

**SENATE FINANCE COMMITTEE  
CONSTITUTIONAL SUBCOMMITTEE  
PROVISO CHANGES FOR CONSIDERATION FOR FY 2025-26**

**SECTION 59 - E200 - OFFICE OF ATTORNEY GENERAL**

**59.acs**     **ADD** (AG: ICAC Affiliate Counseling and Spousal Support Group) **SFC SUBCOMMITTEE RECOMMENDATION:** ADD new proviso to authorize the Attorney General's Office to provide monthly counseling sessions for the law enforcement and prosecution staff affiliated with the ICAC Task force, and to provide 4 annual group counseling sessions for the spouses of the ICAC Task Force members.

*59.acs. (AG: ICAC Affiliate Counseling and Spousal Support Group) From funds appropriated, the South Carolina Attorney General's Office (SCAGO) is authorized to provide private monthly counseling sessions with a clinically licensed mental health professional for the law enforcement and prosecution staff trained by the SCAGO and affiliated with the SC Internet Crimes Against Children (ICAC) Task Force, and to provide four annual group counseling sessions for the spouses of the ICAC Task Force members.*

**SECTION 93 - D500 - DEPARTMENT OF ADMINISTRATION**

**93.14**     **AMEND** (DOA: SCEIS Carry Forward Authorization) Allow funds appropriated to SCEIS to be carried forward and used for the same purpose.  
**WMC:** AMEND proviso to update the fiscal year reference. Requested by the Department of Administration.  
**HOU:** ADOPT proviso as amended.  
**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

**93.14.** (DOA: SCEIS Carry Forward Authorization) Notwithstanding any provision of state law, for Fiscal Year ~~2024-25~~ 2025-26, unexpended funds appropriated for the SC Enterprise Information System may be carried forward from the prior fiscal year and used for the same purpose.

**93.16**     **DELETE** (DOA: State Treasury Forensic Accounting Review Audit) Directs DOA, using funds appropriated for Audit Contracting, to hire an independent forensic accounting firm to conduct a comprehensive review of all cash and investments held in the South Carolina State Treasury. The review will include reconciling these assets with records from state agencies SCEIS and STARS, as well as with external financial records. The scope will include identifying discrepancies, recommending corrective actions, and proposing future controls. Interim and final reports are due by September 30, 2024, and December 31, 2024, respectively, with the option for extension if necessary. Directs that state agencies and relevant entities are required to fully cooperate, providing all requested information, while the State Auditor will assist in scope development and report preparation. All working materials are exempt from public record requests, except for the interim and final reports. The Department of Administration's procurement for this review is exempt from state procurement code requirements.  
**WMC:** DELETE proviso. Requested by the Department of Administration.  
**HOU:** ADOPT deletion.  
**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT deletion.

**93.16.** (DOA: State Treasury Forensic Accounting Review Audit) ~~Of the funds appropriated pursuant to the Nonrecurring Revenue proviso for Audit Contracting, the Department of Administration must engage an independent forensic accounting firm, experienced in forensic accounting, to conduct a forensic accounting review of all cash and~~

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~~investments held in the State Treasury. The scope of the review, as determined by the Department of Administration, must include, but not be limited to, all cash and investments held in the State Treasury and the reconciliation and balancing of all such cash and investments with any unreconciled fund managed by the relevant state agencies within the South Carolina Enterprise Information System (SCEIS) to the Statewide Accounting and Reporting System (STARS) and, to the extent possible as determined by the engaged accounting firm, to such external statements and records of financial institutions, investment firms, trustees, or any other third party holding cash and investments on behalf of the State. In addition to the foregoing, the review must include findings and recommendations for any corrective entries and actions necessary, along with recommendations for procedures and controls to be implemented in the future. A final report from the accounting firm must be submitted by the Department of Administration to the Governor, President of the Senate, Chairman of the Senate Finance Committee, Speaker of the House of Representatives, and Chairman of the House Ways and Means Committee by December 31, 2024, and an interim report submitted by September 30, 2024. Provided, however, upon written notice on or before December 31, 2024, the Department of Administration may in its sole discretion elect to extend the completion date of the review if necessary. The Office of State Treasurer, the Office of Comptroller General, the Office of State Auditor, and all other agencies of the State, as may be designated by the Department of Administration, must provide their full cooperation, and make available any staff, books, records, statements, and other information, including information from all financial institutions, investment firms, trustees, or any other third parties holding cash and investments on behalf of the State, at a time that may be required and in a form that may be prescribed by the Department of Administration in effecting the purposes of this provision. The Department of Administration shall report the failure of any agency to cooperate as required to the Governor, President of the Senate, Chairman of the Senate Finance Committee, Speaker of the House of Representatives, and Chairman of the House Ways and Means Committee. The accounting firm engaged pursuant to this provision is authorized to request relevant information directly from any institution, firm, trustee, or third party holding cash and investments on behalf of the State. Additionally, the State Auditor must provide technical assistance and advice to the Department of Administration in the development of the scope of the review, managing the accounting firm, and assisting in the preparation, review, and presentation of the interim and final reports required and shall be prohibited from disclosing, unless authorized by the Department of Administration, any information related to work conducted until such time as the final report is submitted. All working material of the accounting firm and materials created or collected by the Department of Administration and/or the State Auditor and provided to the accounting firm for purposes of this engagement will be exempt from public record request and only the interim and final reports will be available as public record. Procurements by the Department of Administration are exempt from the purchasing procedures of the South Carolina Consolidated Procurement Code in Chapter 35, Title 11.~~

