 2022-23 may be expended in the fiscal year to pay down general obligation bond debt for which the State (1) is paying the highest rate of interest; (2) will achieve relief in constrained debt capacity; or (3) reduce the amount of debt issued.

**SECTION 113 - X220 - AID TO SUBDIVISIONS, STATE TREASURER**

- 113.2** **AMEND** (AS-TREAS: Quarterly Distributions) Provides for the quarterly distribution of Aid to Subdivisions Local Government Fund.  
**WMC:** AMEND proviso to update the fiscal year references to “2022-23.”  
**HOU:** ADOPT proviso as amended.  
**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

**113.2.** (AS-TREAS: Quarterly Distributions) For Fiscal Year ~~2021-22~~ 2022-23, 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 ~~2021-22~~ 2022-23 Part IA appropriation for the Local Government Fund.

- 113.6** **AMEND** (AS-TREAS: 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 from the reductions.  
**WMC:** AMEND proviso to update the fiscal year reference to “2022-23.”  
**HOU:** ADOPT proviso as amended.  
**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

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**113.6.** (AS-TREAS: Political Subdivision Flexibility) For Fiscal Year ~~2021-22~~ 2022-23, 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.

**113.10 ADD** (AS-TREAS: E-Filing System) **WMC:** ADD new proviso to direct the governing body of any county with at least three municipalities and that has a population equal to or greater than fifty thousand to utilize funds from the local government fund to implement an electronic filing system in the county’s Register of Deeds Office. Directs the Register of Deeds to assist with the e-filing system.

**HOU:** ADOPT new proviso.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT new proviso.

*113.10. (AS-TREAS: E-Filing System) The governing body of any county that has at least three municipalities within the county, in whole or in part, with a population of fifty thousand or more shall utilize sufficient funds received from the local government fund to implement an electronic or e-filing system in the county’s Register of Deeds Office to be utilized for the recording of documents and for payment of associated fees. The Register of Deeds shall assist with the implementation and shall monitor, utilize, and maintain the system.*

**SECTION 117 - X900 - GENERAL PROVISIONS**

**117.2 AMEND** (GP: 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 2021-22.

**WMC:** AMEND proviso to update the fiscal year reference to “2022-23.”

**HOU:** ADOPT proviso as amended.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

**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 ~~2021-22~~ 2022-23, and for other purposes specifically designated.

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

**WMC:** AMEND proviso to update the fiscal year references.

**HOU:** ADOPT proviso as amended.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

**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, ~~2021~~ 2022, and ending June 30, ~~2022~~

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2023, and “prior fiscal year” means the fiscal year beginning July 1, ~~2020~~ 2021, and ending June 30, ~~2021~~ 2022.

**117.21 AMEND FURTHER** (GP: Organizations Receiving State Appropriations Report) Requires organizations that receive contributions in this act to provide certain information by November first to the agency from which they received the funds and prohibits the funds from being spent by the organization until this information is received. Prohibits funds from being disbursed to organizations that practice discrimination. Authorizes the State Auditor to review and audit each of these organizations. Requires the organizations to submit a report by June 30<sup>th</sup> accounting for how the funds were spent and the outcome measures used to determine success of the goals. Directs state agencies to forward the reports to the Chairmen of the Senate Finance and House Ways and Means Committees.

**WMC:** AMEND proviso to delete all language and insert new language to direct each state agency receiving funds directly appropriated to a non-profit organization to require an expenditure plan from the recipient organization and how they provide a public benefit prior to any disbursement. Directs the State Auditor to provide each state agency with a form for collecting the information required. Requires nonprofit organizations to provide quarterly spending updates to their respective agency and provide an accounting of how the funds were spent after the expenditure of all state funds. Provides for the reporting requirements for state agencies and prohibits any funds in this act to be disbursed to any organization that practices discrimination.

**HOU:** ADOPT proviso as amended.

**SFC SUBCOMMITTEE RECOMMENDATION:** AMEND FURTHER to direct that EBO provide each state agency with a standard form for collecting the information required. Require state agencies receiving funds to report to EBO instead of the State Auditor.

