

## **Legislative Updates of Interest for Higher Education** **Week of May 12 – May 16, 2009**

### ***Budget Update –***

On Tuesday, the House took up the budget bill as recommended by the Senate, amended it, and returned it to the Senate. The budget as amended by the House was debated by the Senate on Wednesday. By a vote of 32 to 14, the Senate concurred with the House amendments and the budget bill was ratified and sent to the Governor. The Governor has five days, excluding Sunday, to act on the budget which means he has until midnight Tuesday, May 19. A copy of the budget bill, H.3560, as sent to the Governor is available at [http://www.scstatehouse.gov/sess118\\_2009-2010/appropriations2009/hr09ndx.htm](http://www.scstatehouse.gov/sess118_2009-2010/appropriations2009/hr09ndx.htm).

For higher education, the budget, as further amended by the House and approved by the Senate, was changed little from the Senate version of the budget. The following bullets briefly summarize the recommendations as pertaining to higher education.

The recurring funding recommendations are the same as those recommended by the Senate which leave higher education level with current funding except for small administrative cuts at CHE and Tuition Grants.

Federal stimulus stabilization funds for education and government services are included in Part III of the budget and allocated per the Senate allocation without any changes. These funds included approximately \$100 million for the institutions and an allocation of \$364,440 for the University Center of Greenville.

The recommended lottery allocation is also largely the same as the Senate except that funding for lottery technology was slightly amended in regard to the source (mix of lottery and unclaimed lottery prize funds), but remains at the current funding level of \$12 million provided the portion of those funds recommended from “uncertified” unclaimed prize funds become available. As noted in past updates, the merit-based scholarship programs are fully funded through lottery and/or recurring funds.

In regard to other nonrecurring allocations for higher education, need-based grants will receive a total of \$1.5 million in nonrecurring funds in addition to the program funding provided at the current year’s level. The amount in nonrecurring funds represents a compromise between Senate and House recommendations of \$500,000 and \$2 million, respectively. The only other change in nonrecurring funds that affected higher education relates to the University Center of Greenville which was provided \$135,560 in nonrecurring in addition to base recurring funds, other nonrecurring funds of \$500,000, and federal stabilization funds that have been recommended.

Education Improvement Act funding recommendations, which include several higher education programs, were the same as those as recommended by the Senate.

Part 1B provisos adopted in the budget as further amended by the House and sent to the Governor are available from the link provided above. Provisos in the Commission on Higher Education section (Section 6) were not changed from those as recommended by the Senate. What follows is a description of several provisos of interest that were affected by the House amendment. Proviso 89.121, related to reporting for agencies, was a new proviso adopted by the House and amended by the Senate. The amended Senate version of this proviso was included. Other Senate versions of provisos of interest that were ultimately included in the budget as sent to the Governor include 89.125, which relates to the reporting of fines and fees; 89.126, which relates to requirements for submission of information by agencies for an information technology inventory, and 89.133 and 89.134, which encourage agencies to first consider TERI and contract employees if RIF Plans or mandatory furloughs are implemented. Provisos that had been recommended by the House initially and were then deleted in the budget as further amended by the House included: 89.109, which required agencies to consider first TERI employees in RIF Plan situations, 89.110, which was similar to 89.109 but applied to mandatory furloughs; and 89.111 which would have closed the TERI program to new participants. Proviso 89.130, which related to reporting of information for composite bank accounts, had been recommended by the Senate but was deleted from the budget as sent to the Governor.

***In the House –***

As reported above, the House considered the Senate budget recommendations on Tuesday. On Thursday, [H.4046](#), which would enable merit scholarships to be used at out-of-state institutions for pre-veterinary medicine majors provided no public institution offers the major, was introduced and referred to the House Ways and Means Committee. Also during the week, the House agreed with Senate amendments on [H.3616](#), which provides Enterprise Campus Authority for several of the State's technical colleges, and approved [S.700](#), a joint resolution to authorize the University of South Carolina to develop and construct a new facility for the Moore School of Business in the Innovista district on the Columbia Campus. As reported below, both bills were then enrolled for ratification. The House further amended [S.12](#), which would establish a SC Tax Realignment Commission for the purpose of reviewing and making recommendations regarding SC's tax system, and returned the bill to the Senate which nonconcurred and sent the bill to conference committee. The House also amended [S.593](#), relating to carrying of guns by concealed weapons permit holders onto school campuses in a locked compartment of a vehicle, and returned the bill to the Senate. Like the Senate, the House approved [H.4000](#), a sine die resolution, and also [S.577](#), a concurrent resolution concerning the receipt of the federal stimulus funds by the General Assembly should the Governor decline the funds.

***In the Senate –***

The Senate focused much of its activity during the week on [H.3301](#), relating to the regulation of payday lending, and on the budget as reported above. Like the House, the Senate also adopted [S.577](#), the concurrent resolution relating to the receipt of federal stimulus funds. The Senate had previously adopted the sine die resolution, H.4000. The Senate nonconcurred with House amendments on [S.12](#), relating to the establishment of a SC tax realignment commission, which sent the bill to conference committee.

***Other –***

On Tuesday, the Board of Economic Advisors met. They voted to leave the revenue estimates unchanged for the current fiscal year (FY 2008-09) and next fiscal year (FY 2009-10). It was indicated at the meeting that the State is on target for this year's estimate by a very narrow margin of \$30 million.

The House and Senate have both agreed to a current resolution, [H.4000](#), to end the session *sine die* next Thursday, May 21. The resolution includes a provision to return, if needed, in June.

[H.3616](#), which provides Enterprise Campus Authority for several of the State's technical colleges, was ratified and sent to the Governor on Wednesday.

[S.700](#), a joint resolution to authorize the University of South Carolina to develop and construct a new facility for the Moore School of Business in the Innovista district on the Columbia Campus was also passed during the week and was enrolled for ratification on Thursday.

[S.12](#), which would establish a SC Tax Realignment Commission for the purpose of reviewing and making recommendations regarding SC's tax system, was sent to conference committee to work out differences of the House and Senate.

**NOTE:**

**\*\* Bill numbers are linked to the SC General Assembly page. The link should go to the most recent version of the bill.**

**The above report is not intended to be all inclusive. For additional information on legislation referenced above and other legislation relating to higher education, see CHE's website at [Legislative Session 2009](#). Detailed information on the 2009 Session of the General Assembly may be access at [www.scstatehouse.gov](http://www.scstatehouse.gov) or from links included on CHE's website.**