

Governor's FY 2009-10 (FY10) Budget Recommendations for Higher Education

The Governor released his FY 2009-10 Executive Budget recommendations January 9, 2009. The full text of the Governor's budget is available from the Governor's website at [interested in accessing the budget directly, full text of the budget is available at http://www.scgovernor.com/news/releases/01-09-09.htm](http://www.scgovernor.com/news/releases/01-09-09.htm) . The document is 348 pages long. Higher Education is addressed in the section titles "Improve Our Higher Education System and Cultural Resources" pages 114 to 127. Details relating to the dollar recommendations are found in the appendices. Appendix B provides spending details by agency. The detailed budget and recommended budget provisos are also available on the state's legislative website at http://www.scstatehouse.gov/sess118_2009-2010/appropriations2009/gabxxxx.htm where information about the appropriations bill is posted.

Higher Education Generally

The following provides a very brief summary of the highlights of the Governor's recommendations for higher education. The reader is referred to the Governor's budget document for details.

Across all higher education entities (CHE, SC Tuition Grants, State Technical Board, and Colleges and Universities), the Governor's proposed FY 2009-10 Budget Plan significantly reduces higher education funding by \$147.2 million or 22.4%. For the state's colleges and universities, the reductions vary, ranging from a low of 13.1% reductions to a high of 65.5% . These reductions would be on top of those experienced by colleges and universities in the current year. As of January 2009, our public colleges and universities have taken a 22.5% cut in state general funds – a drop of \$170 million from \$758 million in FY 08 to \$589 in FY 09. The following tables provide summary information of the Governor's overall recommendations.

Summary Information for the Governor's FY 2009-10 Funding Recommendations

The following table summarizes the Governor's FY 2009-10 recommended state appropriations for colleges and universities and other higher education entities:

Higher Education Entity	Agency Base Recurring Appropriations	Governor's Recommended Budget Reductions for FY 10	Governor's FY10 Total Recommendation	Percent Change
Citadel	\$12,599,131	-\$4,309,916	\$8,289,215	-34.2%
Clemson	\$87,784,042	-\$10,091,391	\$77,692,651	-11.5%
College of Charleston	\$26,586,262	-\$6,391,115	\$20,195,147	-24.0%
Coastal Carolina	\$12,933,919	-\$4,061,424	\$8,872,495	-31.4%
Francis Marion	\$14,980,034	-\$2,083,989	\$12,896,045	-13.9%
Lander	\$8,479,682	-\$1,311,191	\$7,168,491	-15.5%
SC State	\$18,433,813	-\$4,158,494	\$14,275,319	-22.6%
USC Columbia	\$142,903,775	-\$13,893,293	\$129,010,482	-9.7%
USC Aiken	\$8,687,548	-\$346,230	\$8,341,318	-4.0%
USC Upstate	\$11,313,754	-\$762,141	\$10,551,613	-6.7%
USC Beaufort	\$2,053,075	-\$280,415	\$1,772,660	-13.7%
USC Lancaster	\$2,162,800	-\$1,215,226	\$947,574	-56.2%
USC Salkehatchie	\$1,845,971	-\$1,069,690	\$776,281	-57.9%
USC Sumter	\$3,426,542	-\$191,898	\$3,234,644	-5.6%
USC Union	\$835,001	-\$451,539	\$383,462	-54.1%
Winthrop	\$18,202,979	-\$2,398,747	\$15,804,232	-13.2%
MUSC	\$75,597,477	-\$7,487,693	\$68,109,784	-9.9%
AHEC	\$13,074,965	-\$4,037,511	\$9,037,454	-30.9%
State Technical Colleges and System Office	\$136,883,159	-\$31,790,675	\$105,092,484	-23.2%
subtotal	\$598,783,929	-\$96,332,578	\$502,451,351	-16.1%
Commission on Higher Education (CHE)*	\$108,209,544	-\$58,553,153	\$49,656,391	-54.1%
SC Tuition Grants	\$22,083,690	-\$45,632	\$22,038,058	-0.2%
Total Higher Education	\$729,077,163	-\$154,931,363	\$574,145,800	-21.3%

*CHE's Base includes \$71,032,307 for LIFE Scholarships. The Governor's recommended reductions for CHE include a reduction of \$53,779,527 for LIFE Scholarships. These funds are moved to the Lottery (see below). Total Funding for LIFE increases under the Governor's recommendations from \$156,288,989 to \$158,686,444. The numbers below show CHE's detail excluding of LIFE.