**117.21.** (GP: Organizations Receiving State Appropriations Report) ~~Each organization receiving a contribution in this act shall render to the state agency making the contribution by November first of the fiscal year in which funds are received, an accounting of how the state funds will be spent, goals to be accomplished, proposed measures to evaluate success in implementing and meeting the goals, a copy of the adopted budget for the current year, and also a copy of the organization’s most recent operating financial statement. The funds appropriated in this act for contributions shall not be expended until the required financial statements are filed with the appropriate state agency. No funds in this act shall be disbursed to organizations or purposes which practice discrimination against persons by virtue of race, creed, color or national origin. The State Auditor shall review and audit, if necessary, the financial structure and activities of each organization receiving contributions in this act and make a report to the General Assembly of such review and/or audit, when requested to do so by the State Fiscal Accountability Authority. From the funds an organization receives from a state agency, for accountability purposes, by June thirtieth organizations receiving contributions in this act shall submit a report to the state agency making the contribution that includes an accounting of how the funds were spent and the outcome measures used to determine the success of the stated goals. State agencies receiving such data from organizations shall forward the information to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee. Each state agency receiving funds that are a direct appropriation to a non-profit organization, prior to disbursing the funds, shall require from each recipient organization a plan of how the state funds will be spent and how the expenditures will provide a public benefit. The ~~State Auditor~~ Executive Budget Office, Department of Administration shall provide each state agency with a standard form for collecting the information required. After receiving the funds, non-profit organizations shall provide quarterly spending updates to the respective state agency. After all~~



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state funds have been expended, each organization shall provide an accounting of how the funds were spent. State agencies receiving funds pursuant to this provision shall report the information collected to the ~~State Auditor~~ Executive Budget Office, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee by June 30th. No funds in this act shall be disbursed to organizations or purposes which practice discrimination against persons by virtue of race, creed, color or national origin.

**117.55 AMEND** (GP: Year-End Financial Statements - Penalties) Provides timeframes for submission of annual audited financial statements by agencies and other reporting entities to the Comptroller General for inclusion in the State’s CAFR. Specifies that if an entity’s fiscal year-end is June 30th, the due date is October 1st and if an institution or entity’s fiscal year-end is other than June 30th, the statement must be submitted within 120 days of that fiscal year-end. Requires the Comptroller General to provide a report to SFFA by November 30th of each noncompliant agency, institution, or other reporting entity.

**WMC:** AMEND proviso to update the report name to “Annual Comprehensive.” Requested by Comptroller General.

**HOU:** ADOPT proviso as amended.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

**117.55.** (GP: Year-End Financial Statements - Penalties) Agencies, institutions, and other reporting entities required to submit annual audited financial statements for inclusion in the State’s ~~Comprehensive~~ Annual Comprehensive Financial Report must submit final audited financial statements to the Comptroller General not later than October first for those with fiscal year-end June thirtieth. The South Carolina Retirement Systems, Insurance Benefits, and Other Post-Employment Benefits Trust Funds administered by the South Carolina Public Employee Benefit Authority must submit their final audited financial statements no later than October fifteenth. For institutions and reporting entities with fiscal year-ends other than June thirtieth, final audited financial statements must be submitted to the Comptroller General within 120 days of that fiscal year-end. The Comptroller General shall provide a written report of each agency, institution, or other reporting entity not in compliance with this provision to the State Fiscal Accountability Authority by November thirtieth.

**117.123 AMEND** (GP: 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, 2021 on the usage of the administrative services offered.

**WMC:** AMEND proviso to update calendar reference to “December 31 of the current fiscal year.” Requested by Department of Administration.

**HOU:** ADOPT proviso as amended.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

**117.123.** (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

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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, ~~2021~~ *of the current fiscal year*.

**117.136 DELETE** (GP: Authorization for Expenditures of COVID-19 Federal Funds) Provides for the procurement of professional grant management services for oversight and compliance of CARES Act funds and any other federal COVID-19 relief funds. Authorizes state boards, commissions, agencies, departments, and institutions of higher learning to receive COVID-19 funds directly from the federal government. Directs agencies to submit an expenditure plan to the Governor and the Chairmen of the Senate Finance and House Ways and Means Committees and to submit a monthly expenditure report to the Governor and the General Assembly. Authorizes unexpended funds to be carried forward and be spent for the same purpose. Authorizes the Governor to receive federal funds designated for the Coronavirus Relief Fund. Directs EBO to establish the Coronavirus Relief Fund as a federal fund account and directs that funds in the account may only be expended by appropriation or authorization by the General Assembly. Allows funds from the Coronavirus Relief Fund to be carried forward and expended for the same purpose.

