



HENRY DARGAN McMASTER
GOVERNOR

June 3, 2025

Dear Mr. Speaker and Members of the General Assembly:

I am vetoing and returning without my approval certain line items in R-97, H 4025, the FY 2025-26 General Appropriations Act.

South Carolina's economy continues its successful and unprecedented growth, once again creating revenues far exceeding projections, requiring constant upward adjustment. The state's Board of Economic Advisors (BEA) increased its revenue projections by an additional \$1.4 billion in five months – from when I issued my Executive Budget in January 2025, to when the General Assembly approved the final \$14.7 billion General Appropriations Act in May 2025.

Through collaboration, cooperation and communication, our successful partnership has produced resounding win after win for the people and prosperity of South Carolina.

According to the Executive Budget Office, the General Assembly included or incorporated 80% of the proposals from my Executive Budget into this year's final General Appropriations Act. In addition, the General Assembly did not override a single gubernatorial veto from the last two General Appropriations Acts.

Our state government is in superior fiscal shape. We continue to maintain our largest rainy day reserve fund balance and low amounts of general obligation debt. Again, saving money instead of spending it has served our state well – and ensures that we will always be prepared for future economic uncertainties.

Working together, we have provided South Carolina taxpayers with the largest income tax cuts in state history, and we're not finished. This budget continues those cuts. To date, over \$1 billion in income taxes have been eliminated – allowing taxpayers to keep more of their hard-earned money instead of sending it to the government. And we will continue cutting the income tax rate until it is the lowest in the Southeast.

This budget continues to build on the remarkable progress we have made in early childhood education, investing in our teachers, making our schools safer and providing opportunity, access and choice for parents and their children.

Data has shown that a child from a low-income household enrolled in a state-funded, full-day four-year-old kindergarten program is more likely to possess the skills to learn than their peers who do not participate.

That's why five years ago, I proposed funding for the statewide expansion of the full-day four-year-old kindergarten program and the General Assembly agreed. This allowed parents from low-income households to enroll their four-year-old child in kindergarten programs run by public schools, private childcare centers or private schools.

Demand and enrollment have increased significantly. Just five years ago there were 13,000 children enrolled in a program; today there are 18,000. The Office of First Steps anticipates a dramatic increase in enrollment at private childcare centers and private schools in the next school year.

South Carolina's future prosperity requires that we continue the remarkable progress we have made in raising teacher pay.

Eight years ago, the minimum starting salary of a teacher in South Carolina was \$30,113, well below the average salary in Southeastern states. Shortly after taking office, I proposed that we begin raising the minimum starting teacher salary, with the goal of at least \$50,000 by 2026.

Last year, we raised the minimum starting salary in South Carolina to \$47,000, which not only exceeded the Southeastern state average but was higher than both Georgia and North Carolina.

This budget increases the minimum starting teacher salary to \$48,500, keeping us on schedule to meet our \$50,000 goal next year, with more to come.

We all know that cell phone use is distracting. Five years ago, I began including a proviso in my executive budgets prohibiting the use of cell phones or other personal electronic communication devices by students at school. Last year, the General Assembly included this ban in the state budget, and the ban went into effect in January 2025.

Teachers and administrators reported that the impact of the cell phone ban was almost immediate. The classroom distraction, anxiety, stress and behavior issues have been dramatically reduced – freeing up teachers to teach and students to learn without the burden of added distraction.

Placing an armed, certified full-time school resource officer (SRO) in each of our state's 1,284 public schools has been one of my top priorities. In 2018, only 406 schools had an SRO.

At my request, the General Assembly began funding an SRO grant program administered by the Department of Public Safety. The program provides local law enforcement agencies with funds

to hire and equip a full-time SRO and assign them to a public school that does not have one assigned to it.

The program has been enormously successful. As I speak, there are only 177 out of 1,284 public schools without a full-time SRO.

However, this year the General Assembly finished the job and provided the funding necessary to assign an SRO at the last 177 schools. So when the next school year begins in the fall, every public school in South Carolina will have funding for an armed, certified full-time school resource officer on campus providing safety for students and teachers and comfort for parents. And these officers are backed by our unique resource officer training program conducted on-site under real life conditions at the old Gilbert Elementary School and run by the State Law Enforcement Division.

This budget once again provides funds for the Education Scholarship Trust Fund. These funds will continue to allow low-income parents to choose the type of education environment and instruction that best suits their child's unique needs.