- 93.17 DELETE** (DOA: Savannah River Site Funds Redirect) Redirects funds appropriated to Aiken County – Improvements to Sage Mill Industrial Park in Act 239 of 2022 to the Eastern Aiken County Industrial Park Project.  
**WMC:** DELETE proviso. Requested by the Department of Administration.  
**HOU:** ADOPT deletion.  
**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT deletion.

**93.17.** (DOA: Savannah River Site Funds Redirect) ~~Of the funds appropriated in Act 239 of 2022, Section 118.19, Item (72)(c) to Aiken County—Improvements to Sage Mill Industrial Park, \$1,300,000 shall be redirected to be used by the county for the Eastern Aiken County Industrial Park Project.~~

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- 93.18 DELETE** (DOA: Allendale County) Redirects funds appropriated for the Allendale County Law Enforcement Agency Consolidation and Upgrades to the Allendale County Sheriff's Office and E-911 for Upgrades.

**WMC:** DELETE proviso. Requested by the Department of Administration.

**HOU:** ADOPT deletion.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT deletion.

~~**93.18.** (DOA: Allendale County) The funds remaining of the \$2,500,000 appropriated in Act 239 of 2022, Section 118.19(B)(72)(dd) to the Department of Administration for the Allendale County Law Enforcement Agency Consolidation and Upgrades must be redirected to the Allendale County Sheriff's Office and E-911 for Upgrades.~~

- 93.19 DELETE** (DOA: State House Complex Improvement) Directs DOA to produce a cost analysis study related to the burying of powerlines and infrastructure improvements on and around the State House complex.

**WMC:** DELETE proviso. Requested by the Department of Administration.

**HOU:** ADOPT deletion.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT deletion.

~~**93.19.** (DOA: State House Complex Improvements) With the funds appropriated, the Department of Administration shall produce a cost analysis study related to the burying of the powerlines and infrastructure improvements on and around the State House Complex. A copy of this study shall be presented to the Governor, Chairman of the House Ways and Means Committee, and Chairman of the Senate Finance Committee.~~

- 93.cc ADD** (DOA: Colleton County) **SFC SUBCOMMITTEE RECOMMENDATION:** ADD new proviso to redirect remaining funds appropriated to DOA for the Colleton County industrial shell building and road engineering to be used for the purchase of additional land at the Colleton Mega Site.

**93.cc.** (DOA: Colleton County) The funds remaining of the \$1,387,932 appropriated in Act 239 of 2022, Section 118.19(B)(72)(hh) to the Department of Administration for the Colleton County industrial shell building and road engineering shall be redirected by Colleton County for the purchase of additional land at the Colleton Mega Site.

- 93.csp CONFORM TO FUNDING/ADD** (DOA: Centralized Software Pilot) **SFC SUBCOMMITTEE RECOMMENDATION:** CONFORM TO FUNDING/ADD new proviso to direct the Department of Administration to launch a pilot program in the 16 technical colleges using third-party software to integrate and analyze financial data while ensuring security and compatibility with existing systems. Directs that the software will enable real-time data access, performance comparisons, and compliance monitoring. Directs the department to provide a report to the Chairmen of Senate Finance and House Ways and Means by December 31, 2026.

**93.csp.** (DOA: Centralized Software Pilot) From funds appropriated, the Department of Administration shall implement a pilot program in the sixteen technical colleges to utilize a third-party centralized software system that enables data integration, standardization and comparative analytics, and AI-generated insights and summaries for the existing accounting or enterprise resource planning systems of the colleges. Such software must integrate with existing systems and workflows in the college and must support multi-campus, multi-fiscal-year data sets with

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appropriate security layers for user roles and data privacy. The department shall be granted top-level access to view aggregated data in real time, compare performance across colleges, and identify any compliance concerns or best practices and shall provide an assessment report to the Chairmen of Senate Finance and the House Ways and Means Committees no later than December 31, 2026.

**SECTION 96 - E080 - OFFICE OF SECRETARY OF STATE**

- 96.4**     **ADD** (SS: Cable and Video Service Certificates) **WMC:** ADD new proviso to ensure that, for the current fiscal year, the Secretary of State cannot automatically deny a cable or video service certificate application under Section 58-12-310, relating to an application for a certificate, if a community fails to provide unconditional consent within 65 days of the Secretary's request, as outlined in Section 58-12-310(C). Approved applications remain subject to the conditions in Section 58-12-310(D).

