

**Consideration of Operating Budget for the SmartState Program
Fiscal Year (FY) 2015-16**

Background

Attached is the SmartState Program's FY 2015-16 proposed operating budget. The SmartState Review Board voted at its meeting on April 16, 2015, to commend the operating budget favorably to the Commission for its approval. The Committee on Finance & Facilities considered the request favorably at its meeting on May 7, 2015.

The proposed operating budget for FY 2015-16 is \$647,013, an increase of \$6,809 over the \$640,204 budget approved in FY 2014-15. Categorically, it is similar to the current year's budget and remains within the limitations of the FY 2014-15 authorization of \$885,284 which has also been requested for FY 2015-16.

The increase in the operating budget is due to a 2% cost of living increase for program staff, which includes \$10,058 in personal services and \$3,017 in employer contributions. The budget also includes a decrease in office rent of \$6,266.

As required by statute, the operating budget must be submitted to the Commission for approval. The SmartState Review Board is charged with overseeing the SmartState Program and with annually providing the Commission on Higher Education with an operating budget that includes "all necessary funds for the prudent operation of the board..." (S.C. 2-75-70).

To date, the SmartState Review Board has awarded \$197.6 million for the creation of 51 Centers of Economic Excellence and 86 specialized endowed professorships.

Recommendation

The Committee on Finance & Facilities commends favorably to the Commission for approval the SmartState operating budget as recommended by the SmartState Review Board.



**S.C. CENTERS OF ECONOMIC EXCELLENCE: OPERATING BUDGET
FY 2015-16**

Object of Expenditure (SCEIS code in parentheses)	FY 2014 –15 Approved	FY 2015 - 16 Proposed	Increase/ [Decrease]
Personal Services (501)	\$86,355	\$96,413	\$10,058
Contractual Services (502)			
Auditor Contract	30,000	30,000	---
Consultants	10,000	10,000	—
Website Maintenance	7,200	7,200	—
Publishing	18,000	18,000	---
Other Contractual Services	68,400	68,400	---
Council of Chairs Activities	56,000	56,000	---
Council of Chairs (Scholarships)	----	—	---
Subtotal Contractual Services	\$189,600	\$189,600	---
Supplies / Equipment (503)	\$10,000	\$10,000	
Fixed Costs (504)			
Dues/Memberships	1,800	1,800	—
Equipment Leases	824	824	—
Facilities Rental	---	—	---
Liability Insurance	2,000	2,000	—
Office Rent	13,718	7,452	[\$6,266]
Subtotal Fixed Costs:	\$18,342	\$12,076	[\$6,266]
Staff Travel & Conferences (505)	\$10,000	\$10,000	—
Employer Contributions (513)	\$25,907	\$28,924	\$3,017
Inst. Admin. Asst. Funds (517)	\$300,000	\$300,000	—
SUBTOTAL OPERATING:	\$640,204	\$647,013	\$6,809

Note: The FY 2015-16 SmartState Program Operating Budget has been prepared and will be carried out so as to comply with the requirements of a proviso that has been included in the annual Appropriations Act since FY 2012-13 which states: "The Commission on Higher Education is prohibited from expending any source of funds on the marketing of the SmartState Program." The proviso, #11.12 in FY 2014-15, is expected to be continued in the upcoming FY 2015-16 Appropriations Act presently under consideration.