

## Legislative Updates of interest for Higher Education: Week of Apr 20-24, 2015

(Highlighted & bolded text is linked to source. Bill numbers go to the most recent version on the SC General Assembly website, [www.scstatehouse.gov](http://www.scstatehouse.gov). This report is not intended to be all inclusive. For additional information on the 2015 session, see SC General Assembly website. For information reports on CHE's website, [Click Here](#))

### In the House

- On Wednesday, the House Education and Public Works Committee Higher Education Subcommittee met and considered [S.391](#) relating to in-state tuition for nonresident military veterans and on [H.3170](#) which relates to authority for program approval of certain applied associate degree programs of the technical colleges. The subcommittee voted to move S.391 to the full Committee favorably without amendment. After testimony on H.3170 from CHE and the Technical College System, the Committee voted to move the bill to full Committee. It was discussed that CHE and the Technical College System were in conversation about the current approval process that would further expedite the approvals and would not require legislation.
  - House Education and Public Works met later on Wednesday and passed out to the House for consideration S.391. It adjourned debate on H.3170, leaving the bill in Committee as the two agencies worked through a resolution. Also considered was [H.3151](#) relating to the teaching of foundation documents by public colleges and universities. Before voting to pass the bill as amended out of committee for consideration of the House, the Committee adopted amendments of the subcommittee and others proposed at the committee meeting that provide clarification regarding application and compliance requirements relating to instruction for K-12 and higher education.
  - [H.3663](#) relating to the removal and replacement of the SC State Board of Trustees was amended by the House and returned to the Senate.
  - The House received committee reports on [H.3534](#) that proposes to add Clinton College as eligible to participate in the Higher Education Excellence Enhancement Program (HEEEP) and [H.3353](#) that proposes the creation of pilot programs for GED attainment. On Wednesday, H.3534 received second reading after being further amended by the House and by the end of the week was approved and sent to the Senate for consideration. H.3353 received third reading by the end of the week and was sent to the Senate for consideration.
- [H.4006](#) relating to clarification of the NC and SC boundary which had been placed on the calendar without reference during the previous week was referred to House Judiciary on Thursday. In addition to the boundary clarification, various provisions are included regarding affected entities and individuals. A provision is included relating to higher education residency for tuition and fee purposes. A companion bill, [S.667](#), is under consideration in the Senate
- [H.3539](#), the James B. Edwards Civics Education Bill, which would require high school students to take the US citizenship test was amended, given second reading on Wednesday, and by the end of the week was approved and sent to the Senate.
- [S.11](#) relating to FOIA and open meeting requirements was reported out of House Judiciary and placed on the House Calendar for consideration.
- [H.3747](#) regarding scholarship grants for law enforcement was recalled from House Judiciary and referred to House Education.
- Introduced in the House:*
- [H.4042](#) requiring successful completion of three high school-level virtual learning credit units for high school graduation was introduced. (Sponsor: Rep Atwater. Referred to: House Education and Public Works)

### In the Senate

- *Budget Update:* Senate Finance Committee met on Wednesday and finalized its recommendations for report to the Senate on the state's FY 2015-16 budget bills (General Appropriations Bill ([H.3701](#)) and Capital Reserve Fund Bill ([H.3702](#))) during the week. The bills will be prepared for report to the Senate, and it is expected that the full Senate will begin its deliberations on Monday, May 4. Spreadsheets considered and adopted by the Committee are available [HERE](#) (see April 22, H.3701 and H.3702). A brief summary highlighting recommendations for higher education is found at the end of this report.

- [H.3663](#) relating to the removal and replacement of the SC State Board of Trustees was amended and sent to the House for consideration.
- [S.667](#) relating to clarification of the NC and SC boundary was given second reading after being recalled from Senate Judiciary. In addition to the boundary clarification, various provisions are included regarding affected entities and individuals. A provision is included relating to higher education residency for tuition and fee purposes. A companion bill, [H.4006](#), is under consideration in the House.

*Introduced in the Senate:*

- [S.685](#) relating to requirements for the regulation of professional engineers and surveyors. (Sponsors: Leatherman, Alexander, Campbell, S. Martin, Nicholson and O'Dell. Referred to: Senate Labor, Commerce and Industry.)
- [S.695](#) relating to in-state tuition assessment to enable certain SC institutions to offer in-state rates to students from Georgia and North Carolina and provide for limitations. (Sponsor: Scott. Referred to: Senate Education.)
- [H.3539](#), the James B. Edwards Civics Education Bill, which would require high school students to take the US citizenship test was received from the House and referred to Senate Education.

**NOTES ON SENATE FINANCE COMMITTEE FY 2015-16 BUDGET RECOMMENDATIONS FOR CHE AND HIGHER EDUCATION  
(REPORT AS OF 5/2/2015)**

The full Senate Finance Committee (SFC) met during the weeks of April 13<sup>th</sup> and 20<sup>th</sup> to consider budget recommendations. Recommendations were approved by SFC as of Wednesday (April 22). Described briefly below for higher education are highlights of budget increases/decreases for recurring base funds and one-time (non-recurring) funds recommended by SFC. The report is based on recommendations from the budget bills as introduced in the Senate and posted on line during the week of April 27<sup>th</sup>. Information is subject to change as the budget bills move through the process.