**HOU:** ADOPT new proviso.

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

**96.4.** (SS: Cable and Video Service Certificates) For the current fiscal year, the Secretary of State shall not automatically deny the application or amended application for a cable or video service certificate pursuant to Section 58-12-310 if a community does not timely indicate its unconditional consent to the state-issued certificate of franchise authority within sixty-five days of receipt of a request from the Secretary of State pursuant to Section 58-12-310(C). Any application granted shall be subject to the foregoing provisions of Section 58-12-310(D).

- 96.5**     **CONFORM TO FUNDING/ADD** (SS: Charitable Funds Administration) **WMC:** ADD new proviso to directs that the Secretary of State may retain up to an additional \$150,000 of fine revenue to administer the enforcement of the Solicitation of the Charitable Funds Act in addition to the \$200,000 currently retained.

**HOU:** ADOPT new proviso.

**SFC SUBCOMMITTEE RECOMMENDATION:** CONFORM TO FUNDING/ADOPT new proviso.

**96.5.** (SS: Charitable Funds Administration) In addition to the first \$200,000 in administrative fines currently retained to administer the enforcement of the Solicitation of the Charitable Funds Act, the Secretary of State may retain up to an additional \$150,000 of fine revenue collected for the same purpose.

**SECTION 97 - E120 - OFFICE OF COMPTROLLER GENERAL**

- 97.6**     **ADD** (CG: Carry Forward Authority) **WMC:** ADD new proviso to allow the CG to carry forward funds from the prior fiscal year to fund agency operations and secure accounting, auditing, and legal services.

**HOU:** ADOPT new proviso.

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

**97.6.** (CG: Carry Forward Authority) The Office of Comptroller General is authorized to carry forward all funds from the prior fiscal year and expend in the current fiscal year to fund agency operations and to secure accounting, auditing, and legal services.

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**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 the fiscal year and authorizes and directs the State Treasurer to release all funds withheld from municipalities in the prior two fiscal years.
- WMC:** AMEND proviso to delete the suspension of the penalty requirement for municipalities for the fiscal year and the authorization of the State Treasurer to release all funds withheld from municipalities in the prior two fiscal years. Requested by the Office of State Treasurer.
- HOU:** ADOPT proviso as amended.
- SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

**98.9.** (TREAS: Penalties for Non-reporting) (A) 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.

(B) 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.

(C) 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.

(D) 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 2024-25 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**

- 100.12**     **AMEND** (ADJ: State Guard Activation) Authorizes the Adjutant General to compensate State Guard personnel at a rate of \$150 per day during training and will not be covered by SCRS and that training is not to exceed 12 training periods per year.
- WMC:** AMEND proviso to direct that personnel called to State Active Duty must be compensated \$150 per day. Requested by the Office of Adjutant General.
- HOU:** ADOPT proviso as amended.
- SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

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**100.12.** (ADJ: State Guard Training *and Activation*) The Office of the Adjutant General shall compensate State Guard personnel at a rate of \$150 per day during State Guard training. State Guard members will not be covered by the South Carolina Retirement System. State Guard mandated training is not to exceed 12 training periods per year for each member. *In the event of activation of the State Guard to State Active Duty by the Governor or the Adjutant General, the Office of the Adjutant General shall compensate activated State Guard personnel at a rate of \$150 per day.*

- 100.17** **AMEND** (ADJ: PPE Stockpile) Allows the Emergency Management Division to rotate and replace the State's PPE stockpile, including the rotation of public and private like-kind stock.  
**WMC:** AMEND proviso to direct that if excess or expired PPE cannot be sold and meets certain requirements, SCEMD may donate the material for nonmedical use to nonprofit organizations that are tax-exempt and properly registered. Requested by the Office of Adjutant General.  
**HOU:** ADOPT proviso as amended.  
**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

**100.17.** (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. *In the event excess or expired PPE cannot be sold and meets the definition of SC Code of Regulations 19-445.2150(H), SCEMD may donate the material for nonmedical use to nonprofit organizations that are tax-exempt under Section 501(c)(3) of the Internal Revenue Code and that are properly registered as charitable organizations with the South Carolina Secretary of State.*

**SECTION 101 - E260 - DEPARTMENT OF VETERANS' AFFAIRS**

- 101.1** **AMEND** (VET: M.J. "Dolly" Cooper Veterans Cemetery Carry Forward) Authorize the department to carry forward unexpended funds for the M.J. "Dolly" Cooper Veterans Cemetery from the prior fiscal year for the same purposes. Directs any unexpended funds in the department including Special Line Items, to be carried forward for operation of the M.J. "Dolly" Cooper Veterans Cemetery. Excess funds may be used for other department expenses.  
**WMC:** AMEND proviso to delete the provision that unexpended funds shall be used for the operation of the M.J. "Dolly" Cooper Veterans Cemetery.  
**HOU:** ADOPT proviso as amended.  
**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

**101.1.** (VET: M.J. "Dolly" Cooper Veterans Cemetery Carry Forward) The Department of Veterans' Affairs may carry forward unexpended funds appropriated and/or authorized for the M.J. "Dolly" Cooper Veterans Cemetery from the prior fiscal year and shall use such funds for the same purpose. In addition, any unexpended funds in the Department of Veterans' Affairs, including Special Line Items, ~~shall~~ may be carried forward from the prior fiscal year into the current fiscal year ~~and used for operation of the M.J. "Dolly" Cooper Veterans Cemetery.~~ Funds carried forward in excess of the amount needed for the operation of the Cemetery may be used for other expenses of the Department of Veterans' Affairs.

