

## Notes on Governor's Budget Recommendations for FY 2016-17 for CHE and Higher Education

*CHE Staff Review, 1-18-2016 rev.*

The Governor released her Executive Budget for FY 2016-17 (FY17) on January 15, 2016.

A video of the press conference is available <https://www.youtube.com/watch?v=FAVMWGuyfmo>. A full text version of the detailed Executive Budget (710 pages) is available on the Governor's website at <http://www.governor.sc.gov/ExecutiveOffice/ExecutiveBudget/Pages/default.aspx>.

The Governor's budget focuses on five key themes: 1) Education (K-12), 2) Responsible Public Finance 3) Maintaining Public Safety, 4) Rebuilding South Carolina, and 5) Economic Development. (See Executive Budget, pages numbered 21-33.)

The following highlights recommendations (budget increases/decreases and nonrecurring funding) included in the Executive Budget for higher education.

### *State's 33 Public Colleges and Universities:*

- General Fund recurring appropriations for all colleges and universities remained level – there were no increases in recurring general fund revenues.
- \$4 million in one-time funding from the SC Education Lottery for fire suppression upgrades for Truth Hall at SC State University

### *Commission on Higher Education (CHE):*

- Provides recurring General Fund increase of \$230,000 for CHE requested data security needs
- Provides recurring General Fund Increase of \$245,212 for increase required for SREB programs
- Provides nonrecurring (one-time funds) of \$130,000 from Capital Reserve Fund for Agency Technology Needs
- Provides nonrecurring (one-time funds) of \$754,733 from Capital Reserve Fund for CHE Agency Fiscal Oversight/Transformation Plan
- Provides level funds for EIA-funded Centers of Excellence and Teacher Recruitment and for other programs funded through CHE's general fund budget

### *Scholarships and Grants:*

- Level funding for merit-programs, Tuition Grants, Need-based Grants and National Guard College Assistance Program. Funding for Lottery Tuition Assistance is \$47.4 million from SC Education Lottery which is \$3.7 million less than the \$51.1 million in appropriations provided in FY16.
- Continued \$5 million initiated in FY16 from the SC Education Lottery for Workforce Scholarships and Grants administered by State Board for Technical and Comprehensive Education (SBTCE).

### *Other new higher education student financial aid programs recommended:*

- New program recommended through the Department of Social Services to provide for tuition reimbursement and loan repayment to incentivize recruitment and retention of caseworkers and other critical need staff.
- New program recommended through State Department of Education to provide funding for a tuition repayment program for teacher recruitment and retention.

### *Other Higher Education Programs:*

- \$4 million recurring for SBTCE to support a workforce scholarship and grants program for high-need industries and professions
- \$1 million recurring for SBTCE toward the development of pathways to workforce among technical colleges.
- \$13,554,507 in one-time funds from Capital Reserve Fund for SBTCE to support ReadySC
- Provides \$1,283,053 for PASCAL from SC Education Lottery Proceeds (certified). \$1.5 million was requested for PASCAL and PASCAL received \$1,412,500 in FY16 from SC Education Lottery surplus.
- Provides \$5 million for SC Public 2-year and 4-year colleges and universities for lottery technology (In FY16, the appropriation received was \$7,354,250)
- Provides \$3 million from SC Education Lottery Unclaimed Prize Funds (certified) for the Higher Education Excellence Enhancement Program (In FY16, the appropriation was \$4,597,771)
- Redirects the Performance Improvement Pool funding line in CHE's budget which totals \$1,397,520 in Part 1A recurring General Funds to support Accountability Based Funding for the state's colleges and universities. Presently, funding on this line supports by proviso EPSCOR (80% of the appropriated funds) and SC State (20%) for management programs in the School of Business. A text of the amended proviso is not yet available.
- The recommendations do not include funds for state employee pay increases and does include \$26.2 million in funds to support increases in employer contributions for health plans