SOUTH CAROLINA
DEPARTMENT OF EDUCATION

MEMORANDUM

TO: The Honorable Harvey S. Peeler, Jr.
Chair, SC Senate Finance Committee

The Honorable Bruce W. Bannister
Chair, SC House Ways and Means Committee

Kevin Etheridge
Acting Executive Director, Executive Budget Office

FROM: Kendra M. Hunt, CPM, CGFO
Deputy Superintendent and Chief Financial Officer

DATE: September 16, 2026

RE: Fiscal Year 2026-27 – 3.1 Lottery Proviso Compliance

This memo serves as notification of compliance with Lottery Proviso 3.1. Procedures for expenditure monitoring have been provided to the Executive Budget Office in a separate memorandum that is attached for your information.

The Department disbursed lottery funds to entities in 2025-26 as follows:

- School Bus Purchase ($21,195,358)
- Instructional Materials ($15,941,993.68)
- Education Scholarship Trust Fund ($19,000,000)

  The Department distributed $19,000,000 to the ESTF Trustee from lottery funds appropriated for the ESTF. The ESTF Trustee is responsible for administering the funds and disbursing them to eligible recipients in accordance with applicable statutory and program requirements. Accordingly, the ESTF Trustee is identified as the entity receiving the Department's distribution, with the trustee subsequently distributing funds to eligible recipients.

- Teacher Strategic Compensation Pilot Program ($2,785,264.80)

District	Award	
Allendale	$	12,882.06
Anderson 03	$	45,219.96
Anderson 05	$	94,656.06
Beaufort	$	39,718.80
Berkeley	$	85,491.00
Chester	$	47,386.44
Chesterfield	$	48,076.74
Colleton	$	28,674.00
Darlington	$	78,949.08
Dorchester 02	$	92,606.40
Florence 02	$	132,219.00
Florence 05	$	54,268.20
Georgetown	$	3,047.94
Greenville	$	146,972.00
Greenwood 50	$	227,544.12
Laurens 56	$	89,282.34
Lee	$	6,881.76
Lexington 03	$	117,775.80
Lexington 05	$	150,273.00
Marion 10	$	54,565.56
Newberry	$	114,696.00
Richland 02	$	112,338.36
Saluda	$	11,108.52
Sumter 01	$	121,514.04
Williamsburg	$	42,575.58
York 01	$	46,791.72
York 03	$	114,727.86
SC Public Charter School District	$	564,844.00
Charter Institute of Erskine	$	100,178.46

If additional information is needed or you have questions, please feel free to contact me at kmhunt@ed.sc.gov or 803-734-8108.

Attachment

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Executive Budget Office

FROM: Kendra M. Hunt, CPM, CGFO
Deputy Superintendent and Chief Financial Officer

DATE: September 16, 2026

RE: Fiscal Year 2026-27 – 3.1 Lottery Proviso Compliance

This memo serves as notification of compliance with planned procedures of lottery expenditures for the prior fiscal year. Please review the attached procedures related to monitoring lottery expenditures.

If additional information is needed or you have questions, please feel free to contact me at kmhunt@ed.sc.gov or 803-734-8108.

Expenditure of Lottery Funds

PROCEDURE

Applicability:

This procedure relates to all lottery funds expended internally by the South Carolina Department of Education (SCDE), by South Carolina school districts, and by other entities.

Responsibilities:

For lottery funds expended internally by SCDE, the Office of Auditing Services (OAS) shall annually review the expenditure of lottery funds to ensure compliance and allowability of costs. This review will ensure the funds are expended in accordance with applicable state laws, rules, and regulations for the prior fiscal year to include South Carolina travel regulations and the S.C. Consolidated Procurement Code.

For lottery funds allocated to South Carolina school districts, the OAS will annually review the expenditure of lottery funds to ensure compliance and allowability of costs. The OAS will have guidance in the Annual Audit Guide for independent auditors concerning review of lottery funds. School districts provide detailed expenditures as a part of their audit submission due to the agency by December 1st annually. From this submission and the agency's standard risk assessment, a sample of districts may be requested to submit documentation to support expenditures incurred to ensure compliance with applicable state laws, rules, and regulations.

For lottery funds allocated to other entities, the OAS will annually review the expenditure of lottery funds to ensure compliance and allowability of costs. OAS will annually request the entities to provide reports on how lottery funds were expended. Entities may be requested to submit documentation to support expenditures incurred to ensure compliance with applicable state laws, rules, and regulations, including Proviso 117.21 if applicable.

References:

Act 284 of 2016, Provisos 3.1 and 117.21.