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- 101.3**    **AMEND** (VET: Base Protection Plan Allocation) Allows the department to allocate Base Protection Plan funds to items including land acquisition, recreational purposes, educational purposes, and facilities for military personnel. Directs that counties and municipalities with federal military installations are eligible recipients.  
**WMC:** AMEND proviso to delete “Base Protection Plan” and insert “Military Enhancement Fund.”  
**HOU:** ADOPT proviso as amended.  
**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

**101.3.** (VET: ~~Base Protection Plan~~ Military Enhancement Fund Allocation) Funds appropriated to the department for the ~~Base Protection Plan~~ Military Enhancement Fund may be allocated to items including, but not limited to, land acquisition, recreational purposes, educational purposes, and facilities for military personnel. Eligible recipients are counties and municipalities with federal military installations.

- 101.5**    **ADD** (VET: Resident Fee Account) **WMC:** ADD new proviso to direct that the department may retain and use Resident Fee Account funds, including Medicare and veteran facility funds, for operations, capital improvements, debt service, and Medicare Part B premiums, as authorized under Act 1276 of 1970.  
**HOU:** ADOPT new proviso.  
**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT new proviso.

**101.5.** (VET: Resident Fee Account) The Department of Veterans’ Affairs is hereby authorized to retain and expend its Resident Fee Account funds. In addition to funds collected for the maintenance and medical care for patients, Medicare funds collected by the department from residents’ Medicare benefits and funds collected by the department from its veteran facilities shall be considered as resident fees. The department is authorized to expend these funds for departmental operations, capital improvements, and debt service under the provisions of Act 1276 of 1970, and for the cost of patients’ Medicare Part B premiums.

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

- 105.7**    **AMEND** (SFAA-AUD: Auditing Moratorium) Allows the State Auditor or a member of his staff to conduct an audit of program, activity, or agency for which he managed or was employed by after one year has passed.  
**WMC:** AMEND proviso to update the fiscal year reference.  
**HOU:** ADOPT proviso as amended.  
**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

**105.7.** (SFAA - AUD: Auditing Moratorium) For Fiscal Year ~~2024-25~~ 2025-26, if a minimum of one year has passed, the State Auditor or a member of his staff may conduct an audit of a program, activity, or agency for which he had management responsibility or by which he was employed.

- 105.8**    **AMEND** (SFAA-AUD: Carry Forward) Authorizes the State Auditor to carry forward all funds from the prior fiscal year.  
**WMC:** AMEND proviso to update the fiscal year reference. Requested by SFAA, Office of State Auditor.  
**HOU:** ADOPT proviso as amended.

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

**105.8.** (SFAA - AUD: Carry Forward) For Fiscal Year ~~2024-25~~ 2025-26, the Office of the State Auditor is authorized to carry forward all funds from the prior fiscal year to ensure that the office can perform operations and conduct audits as needed.

**SECTION 112 - V040 - DEBT SERVICE**

**112.1** **AMEND** (DS: Excess Debt Service) Directs that excess debt service funds available in FY 2024-25 may be used to pay down general obligation bond debt. Requires the Treasurer to notify the Chairman and the Vice Chairman of JBRC before funds are used. Directs that outstanding loans made pursuant to Proviso 112.2 of Act 264 of 2018 are satisfied.

**WMC:** AMEND proviso to update fiscal year reference.

**HOU:** ADOPT proviso as amended.

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

**112.1.** (DS: Excess Debt Service) (A) Excess debt service funds available in Fiscal Year ~~2024-25~~ 2025-26 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. Prior to the use of these funds, the Office of the State Treasurer shall notify the Chairman and Vice Chairman of the Joint Bond Review Committee.

(B) All outstanding agency loans, to include any accrued interest, made pursuant to Proviso 112.2 of Act 264 of 2018 shall be deemed satisfied.

**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 fiscal year reference.

**HOU:** ADOPT proviso as amended.

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

**113.2.** (AS-TREAS: Quarterly Distributions) For the current fiscal year, 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 ~~2024-25~~ 2025-26 Part IA appropriation for the Local Government Fund.

**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 2024-25.

**WMC:** AMEND proviso to update fiscal year reference.

**HOU:** ADOPT proviso as amended.

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



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**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 ~~2024-25~~ 2025-26 , 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 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, ~~2024~~ 2025 , and ending June 30, ~~2025~~ 2026 , and “prior fiscal year” means the fiscal year beginning July 1, ~~2023~~ 2024 , and ending June 30, ~~2024~~ 2025.