**WMC:** DELETE proviso.

**HOU:** ADOPT deletion.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT deletion.

~~**117.136.** (GP: Authorization for Expenditure of COVID-19 Federal Funds) (A)(1) The State of South Carolina desires to procure professional grant management services for oversight and compliance of funds received through the ‘Coronavirus Aid, Relief, and Economic Security Act’ (CARES Act) and any other available source of federal COVID-19 relief funds. It is intended that the procurement will result in a contract for professional grant management services that can assist the State with grant management to include, but not be limited to: understanding the requirements and funding streams related to the CARES Act and federal relief funds; creating a framework for grant management from application for funds to disbursement of funds to include the development of processes and controls, data collection, evaluation of requests, and reporting; and creating a system of monitoring for compliance and detecting possible fraud, waste, and abuse.~~

~~(2) It is vital to the State’s interest that a contract be awarded for such professional grant management services in the most expeditious manner possible and time is of the essence. Accordingly, this procurement should be done pursuant to the provisions of Section 11-35-1570 of the 1976 Code. The Executive Director of the South Carolina Department of Administration shall coordinate the process used to procure the professional grant management services needed and shall be responsible for the development of specifications to be included in any contract awarded. The State Fiscal Accountability Authority shall serve as the procuring officer for the procurement process and is responsible for administrative duties related to the process and the~~

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~~contract awarded pursuant to it. The State Fiscal Accountability Authority shall assign such personnel as requested by the Executive Director of the Department of Administration to assist the Department of Administration in carrying out its duties under this act.~~

~~(B) State boards, commissions, agencies, departments, and institutions of higher learning are authorized to receive funds directly from the federal government in response to the 2019 Novel Coronavirus (COVID-19). Funds so received shall be expended for COVID-19 preparedness and response and in accordance with applicable federal laws and regulations. Any state board, commission, agency, department, or institution of higher learning that receives funds must submit an expenditure plan to the Governor, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee. Beginning on June 1, 2020-2022, and on the first day of each month thereafter, the recipient shall provide a detailed accounting of the expenditure of all federal relief funds to the Governor and the General Assembly. The detailed accounting must be made available on the Governor's website. Unexpended funds, without limitation, may be carried forward into the succeeding fiscal year and expended for the same purpose.~~

~~(C) The Governor is authorized to receive on behalf of the State of South Carolina federal funds designated for the Coronavirus Relief Fund.~~

~~(D) The Executive Budget Office shall establish the Coronavirus Relief Fund as a federal fund account separate and distinct from all other accounts. All federal appropriations received by the Governor pursuant to subsection (C), must be credited to the Coronavirus Relief Fund account. No other funds may be credited to this account and funds in the account may be expended only by appropriation or authorization by the General Assembly.~~

~~(E) Nothing herein limits any state board, commission, agency, department, or institution receiving funds from the Coronavirus Relief Fund from continuing to expend funds from other sources, including state appropriated funds, that are necessary to address the state's response to COVID-19. Any unexpended funds from the Coronavirus Relief Fund, without limitation, may be carried forward into the succeeding fiscal year and expended for the same purpose.~~

**117.137 DELETE** (GP: Mandatory Furlough Flexibility - COVID-19) Authorizes agencies and institutions of higher learning, upon review and approval of DOA State Human Resources, to implement a mandatory furlough if they experience a significant decrease in revenue sources or significant unanticipated expenditures as result of COVID-19. Directs that furloughed employees shall be entitled to the same state benefits as otherwise available to them except for their salary; that agencies and institutions shall be responsible for both the employer and employee contributions to the SCRS and ORS if coverage would be interrupted; and that for benefits that require only employee contributions the employee remains responsible for those contributions.

**WMC:** DELETE proviso.

**HOU:** ADOPT deletion.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT deletion.

**117.137.** (GP: Mandatory Furlough Flexibility - COVID-19) ~~(A) In order to provide maximum flexibility to a state agency or institution of higher learning during the state's COVID-19 response, an agency or institution experiencing significant decreases in revenue sources or significant unanticipated expenditures as a result of the COVID-19 response may implement a mandatory furlough subject to the review and approval of the Department of Administration Division of State Human Resources. Approved furloughs must comply with all federal laws. Implementation of furloughs should be in a manner similar to furloughs authorized in Chapter 11, Title 8, exceptions may be approved by the Division of State Human Resources.~~

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~~(B) During a furlough, affected employees shall be entitled to participate in the same state benefits as otherwise available to them except for receiving their salaries. As to those benefits that require employer and employee contributions including, but not limited to, contributions to the South Carolina Retirement System or the optional retirement program, the state agencies, institutions, and departments are responsible for making both employer and employee contributions if coverage would otherwise be interrupted; and as to those benefits which require only employee contributions, the employee remains solely responsible for making those contributions.~~

