

Summary Update Concerning Higher Education Regulatory Reform and Transparency Legislation (8/2/11)

SC Higher Education Efficiency and Administrative Policies Act (H.3410) was amended to S.172, SC Higher Education Transparency Act. The Conference Report on S.172, was considered and passed by the House and Senate on June 29, paving the way for the bill to be ratified (7/26) and sent to the Governor for consideration. The Governor signed the bill into law on August 1. Brief highlights of the key provisions as included in S.172 follow. A copy of the S.172 is available at http://www.scstatehouse.gov/sess119_2011-2012/bills/172.htm.

- Transparency:
 - Includes requirements for institutions to make public online expenditure registries
 - Includes requirements for institutions to post or link to posted information concerning procurement (credit card) expenditures (*Note: Since July 2010, state agencies and institutions of higher learning must provide links from their websites to information on credit card expenditures posted by the Comptroller General This provision was initially enacted through a budget provision applicable in FY10-11 and is put into permanent code with the passage of this legislation.*)
- Efficiency and Administrative Policies
 - Human Resources – Requirement for the Budget and Control Board (BCB) to participate with colleges to study, develop and recommend a separate and comprehensive Human Resources system for public colleges and technical colleges to be submitted by July 1, 2012 and not implemented until BCB has approved.
 - Facilities – Retains the current process (CHE, JBRC and BCB approvals) with increases to thresholds that define when a project must be established under the process (e.g. provides for BCB staff level review of acquisition of land or buildings up to \$250,000; increases threshold from \$500,000 to \$1 million for work on existing facilities or up to \$1 million for capital lease purchase of a facilities acquisition or construction or equipment that becomes a permanent fixture of a facility; sets the threshold for new construction at \$500,000.)
 - Procurement – Provides for increases to thresholds (which have not been changed for a number of years) for small purchases and construction services and small indefinite delivery contracts. Additionally, allows institutions (including technical colleges) to participate in multi-state contracts if demonstrate a cost savings to State Procurement Office.
 - A provision is included that allows institutions to enter into leases of up to \$100,000 before BCB involvement is required.
 - A provision is included relating to the hiring of attorneys retained for higher education.
 - A provision is included requiring a public vote (majority) be taken and recorded on any changes by an institution to tuition and fees. Technical colleges are further required to report approved changes to the State Technical College Board within 5 days.
 - A provision is included making permanent the inclusion of technical colleges in the agency head salary commission (by proviso now)

- Also included are provisions for a tiered system within technical colleges that is overseen by the State Technical College Board concerning the level of allowable authority for the technical colleges.

 - The bill also codifies several budget provisos that were found in violation of Senate Rule 24 and were consequently omitted from the FY11-12 budget. The provisions have been in existence for a number of years and include those concerning:
 - Allocation methodology for higher education excellence enhancement program (continue to allocate funds equally among qualified rather than by an allocation that is half by equal distribution and half by merit)
 - Allocation methodology for need-based grants (change implemented that provides for funds to be allocated by need (as defined by Pell Grant recipient enrollment) rather than student enrollment.
 - Reciprocal tuition provision for FDTC and training programs for Caterpillar Dealer Academy
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- *Note:*

There were several provisions that higher education had initially sought that were removed from the Conference Committee report prior to the bill's passage. These provisions which were not included are (1) a provision to allow for cost overruns of up to \$2 million or 10% without coming back for approval, (2) a ground lease provision for institutions with private entities; and (3) a provision to increase the allowable percent of discretionary fee waivers (from 4% to 8% with 4% dedicated to in-state) with report to CHE on the use of the provision.