South Carolina must have the trained and skilled workforce necessary to compete for jobs and investment in the future. That means every South Carolinian must have affordable access to colleges, universities and technical colleges.

Six years ago, I proposed that we freeze college and university tuition to keep access to a degree affordable for in-state resident students. The General Assembly agreed, and this year's budget marks the sixth straight year that college tuition remains frozen for in-state students.

Four years ago, I successfully proposed increasing annual lottery funding, from \$20 million to \$80 million, for needs-based grants and financial aid for lower-income college students – so they can afford to attend any in-state public college, university, or technical college. In addition, \$20 million is available annually for tuition grants, which provides financial assistance for lower-income students enrolled at any of our state's private, independent, and historically black colleges and universities.

To address the high demand for skills, training and knowledge, this budget once again provides \$91.4 million for the valuable South Carolina Workforce Industry Needs Scholarships (SC WINS) program at our state's technical colleges.

We created this very successful program using federal COVID-19 pandemic funds for scholarships to cover the cost of tuition and fees at any of our technical colleges. The General Assembly began funding this program in the budget four years ago. This has provided over 120,000 South Carolinians with a post-secondary or industry credential in high-demand careers like manufacturing, nursing, computer science, information technology, transportation, logistics, or construction.

In January, I asked the General Assembly to consider allowing education lottery tickets to be purchased using – not credit cards – but debit cards, and they agreed. Why? Because many businesses no longer accept cash – and many people don't carry it.

The Lottery Commission estimates debit card purchases will generate an additional \$15.9 million for additional college scholarships, financial aid and grants at our public and private colleges and universities.

South Carolina has long been identified as part of the “stroke belt” with high stroke and dementia mortality rates. Current neurological care options in the state are limited, forcing our people to seek care outside the state. This delays early diagnosis and treatment, extends hospital stays and creates significant financial burdens.

In my recent State of the State address, I announced that we had a once-in-a-generation opportunity to create a world-class neurological facility for critical care procedures, rehabilitation services, and leading-edge research in the field of neurology.

The \$150 million provided by the General Assembly will match the Department of Health and Human Services’ commitment of \$200 million to pay for the construction of this new neurological hospital which will house an 80-bed critical care unit and a 32-bed neurological rehabilitation unit, both operated by the University of South Carolina.

Two years ago, I proposed that we initiate and fund an immediate review of our state’s behavioral health funding and delivery system. It had become clear that South Carolina had the most fragmented and siloed health and human service delivery system in the nation, with the lowest ranking, causing unnecessary suffering.

Many of these healthcare delivery agencies were run by boards of commissioners. By nature, such boards are cumbersome and accountable to no one. And state law makes it virtually impossible for a governor to remove them.

South Carolinians should be able to hold one person – their governor – accountable for the actions of these agencies.

Therefore, we embarked on the largest and most successful government restructuring and accountability effort in over thirty years – bringing direct gubernatorial accountability to the actions of our largest state healthcare service delivery agencies.

Two years ago, the Department of Health and Environmental Control was dissolved and was statutorily reconstituted as two new gubernatorial cabinet agencies – the Department of Public Health and the Department of Environmental Services – the directors of which are now both hired and fired by the governor.

This year, the Department of Mental Health and the Department of Disabilities and Special Needs were dissolved and reconstituted as one new gubernatorial cabinet agency – now called the Department of Behavioral Health and Developmental Disabilities – the director of this agency is now hired and fired by the governor.

Again, our state's roads, bridges, highways, and interstates are the arteries of our prosperity. They need continued investment and improvement.

The Department of Transportation has made tremendous progress in repairing and improving our transportation system. They have delivered a valuable return on our investments – with the strong help of the executive and legislative branches.

For instance, in 2017, there were just \$2.7 billion in road construction projects underway across the state. Last month, the department had over \$7 billion in projects happening in all 46 counties, with more to be done.

The \$200 million appropriated in this state budget for bridge repair and replacement, and the hundreds of millions appropriated in previous years' budgets, will allow the department to continue accelerating road and bridge repair, interstate widening and large interchange construction across the state – to meet our state's growing population.

To keep South Carolinians safe, we must maintain a strong, highly professional law enforcement presence.

