



South Carolina Commission on Higher Education

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CAAL
9/4/2008
Agenda Item 8

Dr. Garrison Walters, Executive Director

September 4, 2008

MEMORANDUM

To: Dr. Bettie Rose Horne, Chair, Committee on Academic Affairs and Licensing, and Members

From: Dr. Gail M. Morrison, Director of Academic Affairs and Licensing 

Background

Attached please find the operating budget approved by the S.C. Centers of Economic Excellence (CoEE) Review Board, at its June 9, 2008, quarterly meeting. The Review Board is charged with overseeing the CoEE program and with annually providing the Commission on Higher Education "a schedule by which applications for funding are received and awarded on a competitive basis" (S.C. 2-75-10). The Commission must also approve the program's annual operating budget: "all necessary funds for the prudent operation of the board..." (S.C. 2-75-70).

The CoEE program was funded with \$30 million from the South Carolina Education Lottery for fiscal year 2007-08. The CoEE program had an additional \$6 million in potential award funds, resulting from the withdrawal of two Clemson Centers in 2007-2008. Thus, the full amount the CoEE Review Board was eligible to award in 2007-2008 was \$36 million. On June 9, 2008, the Review Board awarded \$25 million dollars for the creation of the following seven Centers of Economic Excellence:

2007-2008 CoEE Awards	Chairs to Clemson	Chairs to MUSC	Chairs to USC	Total \$
Optoelectronics	1			\$2,000,000
Cyber-Institute	1			\$2,000,000
Advanced Tissue Biofabrication	1	1	1	\$5,000,000
Cancer Stem Cell		2		\$5,000,000
Renal Disease Biomarker		2		\$5,000,000
Nanoenvironmental Research & Risk Assessment			1	\$3,000,000
Nuclear Science and Energy			1	\$3,000,000
TOTAL	3	5	3	\$25,000,000

In addition, two 2007-2008 CoEE proposals required resubmission to the CoEE Review Board and await determination of award by the Review Board at the September 8, 2008, quarterly meeting. At its discretion, the Review Board may award additional 2007-2008 funds at this meeting up to \$10 million.

Potential 2007-2008 CoEE Awards	Chairs to Clemson	Chairs to MUSC	Chairs to USC	Total \$
Cancer Disparities			TBD	\$0M-\$5M
Medication Safety and Efficacy			TBD	\$0M-\$5M

To date, the Review Board has awarded \$169 million for the creation of 41 Centers of Economic Excellence and 70 specialized endowed professorships.

As regards the CoEE Program annual operating budget, the 2008-2009 proposed budget contains \$417,602 in increases from the 2007-2008 approved budget. These increases include a one-time, \$400,000 contract fee with The Washington Advisory Group for the *2003-2008 CoEE Program Comprehensive Evaluation* (mandated by the CoEE Program Guidelines). This \$400,000 cost will not recur in 2009-2010. Other total cost increases for the 2008-2009 proposed budget are \$17,602. This includes \$13,030 for the program marketing agency, \$4,068 for increased rent costs and \$4,768 for employer contributions. The program auditor contract *decreases* by \$20,050 for 2008-2009.

Recommendation

The staff recommends that the Committee on Academic Affairs and Licensing commend favorably to the Commission the budget approved by the Centers of Economic Excellence Review Board for FY 2008-09.



CENTERS OF ECONOMIC EXCELLENCE PROPOSED OPERATING BUDGET: FY 2008-2009

Object of Expenditure	FY 2007 - 2008 Approved	FY 2008 - 2009 Proposed	Increase/ [Decrease]
Personal Services	124,982	126,504	1,522
Contractual Services			
Auditor	40,000	19,950	[20,050]
Consultants	79,620	79,620	-
Marketing	144,560	157,590	13,030
Other Contractual Services	4,446	6,070	1,624
Telephone	2,212	3,619	1,407
Subtotal Contractual Services:	270,838	266,849	[3,989]
Supplies	4,371	15,000	10,629
Fixed Costs			
Dues/Memberships	936	1,141	205
Equipment Leases	824	824	-
Facilities Rental	551	551	-
Liability Insurance	5,340	5,539	199
Office Rent	7,717	11,785	4,068
Subtotal Fixed Costs:	15,368	19,840	4,472
Staff Travel	2,800	3,000	200-
Equipment	2,000	2,000	-
Employer Contributions	28,704	33,472	4,768
SUBTOTAL OPERATING:	449,063	466,665	17,602
External Six-Year Evaluation:		400,000	400,000
GRAND TOTAL:	449,063	866,665	417,602