**117.14** **AMEND** (GP: FTE Management) Provides guidelines for the Executive Budget Office to monitor full-time equivalent (FTE) positions and directs that no agency may exceed the total FTEs authorized in the Appropriation Act except upon majority vote of the State Fiscal Accountability Authority. Requires EBO to delete any non-established positions from the official record of authorized full-time equivalent positions if they are not filled within 30 days of the passage of the Appropriation act or August first, whichever is later. Directs that personal services funds in the Governor’s budget recommendations must be at least 97% funded.

**WMC:** AMEND proviso to direct that each agency is responsible for ensuring the number of FTEs does not exceed the authorized number in SCEIS. Extends the deadline for each agency to establish in SCEIS new positions authorized and directs that EBO, in consultation with the Division of State Human Resources shall delete non-established positions.

**HOU:** ADOPT proviso as amended.

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

**117.14.** (GP: FTE Management) (A) In order to provide the necessary control over the number of employees, the Executive Budget Office is hereby directed to maintain close supervision over the number of state employees, and to require specifically the following:

(1) That no state agency exceed the total authorized number of full-time equivalent positions and those funded from state sources as provided in each section of this act except by majority vote of the State Fiscal Accountability Authority. Each agency is responsible for ensuring that the number of filled and vacant FTEs does not exceed the number of authorized FTEs in the South Carolina Enterprise Information System (SCEIS).

(2) That the Executive Budget Office shall maintain and make, as necessary, periodic adjustments thereto, an official record of the total number of authorized full-time equivalent positions by agency for state and total funding sources.

(a) That within ~~thirty~~ sixty days of the passage of the Appropriation Act or by ~~August~~ September first, whichever comes later, each agency of the State must have established ~~on the Executive Budget Office records~~ in SCEIS all new positions authorized in the Act. After that date, the ~~office~~ Executive Budget Office in consultation with the Division of State Human Resources shall delete any non-established positions immediately from the official record of authorized full-time equivalent positions. No positions shall be established as filled or vacant by ~~the office~~ state agencies in excess of the total number of authorized full-time equivalent positions. Each agency may, upon notification to the Executive Budget Office, change the funding source of state FTE positions established on the Executive Budget Office records as necessary to expend

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federal and other sources of personal service funds to conserve or stay within the state appropriated personal service funds. No agency shall change funding sources that will cause the agency to exceed the authorized number of state or total full-time equivalent positions. Each agency may transfer FTEs between programs as needed to accomplish the agency mission.

(b) That by September thirtieth, the office shall prepare a FTE analysis, by agency, which shows the number of authorized, filled, and vacant positions by source of funds for the current and two previously completed fiscal years. The office shall provide a copy of each agency's FTE analysis to the Senate Finance and House Ways and Means Committees.

(3) That full-time equivalent (FTE) positions shall be determined under the following guidelines:

(a) The annual work hours for each FTE shall be the agency's full-time standard annual work hours.

(b) The state FTE shall be derived by multiplying the state percentage of budgeted funds for each position by the FTE for that position.

(c) All institutions of higher education shall use a value of 0.75 FTE for each position determined to be full-time faculty with a duration of nine months.

The FTE method of accounting shall be utilized for all authorized positions.

(4) That the number of positions authorized in this act shall be reduced in the following circumstances:

(a) Upon request by an agency.

(b) When anticipated federal funds are not made available.

(c) When the Executive Budget Office, through study or analysis, becomes aware of any unjustifiable excess of positions in any state agency.

(5) That no new permanent positions in state government shall be funded by appropriations in acts supplemental to this act but temporary positions may be so funded.

(6) That the provisions of this section shall not apply to personnel exempt from the State Classification and Compensation Plan under item I of Section 8-11-260 ~~of the 1976 Code~~.

(B) The Governor, in making his appropriation recommendations to the Ways and Means Committee, must provide that the level of personal service appropriation recommended for each agency is at least ninety-seven percent of the funds required to meet one hundred percent of the funds needed for the full-time equivalents positions recommended by the Governor (exclusive of new positions).

**117.127 AMEND** (GP: Secure Area Duty Officers Program) Authorizes the Adjutant General, SLED, and other law enforcement authorities to conduct security-related activities as prescribed by Executive Order 2015-18 (Secure Area Duty Officers Program). Directs that these activities shall be considered state or federal training for purposes of emergency preparedness. Authorizes these agencies to spend state and federal funds to support the program.

**WMC:** AMEND proviso to allow agencies to conduct counter terrorism-related activities as prescribed by the Governor. Requested by the Office of Adjutant General.

**HOU:** ADOPT proviso as amended.

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

**117.127.** (GP: Secure Area Duty Officers Program) The Office of Adjutant General, the State Law Enforcement Division, and other law enforcement authorities are authorized to conduct security-and counter terrorism related activities as prescribed by the Governor in Executive Order 2015-18. Activities carried out under this program shall be considered state or federal training for purposes of Section 15-78-60(19) ~~of the 1976 Code~~ and the agency and its personnel shall be exempt from liability as described therein. State agencies involved in the Secure Area Duty Officers Program (SADOP) may expend state and federal funds in support of the program.