A few years ago, our Department of Administration conducted a comprehensive analysis of state law enforcement pay to ensure that salaries were competitive to attract and retain top-tier talent. We saw what we had to do.

As a result, South Carolina's law enforcement officers have received substantial pay raises – some as high as 52% in the last three years. This year, I proposed, and the General Assembly funded, a continued investment in our public safety by providing an additional \$25.4 million for pay raises, overtime and hiring new officers at our state law enforcement and criminal justice agencies.

In addition, this state budget continues investment in the Department of Corrections with significant new funding to expand cell phone and contraband interdiction, hire new correctional officers, increase medical and mental health services, and pay for deferred maintenance at our 21 prisons.

Hurricane Helene was the deadliest storm to ever hit our state with 49 confirmed deaths, surpassing Hurricane Hugo, which had 35 confirmed deaths. At least 6,300 homes were damaged. It spawned 21 tornadoes. Our farms and forests suffered at least \$621 million in damages, 912 roads and bridges were closed, and 10 bridges must be rebuilt.

South Carolinians have submitted over three times as many applications for individual financial assistance to FEMA for Hurricane Helene damage as any other storm – more than the number submitted for the Flood of 2015, Hurricane Matthew in 2016, and Hurricane Florence in 2018, combined.

Hurricane Helene will be one of South Carolina's most expensive natural disasters in modern history. Even though FEMA reimbursed 100% of South Carolina's clean-up costs for 120 days

after the storm, more state funds are still necessary to pay for costs above and beyond any available federal assistance.

This state budget follows my recommendations for Hurricane Helene relief. For example, it provides the Department of Transportation with an additional \$35 million to cover costs related to debris removal and repairs to roads and bridges – costs that were not reimbursed by the federal government.

The Office of Resilience is provided with the recommended \$40 million in this budget to replenish the two Disaster Relief and Resilience Reserve funds. Both the grant fund and revolving loan fund were utilized and depleted to provide immediate relief and resources on the ground to people impacted by Helene.

And the General Assembly also agreed to provide over \$201.7 million to create the South Carolina Public Assistance program to be administered by the South Carolina Emergency Management Division.

This state grant program will mirror the federal program at FEMA. It will allow local governments, public utilities, nonprofits, and charitable aid organizations to apply for state disaster recovery funds – for Hurricane Helene damage or damage from future storms – in the event funds are either denied by the federal government or do not meet federal FEMA thresholds for damage reimbursement.

South Carolina's future prosperity requires us to enhance our efforts to respect and protect our land, our history, our culture and our environment.

We now have a veritable army of people, public and private organizations dedicated to these endeavors, including the Conservation Land Bank, the Department of Natural Resources, the Office of Resilience, the Forestry Commission, the Department of Parks, Recreation and Tourism, the Nature Conservancy, the Open Space Institute, the Darla Moore Foundation, the Audubon Society and Francis Marion University.

In 2024, this collaborative effort permanently protected 96 thousand acres of environmentally or culturally significant properties, investing and leveraging \$143.5 million in state, federal and private conservation funds.

This state budget provides a record \$60 million for the preservation and conservation of historic, pristine or significant properties and for flood mitigation efforts across the state.

Finally, I applaud the General Assembly for their remarkable evolution and the strides made with the disclosure of earmarked appropriations, which were previously shielded from public scrutiny or debate.

After decades of overriding gubernatorial vetoes of innocuous sounding appropriations inside of which earmarks were hidden, members of the General Assembly in the last three years began disclosing – at my request – the sponsors and recipients of earmarked appropriations, as well as

the merit, activity, function, or purpose for which each earmark was intended. All of which I promptly released to the media for the public's review.

This year, however, the General Assembly stated its intention to not include any earmarks at all in this budget. This was widely discussed in both chambers and received significant coverage by the media. That may be progress.

For my part, to ensure public confidence and provide accountability and transparency, I plan to issue an executive order directing how cabinet agencies or departments are to handle the administration or distribution of funds appropriated to them in this year's budget if there is no specific language in the budget directing, instructing or defining how or what the agency is to use the funds for.

If no such language exists in the budget, cabinet agencies or departments shall be required to receive a written request from a member of the General Assembly specifying certain details before proceeding with the administration or distribution of appropriated funds. These details include:

- The sponsor of the appropriation; verification of recipient's existence and good standing.
- The activity, function and the public purpose to be supported by the appropriation.
- The need for the appropriation and the budget of the project or activity it is to support.
- The demonstrated local community involvement; and contribution to the project by others.
- Details of any state funds previously appropriated to the entity for the same or a similar purpose.