<i>CHE excluding LIFE appropriations</i>	\$37,177,237	-\$4,773,626	\$32,403,611	-12.8%
Total Higher Education excluding LIFE	\$658,044,856	-\$101,151,836	\$556,893,020	-15.4%

Governor's FY 2009-10 Recommendations for SC Education Lottery

The following table details the Governor's recommendations for Education Lottery Appropriations. The first column is current lottery expenditures. The second column includes the Governor's recommendations. Additional information about

	FY 2008-09	Gov Recs for FY 2009-10	Difference FY09 minus FY10
SC Alliance for Minority Participation	\$0	\$272,414	-\$272,414
African American Loan	\$0	\$176,394	-\$176,394
National Guard Tuition	\$1,700,000	\$1,700,000	\$0
LIFE Scholarships	\$85,256,682	\$141,433,664	-\$56,176,982 (Note 1)
Centers of Economic Excellence (CoEE)	\$0	\$0	\$0
Excellence Enhancement	\$4,700,000	\$4,072,387	\$627,613
HOPE	\$8,076,110	\$8,209,981	-\$133,871
Need-based Grants	\$11,631,566	\$17,817,025	-\$6,185,459 (Note 2)
Palmetto Fellows	\$30,277,240	\$37,435,700	-\$7,158,460
Lottery Tuition Assistance	\$47,000,000	\$47,000,000	\$0
Technology 2 & 4 yr public colleges	\$12,000,000	\$0	\$12,000,000
Tuition Grants	\$7,766,604	\$7,766,604	\$0 (Note 2)
SC State University	\$2,500,000	\$2,500,000	\$0
USC - African American Professors	\$0	\$178,805	-\$178,805
subtotal Higher Ed	\$210,908,202	\$268,562,974	-\$57,654,772
K-12 Lottery k-5 & G 6-8	\$49,614,527	\$0	\$49,614,527
School Deaf & Blind	\$200,000	\$200,000	\$0
Total All Lottery	\$260,722,729	\$268,762,974	-\$8,040,245

Note 1: Proposes to provide LIFE FY 10 General Funds of \$17,252,780

Note 2: Palmetto Fellows, Need-based Grants and Tuition Grants financial aid assistance programs also receive general funds.

Additional information on the Governor's Recommendations for state scholarship and grant programs:

Additional information on state scholarship/grant programs:

<i>\$ include All Funding Sources</i>	Total FY09	Gov's Total Rec FY10	Difference FY09 minus Gov FY10	Budget Office FY10 estimate of Nov. 2008	Estimate minus Governor's recommendation**
Palmetto Fellows	\$42,277,240	\$49,435,700	\$7,158,460	\$51,536,044	-\$2,100,344
LIFE	\$156,288,989	\$158,686,444	\$2,397,455	\$162,666,711	-\$3,980,267
HOPE	\$8,076,110	\$8,209,981	\$133,871	\$8,209,981	\$0
Need-based	\$23,631,566	\$29,817,025	\$6,185,459	n/a	n/a
Lottery Tuition Assistance	\$47,000,000	\$47,000,000	\$0	n/a	n/a

**The Governor's funding recommendations for PF and LIFE do not include support for math/science enhancements for new students.

The following highlights a number of the recommendations included in the Governor's proposal on pages 114-127 and budget detail.

- Encourage the General Assembly to create a Board of Regents or give CHE more regulatory authority to oversee higher education with authority to set tuition and enrollment and to develop a statewide plan for assisting in improving affordability. The Governor also recommends no increases in CHE funding until a Board of Regents is established
- Limit tuition increases to no more than the higher education price index.

- Increase Employability by making sure students understand consequence of majors and supporting programs like the State Technical College’s *Apprenticeship SC*
- Phase out USC 2-year campuses including USC Lancaster, Salkehatchie, and Union by 2013. USC Sumter, also a 2-year campus is not included in the recommendation. The Governor estimates savings of approximately \$2.4 million in the first year could be spent on need-based grants.
- Re-evaluate scholarship programs to strengthen qualifications. The Governor provides increases in need-based aid of approximately \$6.2 million, leaves Tuition Grant funding level, and provides for growth in growth in LIFE, Palmetto Fellows and HOPE programs. However, he recommends that the enhancements LIFE and Palmetto Fellows recipients majoring in eligible “ math/science majors” be discontinued for new students. LIFE and Palmetto Fellows recipients become eligible for the awards beginning in their sophomore year.
- Consolidate colleges administrative functions allowing institutions to keep their presidents and name:
 - Consolidate technical college administrative functions into 3 regions. The Governor estimates savings at \$20.5 million.
 - Consolidate 4-year colleges’ administrative functions at CHE. The Governor estimates savings at \$11.5 million. It appears that the savings is estimated by subtracting 15% from college administration and not providing any additional funding at CHE. In fact, the Governor recommends cutting CHE’s administration significantly along with 3 FTE positions. The four-year consolidation proposal includes: Winthrop, Citadel, Lander, Coastal Carolina, College of Charleston, SC State, and Francis Marion.
 - Leave USC, Clemson and MUSC administrative functions separate but have USC perform the administrative functions centrally for all of its campuses.
- Prohibit state funding for institutional lobbyists. The Governor estimates a savings of \$1,589,706
- Recommend that SC Tuition Grants terminate their lease and find space within another agency for an estimated savings of \$37,469
- Encourage Facilities and Maintenance Cluster Initiative –whereby institutions clustered together would work to consolidate facilities and maintenance services. The Governor estimates \$7,635,592 in savings.
- End state support for community service programs at technical colleges for an estimated savings of \$752,752.
- Eliminate the current state funding of University Center of Greenville operations and the Lowcountry Graduate Center and instead be supported from the participating institutions.