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**117.141 CONFORM TO FUNDING/AMEND** (GP: Employee Compensation) Provides a plan to distribute employee pay increases for FY 2024-25. Directs EBO to review Executive Branch agencies to determine whether their budgets warrant an increase in other fund authorization due to the pay raise and if so, to work with the Comptroller General to increase the authorization for the affected agencies. Directs that allocations associated with the increases for retirement employer contributions be based on the rate of the retirement system in which employees participate. Authorizes the use of excess funding for statewide employer contributions for other statewide purposes and allow the unexpended funds to be carried forward.

**WMC:** AMEND proviso to update employee pay increases.

**HOU:** ADOPT proviso as amended.

**SFC SUBCOMMITTEE RECOMMENDATION:** CONFORM TO FUDNING/ADOPT proviso as amended.

**117.141.** (GP: Employee Compensation) (A) The Department of Administration was appropriated funds to engage an external consultant for a study and to provide expert recommendations to reform the State's Classification and Compensation system. A consultant was retained and recommendations made to reform the State's compensation structure and pay grades for state agency employees in classified full-time equivalent (FTE) positions. The amounts appropriated to F300-Statewide Employee Benefits for Employee Pay Increases must be allocated by the Department of Administration, Executive Budget Office to the various state agencies to provide for employee pay increases in accordance with the following plan:

(1) With respect to classified and non-judge judicial classified employees, effective on the first pay date that occurs on or after July first of the current fiscal year, the compensation of all classified employees shall be increased ~~by \$1,125 for FTEs making \$50,000 and under and 2.25 percent for FTEs making over \$50,000~~ to either the minimum of the new State pay grades established by the Department of Administration, or 2 percent, whichever is greater.

(2) With respect to unclassified and non-judge judicial unclassified state agency employees or unclassified executive compensation system employees not elsewhere covered in this act, effective on the first pay date that occurs on or after July first of the current fiscal year the compensation of all unclassified employees shall be increased ~~by \$1,125 for FTEs making \$50,000 and under and 2.25 percent for FTEs making over \$50,000~~ 2 percent. Any employee subject to the provisions of this paragraph shall not be eligible for compensation increases provided in paragraphs 1, 3, 4, 5, or 6.

(3) With respect to classified employees of institutions of higher education and technical colleges eligible in this item, effective on the first pay date that occurs on or after July first of the current fiscal year, the compensation of all classified higher education employees shall be increased by 2 percent for FTEs. With respect to unclassified employees of institutions of higher education and technical colleges eligible in this item, institutions and technical colleges are authorized to allot the total funds for compensation increases among individual employees without uniformity. The funds provided for compensation increases for any employee subject to the provisions of this item are based on an annual average ~~by \$1,125 for FTEs making \$50,000 and under and 2.25 percent for FTEs making over \$50,000~~ of 2 percent and may be based on performance.

(4) Effective on the first pay date that occurs on or after July first of the current fiscal year, agency heads not covered by the Agency Head Salary Commission, shall receive an annualized base pay increase ~~by \$1,125 for FTEs making \$50,000 and under and 2.25~~ of 2 percent for FTEs ~~making over \$50,000.~~

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(5) With respect to Transformation Coaches at the Department of Education, compensation shall be increased by ~~\$1,125 for FTEs making \$50,000 and under and 2.25~~ 2 percent for FTEs making over \$50,000.

(6) With respect to local health care providers compensated by the Department of Alcohol and Other Drug Abuse Services, compensation increases shall be ~~2.25~~ 2 percent effective on the first pay date that occurs on or after July first of the current fiscal year. School Bus Driver salary and fringe funding to school districts shall be increased by ~~2.25~~ 2 percent.

(7) Effective on the first pay date that occurs on or after July first of the current fiscal year, the Chief Justice and other judicial officers shall receive an annualized base pay increase of ~~\$1,125 for FTEs making \$50,000 and under and 2.25 percent for FTEs making over \$50,000~~ 2 percent for FTEs.

(8) Effective on the first pay date that occurs on or after July first of the current fiscal year, county auditors and county treasurers shall receive an annualized base pay increase of ~~2.25~~ 2 percent.

(B) For Fiscal Year ~~2024-25~~ 2025-26, the Executive Budget Office is directed to review Executive Branch agencies to determine whether their budgets warrant another fund authorization increase due to the ~~\$1,125 for FTEs making \$50,000 and under and 2.25 percent for FTEs making over \$50,000~~ 2 percent compensation increase for all full-time employees. If so warranted, the Executive Budget Office shall work with the Office of the Comptroller General to increase such authorization for the affected agencies.

(C) The Department of Administration shall allocate associated compensation increases for retirement employer contributions based on the retirement rate of the retirement system in which individual employees participate.

(D) The Executive Director of the State Fiscal Accountability Authority is authorized to use excess appropriations for the current fiscal year designated for statewide employer contributions for other statewide purposes. At the discretion of the Executive Director of the State Fiscal Accountability Authority, such action may be considered a permanent transfer into the receiving agency's base budget.

(E) Funds appropriated in Part IA, F300, Section 106, Statewide Employee Benefits may be carried forward from the prior fiscal year into the current fiscal year.