As I have stated before, without sufficient context, description, justification, and other relevant information regarding the project and how the recipient intends to spend the funds, the public cannot evaluate an appropriation's merit. Clearly, no matter how meritorious an appropriation may be, the public has a right to know exactly how their money is being spent.

There may be better ways to accomplish all of this, emphasizing transparency, public participation, efficiency and reliability. The one I propose – again – is the creation of a public, merit-based competitive grants process for these types of appropriations, especially those to non-governmental organizations.

Administered by state agencies, funds would be made available only to entities which demonstrate required community support and missions consistent with the policy goals and outcomes intended by the General Assembly. Further, all applications and award criteria would be placed online, allowing for public scrutiny and total transparency.

To my colleagues in the General Assembly, I say: The people of South Carolina have benefited from our ongoing cooperation, communication, and collaboration. Let us continue to work

together vigorously, thereby ensuring that future generations of South Carolinians can continue winning and prospering.

In that spirit, I ask that you thoughtfully consider and sustain each of the following vetoes:

Veto 1 - Department of Education, Part IB, Section 1, Page 307, Proviso 1.117, SDE: Activity Buses

1.117 (SDE: Activity Buses) In the current fiscal year, school districts may offer the services of activity buses to nonprofit organizations and may impose conditions and fees for the use of buses including, but not limited to, liability coverage for any loss incurred during the period of activity or use.

This proviso grants permission for school districts to allow nonprofit organizations to use activity buses and to impose conditions and fees for the use of the buses. A school district or its board of trustees can already adopt policies or guidelines governing the use of any district property, including activity buses. The proviso is unnecessary. A similar proviso was successfully vetoed in the FY 2024-25 General Appropriations Act.

Veto 2 - University of South Carolina, Part IB, Section 20, Page 350, Proviso 20.10, USC: SC TEACHER Advisory Committee

20.10. (USC: SC TEACHER Advisory Committee) From funds appropriated to South Carolina TEACHER, an advisory committee shall be appointed to study and recommend policy changes to enhance the teaching of the State's educator workforce. Members shall include the Governor or their designee, the Superintendent of Education or their designee, the Dean of the College of Education at USC or their designee, the Chair of the Senate Education Committee or their designee, the Chair of the House Education and Public Works or their designee, and the Executive Director of the Education Oversight Committee or their designee. South Carolina TEACHER shall serve as staff to the advisory committee and shall report annually to the Governor and General Assembly.

While South Carolina TEACHER provides important research to policymakers on the South Carolina educator workforce, this proviso creates an advisory committee that duplicates existing efforts led by the State Superintendent of Education. Last year Superintendent Ellen Weaver convened the Strategic Talent Acquisition and Retention Taskforce ("START"), composed of teachers, principals, district superintendents, and state leaders, to develop comprehensive solutions to improve the recruitment and retention of educators. Over six months, START conducted a rigorous analysis of South Carolina's teacher workforce data, consulted with national experts, and studied promising practices from other states. The resulting START report includes evidence-based policy recommendations, implementation guidance, and draft legislation. This year the General Assembly enacted, and I signed into law, many of the START recommendations including temporary local eligibility certificates for noncertified teachers (Act 30), permanent educator certificates (Act 12), counting prior work experience towards years of

service (Act 29), and the transfer of the Educator Preparation Program Report Card to the South Carolina Department of Education in the FY 2025-26 General Appropriations Act.

Because the Constitution and state laws have consistently placed the responsibility for educator licensure and regulation in the State Superintendent of Education and the State Board of Education, bodies independent of educator preparation providers, I am vetoing this proviso.

Veto 3 - Department of Parks, Recreation and Tourism, Part IB, Section 49, Page 400, Proviso 49.27, PRT: Pine Island State Park Access

49.27. (PRT: Pine Island State Park Access) Of the funds appropriated to the Department of Parks, Recreation and Tourism, the department shall restrict public access of Pine Island State Park to scheduled visitors only. All visitors must have confirmed appointments, and such appointments shall be staggered to prevent overcrowding and ensure safety of the surrounding area.