~~(C) The division shall report to the President of the Senate, Speaker of the House of Representatives, the Chairman of Senate Finance Committee, and the Chairman of House Ways and Means Committee when any furloughs are implemented. This information also shall be published on the division's website.~~

- 117.138 DELETE** (GP: Other Fund Flexibility to Maintain Critical Programs Impacted by COVID-19) Authorizes state agencies and institutions of higher learning, upon prior EBO approval, to spend earmarked and restricted funds to maintain critical programs impacted by COVID-19. Requires expenditure of funds for this purpose to be reported to the Governor and Senate Finance and House Ways and Means Committees. Authorizes appropriation transfers to exceed 20% of the program budget upon EBO approval in consultation with the Chairmen of the Senate Finance and the House Ways and Means Committees.

**WMC:** DELETE proviso.

**HOU:** ADOPT deletion.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT deletion.

~~**117.138.** (GP: Other Fund Flexibility to Maintain Critical Programs Impacted by COVID-19) In order to provide maximum flexibility to a state agency or institution of higher learning during the state's COVID-19 response, agencies and institutions are authorized to spend earmarked and restricted revenue sources to maintain critical programs impacted by the state's COVID-19 response. Any spending authorization for these purposes must receive the prior approval of the Executive Budget Office and must be reported to the Governor, Senate Finance Committee, and the House Ways and Means Committee. The Comptroller General is authorized to implement the procedures necessary to comply with this directive. This provision is provided notwithstanding any other provision of law restricting the use of earned revenue. Appropriation transfers may exceed twenty percent of the program budget upon approval of the Executive Budget Office in consultation with the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee.~~

- 117.148 CONFORM TO FUNDING/AMEND** (GP: National Guard College Assistance Program) Allows members of the SC National Guard to qualify for college assistance program grants when taking more than one hundred thirty semester hours or related quarter hours. Directs that service members shall be required to meet all other requirements.

**WMC:** AMEND proviso to update fiscal year reference to "2022-23."

**HOU:** ADOPT proviso as amended.

**SFC SUBCOMMITTEE RECOMMENDATION:** CONFORM TO FUNDING.

**117.148.** (GP: National Guard College Assistance Program) For Fiscal Year ~~2021-22~~ 2022-23, a member of the SC National Guard may qualify for college assistance program grants for more than one hundred thirty semester hours or related quarter hours. Additionally, service members may receive a total of twenty-two thousand dollars in total grants to cover one hundred

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percent of college tuition and fees for the academic year. Service members shall be required to meet all other requirements.

- 117.166 DELETE** (GP: Agency Reduction Plan) **WMC:** ADD new proviso to direct that each executive agency with appropriated or authorized funds shall create a redundant manual entry reduction plan on agency data systems and submit it to the General Assembly prior to the expenditure of any funds. Provides for the minimum requirements of the plan.  
**HOU:** ADOPT new proviso.  
**SFC SUBCOMMITTEE RECOMMENDATION:** DELETE new proviso.

~~117.166. (GP: Agency Reduction Plan) Each executive agency appropriated or authorized to utilize funds by this act shall create and submit to the General Assembly a redundant manual entry reduction plan prior to expenditure of any funds on agency data systems. The plan shall, at a minimum, outline: (a) all information personnel at the agency manually enter in agency systems; (b) list and affirm contact with all other state agencies the agency manually enter in the agency systems; (c) list and affirm contact with all other state agencies the agency reasonably believes may utilize the information based on the agency's review of its applicable statuses; (d) how the agency will mitigate the associated employee time by fifty percent over the next five fiscal years through best practices for data integration; and (e) how the agency will train impacted employees to perform other agency services.~~

- 117.167 CARRIED OVER** (GP: Job Order Contracting Pilot Program) **WMC:** 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. Authorizes Procurement Services to enter into contracts with up to four businesses for each geographic area for each licensing classification and sub-classification for construction. Directs 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.  
**HOU:** ADOPT new proviso.  
**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT new proviso.

117.167. (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 provision, 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

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dollars per contract. Work may not be divided artificially in order to avoid these limits. A single 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** (SR: Year End Cutoff) Directs year-end expenditure deadlines.

**WMC:** AMEND proviso to update calendar year references to "2023."

**HOU:** ADOPT proviso as amended.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

**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, ~~2022~~ 2023. 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, ~~2022~~ 2023. 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** (SR: 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, 2021, 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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**WMC:** AMEND proviso to update calendar year reference to “2022.”

**HOU:** ADOPT proviso as amended.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

**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, ~~2024~~ 2022, 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.