**117.151 AMEND** (GP: Job Order Contracting Pilot Program) Authorizes SFAA Procurement Services to pilot test a job order contracting method on behalf of up to six governmental bodies or public procurement units consisting of two state agencies and four school districts by entering into job order contracts to acquire construction services when exact time or quantities of future jobs are not known when the contract is awarded. Directs that the State Engineer must approve who may participate in the program. 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. Directs that the contracts must terminate 24 months after award.

**SFC SUBCOMMITTEE RECOMMENDATION:** AMEND proviso to update the number of governmental bodies or public procurement units and include other political subdivisions in that total and to update the amounts for individual projects using job orders and the sum of all individual job orders per contract.

**117.151.** (GP: Job Order Contracting Pilot Program) (A) For the current fiscal year, the Division of Procurement Services of the State Fiscal Accountability Authority may pilot test a job order contracting method at the request and on behalf of up to ~~six~~ twenty-two governmental bodies or public procurement units consisting of ~~two~~ eight state agencies and ~~four~~ twelve school

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districts two other political subdivisions 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. The State Engineer must approve, in his 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 governmental body or public procurement unit for each licensing classification and sub-classification for construction. The job order contracts must terminate twenty-four months after award.

(B) 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.

(C) For purposes of the pilot project, an individual project using job orders may not exceed ~~five hundred thousand~~ one million dollars and the sum of all individual job orders may not exceed ~~four million~~ ten million 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.

(D) 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.

(E) 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.

**117.160 AMEND** (GP: Millage Calculations) Allows a municipality additional and permanent adjustment to its general operating millage rate increase limitation due to population growth for any increase that would have happened in FY 2021-22 but was not known because of the delayed Census release. Directs the calculation to be made from the July 1, 2020 census population estimates.

**WMC:** AMEND proviso to update fiscal year reference.

**HOU:** ADOPT proviso as amended.

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

**117.160.** (GP: Millage Calculation) For Fiscal Year ~~2024-25~~ 2025-26, a municipality is allowed an additional and permanent adjustment to its general operating millage rate increase limitation for population growth, calculated pursuant to Section 6-1-320, for any increase that

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would have been allowed in Fiscal Year 2021-2022 but was not known because of the delayed release of the 2020 Census. This adjustment must be calculated using the July 1, 2020 census population estimates, as originally published based on the 2020 Census, instead of the July 1, 2019 population estimates based on the 2010 Census.

- 117.176 AMEND** (GP: Credit Unions) Allows a federal or state credit union headquartered in SC to act as a qualified public depository for deposits held by a municipality if it meets certain criteria. Directs that the credit union must comply with Section 6-5-15 and be insured by the National Credit Union Share Insurance Fund.

**WMC:** AMEND proviso to update fiscal year reference.

**HOU:** ADOPT proviso as amended.

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

**117.176.** (GP: Credit Unions) For Fiscal Year ~~2024-25~~ 2025-26, a federal or state credit union that is headquartered in the State may act as a qualified public depository for deposits held by a municipality if the population of the municipality is less than five thousand, the municipality is not part of a federally recognized metropolitan statistical area, is located at least ten miles from a bank or credit union branch, and occupies and supports a full-service branching facility in the defined area. The credit union must comply with all other provisions of Section 6-5-15, and its deposits must be insured by the National Credit Union Share Insurance Fund.

- 117.177 DELETE** (GP: Audit Support) Directs the State Treasurer to work with DOA to present an implementation plan to JBRC for the funds appropriated for audit support. Directs that EBO shall not approve any transfer of funds until the plan has been presented to JBRC.

**WMC:** DELETE proviso.

**HOU:** ADOPT deletion.

**SFC SUBCOMMITTEE RECOMMENDATION:** DELETE proviso.

**117.177.** (GP: Audit Support) ~~Of the funds appropriated for Audit Support, the Office of State Treasurer shall work in conjunction with the Department of Administration to present a plan of implementation to the Joint Bond Review Committee for review and comment. The Executive Budget Office shall not approve any transfer of funds from Audit Support until the plan has been presented to the committee.~~

- 117.186 DELETE** (GP: Town of Calhoun Falls) Directs the Office of the State Auditor and Inspector General to contract a firm to conduct a forensic audit on the finances of Town of Calhoun Falls from FY 2019-20 through FY 2023-24.

**WMC:** DELETE proviso.

**HOU:** ADOPT deletion.

**SFC SUBCOMMITTEE RECOMMENDATION:** DELETE proviso.

**117.186.** (GP: Town of Calhoun Falls Audit) ~~Of the funds appropriated in this act and/or carried forward from the previous fiscal year, the Office of the State Auditor, in coordination with the Office of the Inspector General, is directed to contract a firm to conduct a forensic audit on the finances of the Town of Calhoun Falls from Fiscal Year 2019-20 through Fiscal Year 2023-24. The State Auditor shall oversee the auditing process and provide interim and final reports to the Town of Calhoun Falls, the Abbeville County Delegation, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways & Means Committee upon completion.~~

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**117.187 DELETE** (GP: Hampton County Audit) Directs the Office of the State Auditor and Inspector General to contract a firm to conduct a forensic audit on the finances of Hampton County from FY 2015-16 through FY 2023-24.