The Department of Parks, Recreation and Tourism (PRT) successfully operates and manages 47 state parks in South Carolina. After years of thoughtful preparation and planning, including input and suggestions from nearby residents, Pine Island State Park on Lake Murray is scheduled to open in the Fall of 2025.

I am vetoing this proviso because it prematurely mandates the operation of a reservation system at Pine Island State Park, months before the park opens, and before attendance and traffic patterns demonstrate the need to institute one.

In addition, this proviso may be interpreted as an effort to limit access to the lakefront amenities available for recreation at our state's newest park.

Veto 4 - Department of Public Safety, Part IB, Section 63, Page 428, Proviso 63.8, DPS: School Safety Program, Paragraph B

63.8. (DPS: School Safety Program)

(B) Only school districts in Tier IV counties may be authorized by the department to use private companies to hire certified Class I law enforcement officers to serve as school resource officers.

According to the Department of Revenue, there are twelve Tier IV counties in tax year 2025. According to the Department of Public Safety, in three of these twelve Tier IV counties, there were fourteen traditional and public charter schools that did not have funding for a full-time school resource officer in school year 2024-25. With the increased funding in this budget to hire an additional 177 school resource officers, I have asked the Department of Public Safety to assist law enforcement agencies in these rural counties with recruiting law enforcement personnel for these positions.

Existing state law, §5-7-12 of the South Carolina Code of Laws, states the following: “The governing body of a municipality or county may upon the request of another governing body or of another political subdivision of the State, including school districts, designate certain officers to be assigned to the duty of a school resource officer and to work within the school systems of the municipality or county.” A school resource officer can only be employed by a municipal or county law enforcement agency, not by a private company. School districts and charter school authorizers can request, from a law enforcement agency only, a school resource officer who can be funded through the School Safety Program. For this reason, I am vetoing Paragraph B of Proviso 63.8.

Veto 5 - Commission for Minority Affairs, Part IB, Section 71, Page 437, Proviso 71.6, CMA: Division of Small and Minority Business Contracting and Certification

71.6. (CMA: Division of Small and Minority Business Contracting and Certification) For the current fiscal year, the Division of Small and Minority Business Contracting and Certification (the Division) and the funds appropriated to the Division pursuant to Part IA of this Act are transferred to the Commission for Minority Affairs. The Division shall continue to perform its duties and responsibilities required in Article 21, Chapter 35, Title 11 including, but not limited to, assisting the Department of Revenue in providing income tax credits for firms with state contracts that subcontract with minority firms pursuant to Section 11-35-5230(B). In addition to the authorized appropriations for the Division, the employees and the assets and liabilities of the Division are also transferred to and become part of the Commission for Minority Affairs for the current fiscal year. All classified or unclassified personnel transferred by this provision are to become employees of the Commission for Minority Affairs with the same compensation, classification, and grade level, as applicable, for the duration that this provision remains in effect. Applicable regulations promulgated by or related to the Division are continued and are considered to be promulgated by the Commission for Minority Affairs. Applicable contracts entered into by or on behalf of the Division are continued and are considered to be devolved upon the Commission for Minority Affairs at the time of the transfer.

This proviso transfers the functions, appropriations, assets, and employees of the Division of Small and Minority Business Contracting and Certification at the Department of Administration to the Commission for Minority Affairs. The transfer was completed in FY 2024-25; therefore, the proviso is no longer needed.

Veto 6 - Department of Motor Vehicles, Part IB, Section 82, Page 448, Proviso 82.14, DMV: Electronic Titling

82.14. (DMV: Electronic Titling) Of the funds appropriated to the Department of Motor Vehicles for IT System Modernization, up to \$1,000,000

shall be utilized for the creation of an Electronic Titling Program to provide electronic vehicle title processing services to include the transfer of vehicle ownership and the placement and release of liens for automotive dealers, lenders, and auctioneers, and comparable electronic titling services for vehicle owners and other customers. The department shall select and contract with a third-party vendor to create and implement the program. Electronic titling services for automotive dealers, lenders, and auctioneers must operational no later than June 30, 2026.

There are two virtually identical provisos in the budget (82.14 and 82.15) that establish electronic vehicle titling at the Department of Motor Vehicles. I am vetoing proviso 82.14 because it contains a deadline for the procurement and installation of the new system that is not realistic under the South Carolina Consolidated Procurement Code. Proviso 82.15 is preferred by the Department of Motor Vehicles.

Veto 7 - Division of Aeronautics, Part IB, Section 87, Page 454, Proviso 87.7, AERO: Hold-Over Limit

87.7 (AERO: Hold-Over Limit) The requirement of Section 13-1-1050(A) pertaining to the hold-over capacity period limits shall be suspended for the current fiscal year.

This proviso suspends state law that limits any commissioner on the Aeronautics Commission to be in hold-over status for a maximum of six months at the conclusion of the commissioner's first or second term of office. This creates a perpetual hold-over status for members of the commission; therefore, I am vetoing the proviso.

Veto 8 - Legislative Department, Part IB, Section 91, Page 459, Proviso 91.27, LEG: LAC Third-Party Agency Operational Review

Veto 9 - Legislative Department, Part IB, Section 118, Page 575, Proviso 118.22. SR: Nonrecurring Revenue, Paragraph (B), (66) A200 Legislative Audit Council, Government Efficiency RFP Review, \$10,000

91.27. (LEG: LAC Third-Party Agency Operational Review) (A) The following applies to the funds appropriated in Proviso 118.22(65) of this Act for Government Efficiency RFP Review:

- (1) "Council" means the Legislative Audit Council.*
- (2) "Independent third-party" means a person or entity that has no personal, familial, or business relationship, and no economic interest, that is distinct from that of the general public, in connection with the agency under review.*
 - (i) To be qualified, a person or entity must not be affiliated with, or act on behalf of, any entity that appears before, is regulated by, or conducts business directly or indirectly with an agency selected for review.*

(ii) *A person or entity is disqualified from serving as the independent third party if they are regulated by the agency, conduct business with the agency, or are associated with a regulated entity in a way that creates a continuing or frequent conflict with the duties imposed by this provision.*

(3) *“Economic interest” shall have the same meaning as provided in Section 8-13-100(11) of the South Carolina Ethics, Government Accountability, and Campaign Reform Act*

(4) *“Agency means an authority, board, branch, commission, committee, department, division, or other instrumentality of the executive or judicial departments of state government, including administrative bodies. “Agency” includes a body corporate and politic established as an instrumentality of the State.*

(B) *From the funds appropriated to the council, or from funds otherwise authorized by the General Assembly for this purpose, the council shall issue a Request For Procurement to engage an independent third-party to conduct operational and expenditure reviews of no fewer than two agencies to be selected at the discretion of the council.*

(1) *In making its determination, the council may consider relevant factors including, but not limited to, the total amount of funds appropriated to the agency, number of full-time employees or the equivalent thereof, breadth of regulatory or service responsibilities, within the State.*

(2) *This provision shall not be construed to allow the inclusion of entities with narrowly defined missions, limited regulatory impact, or minimal administrative infrastructure.*

(C) *The scope of each third-party review shall include, but not be limited to:*

(1) *identifying opportunities to streamline agency operations, improve internal efficiencies, reduce procurement and operational expenses, eliminate wasteful government spending, evaluate existing agency contracts for potential cost savings or restructuring, modernize government operations and reduce unnecessary bureaucracy, and achieve overall spending reductions;*

(2) *identifying duplicative or inefficient functions that may be consolidated within an agency, across departments of the same agency;*

(3) *reviewing for the adequacy and continuing relevance of regulations promulgated by the agency and identifying regulations that are inconsistent with the statute, obsolete, or expand their meaning beyond the intent of the statute;*

(4) *ensuring effective use of taxpayer dollars; and*

(5) *leveraging innovative practices that focus on transparency, accountability, and fiscal responsibility.*

(D) *To carry out the provisions of this item, the council is authorized to enter into Memorandums of Understanding with the selected agencies to access and share relevant data, documents, and records with the independent third-party reviewer. The agency under review shall cooperate in good faith with requests for information made by the council, subject to applicable state and federal confidentiality and privacy laws.*

(E) *The council shall serve as the gatekeeper of agency data, documents, and records and is responsible for ensuring that all data, documents, and records shared with the independent third party has been reviewed and, where required by law, appropriately redacted or anonymized by the selected agencies. In facilitating access*

to such data, the council shall take reasonable measures to ensure the nondisclosure of any personal identifiable information, protected health information, or other confidential information, in accordance with the Family Privacy Protection Act (Section 30-2-10, et seq.), the Freedom of Information Act (Section 30-4-10, et seq.), Health Insurance Portability and Accountability Act (42 U.S.C. Section 1320, et seq.), and other applicable provisions of state and federal law.