**WMC:** DELETE proviso.

**HOU:** ADOPT deletion.

**SFC SUBCOMMITTEE RECOMMENDATION:** DELETE proviso.

~~**117.187.** (GP: Hampton County Audit) Of the funds appropriated in this act and/or carried forward from the previous fiscal year, the Office of the State Auditor, in coordination with the Office of the Inspector General, is directed to contract a firm to conduct a forensic audit on the finances of Hampton County from Fiscal Year 2015-16 through Fiscal Year 2023-24. The State Auditor shall oversee the auditing process and provide interim and final reports to the Hampton County Council, the Hampton County Delegation, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways & Means Committee upon completion.~~

**117.190 ADD** (GP: Transfer of Physical Assets) **WMC:** ADD new proviso to direct DOA to transfer responsibility for building and grounds located at 1 National Guard Road in Columbia to the Office of the Adjutant General. Directs that the Adjutant General shall assume financial and administrative responsibility for the building and grounds to include maintenance, improvements, and operational costs. Directs that DOA shall not collect rent or be responsible for any future maintenance or repairs after the transfer. Requested by the Office of Adjutant General.

**HOU:** ADOPT new proviso.

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

**117.190.** (GP: Transfer of Physical Assets) In the current fiscal year, the Department of Administration shall transfer the financial and administrative responsibility for the building and grounds located at 1 National Guard Road in Columbia to the Office of the Adjutant General. The Office of the Adjutant General is thereafter responsible for such building and grounds to include maintenance of necessary reserves for deferred and future depreciation and maintenance, assuming improvement obligations, and other costs of operation including, but not limited to, building maintenance, systems and equipment maintenance, custodial services, horticulture and grounds maintenance, insurance, and utilities. The Department of Administration shall not collect rent, and after the transfer, the Department of Administration shall have no responsibility for any deferred or future maintenance or repair of the building and grounds.

**117.191 ADD** (GP: Fraud Mitigation) **WMC:** ADD new proviso to require state agencies that issue benefit checks to the public that are not for services rendered or through procurement process to create and apply fraud prevention measures. These measures should include verifying recipient eligibility, securing check issuance and distribution, and monitoring for fraud. Agencies must submit a report to the General Assembly by December 31 each fiscal year outlining their fraud mitigation steps, any detected fraud incidents, and actions taken to address them.

**HOU:** ADOPT new proviso.

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

**117.191.** (GP: Fraud Mitigation) (A) All state agencies that issue checks as a benefit to the general public, rather than as payment for services rendered, and that do not utilize the procurement process for such disbursements, shall develop and implement measures to mitigate the risk of fraud. These agencies shall outline the specific steps being taken to prevent and detect fraudulent activity related to the issuance of benefit checks. This should include, but not be

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limited to, a verification processes for recipient eligibility, security measures for check issuance and distribution, and monitoring procedures to detect and address fraudulent transactions.

(B) Each agency shall compile a report detailing fraud mitigation measures implemented and any incidents of fraud detected and corrective actions taken that must be submitted to the General Assembly by December 31 of the current fiscal year.

**117.193 ADD (GP: FTE Management) WMC:** ADD new proviso to manage FTE positions in state government by requiring EBO, in consultation with DSHR, to eliminate 25% of each agency's vacant FTE positions as of February 1, 2025, within 90 days of the passage of the General Appropriations Act or by October 1, whichever is later, unless exempted. The elimination will be adjusted for FTEs received in FY 2023-24 or FY 2024-25 appropriations. Agencies must work with EBO and DSHR to select positions for elimination based on funding sources, and EBO must report the deleted FTEs by agency, program, and funding source to the Senate Finance and House Ways and Means Committees by December 1 of the current fiscal year.

**HOU:** ADOPT new proviso.

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

**117.193. (GP: FTE Management)** In order to better manage the number of full-time equivalent (FTE) positions across state government, not later than ninety days after the passage of the General Appropriations Act or by October 1, whichever comes later, the Executive Budget Office (EBO), in consultation with the State Division of Human Resources (DSHR) shall eliminate 25% of each agency's vacant FTE positions as of February 1, 2025, unless specifically exempted elsewhere in this act. The elimination of 25% of vacant FTE positions will be adjusted to reflect FTE positions received in the Fiscal Year 2023-24 General Appropriations Act or the Fiscal Year 2024-25 General Appropriations Act. Agencies shall consult with EBO and DSHR to identify which vacant positions should be eliminated, but the eliminations must align to the funding source for the identified vacant FTE positions. EBO must report the number of FTEs deleted by agency, program, and funding source to the Senate Finance Committee and the House Ways and Means Committee by December 1st of the current fiscal year.

**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. Requested by the Office of the Comptroller General.

**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, ~~2025~~ 2026. 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, ~~2025~~ 2026. 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



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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, 2024, 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.

**WMC:** AMEND proviso to update calendar year reference.

**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~~ 2025, 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.