(F) The independent third-party must enter into a data-sharing and confidentiality agreement with the council and shall not retain or disclose any confidential information obtained in the course of the review. The third party shall take reasonable security measures to prevent unauthorized access to or disclosure of data and shall return or destroy all agency information at the conclusion of the review, as required by the terms of the agreement or applicable law.

(G) The third party shall not use or disclose any confidential or internal information obtained through the agency review in a manner that would affect an economic interest held by the independent third party, a member of its personnel or executive leadership, a member of their immediate families, or any individual or business with which the independent third party is associated.

(H) The provisions of Sections 8-13-700, 8-13-705, 8-13-710, 8-13-725, and 8-13-730 shall apply to the conduct of the independent third-party as if the third party were a public official or employee.

(I) Unless otherwise authorized by law, the third party shall not willfully examine, nor aid or abet the examination of, any individual tax return, workers' compensation record, health or medical record, or social services record in the possession or control of the agency if the purpose of such examination is improper or otherwise unrelated to the scope of the review.

(J) By January 1, 2026, the independent third party shall submit a written report to the Council, General Assembly and the Governor detailing all findings, recommendations, and actions taken pursuant to this provision.

These two provisos provide funding and authorization for the Legislative Audit Council to issue a request for proposal for a third-party entity to conduct efficiency reviews of at least two agencies.

I am vetoing the proviso and associated funds because they are unnecessary and are duplicative of existing government watchdog and oversight programs.

The Office of the State Inspector General exists to investigate and address allegations of fraud, waste, abuse, mismanagement, misconduct, violations of state or federal law, and wrongdoing in state agencies, higher education and local school boards.

Veto 10 - State Ethics Commission, Part IB, Section 110, Page 491, Proviso 110.1, ETHICS: Ethics Commission Website Changes

110.1. (ETHICS: Ethics Commission Website Changes) In the current fiscal year, prior to approving or adopting any changes to the State Ethics Commission Public Disclosure and Accountability Reporting System, the State Ethics Commission shall submit the

proposed changes to the Senate Ethics Committee and House of Representatives Ethics Committee for their review and approval. As third party beneficiaries to any agreement between the State Ethics Commission and a vendor relating to the State Ethics Commission Public Disclosure and Accountability Reporting System, the General Assembly through its respective Ethics Committees can submit suggested changes to any proposed agreement or contract relating to the State Ethics Commission Public Disclosure and Accountability Reporting System and the State Ethics Commission shall be required to incorporate those suggestions into any contractual negotiation.

This proviso requires that the South Carolina Ethics Commission solicit and receive approval from the Senate Ethics and the House of Representatives Ethics Committees prior to making any changes to its online disclosure and reporting system.

I am vetoing the proviso because the State Ethics Commission Chairman and commissioners – who are confirmed by both the House of Representatives and the Senate – are perfectly capable of approving – and casting recorded votes in a public meeting approving any changes to the agency’s online disclosure and reporting system.

Veto 11 - General Provisions, Part IB, Section 117, Page 515, Proviso 117.65, GP: Governor’s Security Detail

117.65. (GP: Governor’s Security Detail) The State Law Enforcement Division, the Department of Public Safety, and the Department of Natural Resources shall provide a security detail to the Governor in a manner agreed to by the State Law Enforcement Division, the Department of Public Safety, the Department of Natural Resources, and the Office of Governor. Reimbursement to the State Law Enforcement Division, the Department of Public Safety, and the Department of Natural Resources to offset the cost of the security detail for the Governor shall be made in an amount agreed to by the State Law Enforcement Division, the Department of Public Safety, the Department of Natural Resources, and the Office of Governor from funds appropriated to the Office of Governor for this purpose. Law enforcement officers assigned to security detail for the Governor shall only perform services related to security and shall not provide any unrelated service during the assignment.

At the request of the State Law Enforcement Division (SLED), a new proviso 62.26 was adopted to update the agency’s executive protection at the discretion of the Chief of SLED. I am vetoing 117.65 because it is no longer necessary.

For the foregoing reasons, I am vetoing and returning without my approval the above provisions in R-97, H 4025, the FY 2025-26 General Appropriations Act.

Yours very truly,



Henry Dargan McMaster