*(For a copy of the committee's spreadsheets, [Click Here](#) and access under April 22 H.3701 for the Appropriations Act and H.3702 for Capital Reserve Fund bill and Bond Bill. For the budget documents as posted and introduced for consideration of the Senate, [Click Here](#))*

**Commission on Higher Education (CHE)**

- Recommends the restoration of funding of CHE in the budget.
- Restored and increased by \$85,000 CHE administrative funds that had been provided through the lottery expenditure proviso to administer scholarship programs. The increased funds were included in light of CHE's request for additional funds for an audit position for scholarships and grants.)
- Provides requested increase of \$181,640 to support contract and SREB programs at current participation levels.
- Does not support CHE requests for \$95,000 to support data security and IT needs resulting from increases in state-mandated requirements; CHE's requested Innovations for Student Affordability initiative for institutional projects; or Governor's Professor of the Year.
- Provides funding for PASCAL at \$1.5 million as an item to be funded with anticipated excess FY15 lottery proceeds. PASCAL is included among several other items and will be funded on a pro rata basis should funds not be fully realized. Other: PASCAL also receives base funding of \$179,179 which continues to be included. A requested adjustment to other fund authorization (net decrease of \$500,000) was made.
- Establishes a fund for purposes of providing relief to institutions for anticipated new requirements to be enacted that will require in-state tuition rates to be provided for certain out-of-state veterans. The fund is established with an appropriation of \$7M from the Capital

Reserve Fund and \$3M from available carry-over from the SC National Guard College Assistance Program which is being re-directed and will not affect the program. The SC National Guard College Assistance Program continues to be funded at requested level-funding (see scholarships and grants below).

- Adjusts other funds as requested: 1) remove \$1.9M in authorization for the federal GAGC grant which ended in 2014; 2) removes non-existent funding authorized of \$4M for Need-Based grants; and 3) increases authorization for College Goal Sunday as requested by \$6,000.
- Does not provide any new funds for SmartState. SmartState was last funded in FY08.

**Institutions:**

- \$17.3M in new recurring funds for selected projects across institutions and the technical college system (\$10.6M universities and \$6.7M technical college system)
- \$11.2M in nonrecurring surplus funds spread across several universities and the technical college system and colleges.
- \$25.9M of the \$84M in recommended expenditures from the Capital Reserve Fund bill including funding for various projects across selected institutions and the technical college system office.
- \$221.7M in General Obligation Bond Funds of \$236.7M in such expenditures. The Bond Bill funds were included as part 2 of the Capital Reserve Fund bill. Included in the Bond Bill is \$91M for technical colleges, \$130.7M for universities, and \$15M for SC Armories.

**Scholarship and Grant Programs:**

Scholarship and grant programs include funding from lottery and general fund budget sources. Senate Finance Committee recommendations for scholarships and grants totaled \$376M in appropriations which support:

- Full-funding of merit-based scholarship programs including increases in lottery funds for Palmetto Fellows, LIFE, and HOPE. Total funding from all sources is \$265M with an increase from prior year initial appropriations of \$7.5M included. Like House recommendations, \$24.5M for LIFE in recurring State General Funds was shifted to the lottery.
- Supports level funding as compared to FY15 for Need-Based Grants (includes \$12M recurring, \$13M lottery and \$2.6M nonrecurring)
- Level funding for SC National Guard College Assistance Program (\$4,545,000 in lottery and \$89,968 in recurring funds)
- Increase of \$2M for Lottery Tuition Assistance (Total funding includes \$47.4M from Lottery, \$1.7M from recurring General Funds, and \$2M from nonrecurring funds.)
- Increases SC Tuition Grants funding by \$136,772 in recurring funds to support requested increase in grants per student of \$100. \$31.8M)

**Lottery:**

In FY15 (this year), the General Assembly appropriated \$354M in certified lottery proceeds, certified unclaimed prize funds, and excess or surplus lottery funds for higher education and K-12 programs with 80% to higher education and 20% to K-12.

For FY16, available lottery dollars recommended by Senate Finance are based on BEA estimates that include a total of \$315.9M in appropriations from certified proceeds (\$301M) and unclaimed prize funds (\$15M). Of these funds, recommended higher education appropriations total \$299M including:

- Full funding of merit-based scholarship programs (Palmetto Fellows, LIFE, and HOPE) for growth (\$7.5M increase required to fully fund. \$24.5M shifted to the lottery from general funds for LIFE.)
- Level Lottery Funding for Need-based grants at \$13M, Lottery Tuition Assistance (2-year) at \$47.4M (additional \$3.7M funding from recurring and nonrecurring sources), SC National Guard CAP at \$4,545,000, and Tuition Grants at \$8M

- \$2.5M for SC State which has been received since the inception of the lottery and had not been included in House recommendations.
- Funding for Technology Grants for 2- & 4-year Public Institutions which had not been funded in the House is included at \$2,558,679 from lottery proceeds and \$2,500,000 from anticipated FY15 surplus lottery proceeds to be funded on a pro rata basis if not fully realized. Additionally, \$3M from the Capital Reserve Fund is recommended. (In FY15, lottery technology grants were funded at \$7.4M)
- Higher Education Excellence Enhancement Program at \$4,636,137 including \$2.95M from FY16 lottery proceeds, \$1,028,053 from anticipated excess FY15 lottery proceeds, and \$658,084 from anticipated FY15 surplus lottery proceeds to be funded on a pro rata basis if not fully realized. (Funding in FY15 totaled \$4.3M).
- PASCAL as noted above is funding from anticipated excess FY15 lottery proceeds on a pro-rata basis.

For a copy of the full text of the FY16 lottery expenditure proviso, [Click Here](#) and see Proviso 3.6.

### **Provisos**

A comparison of House and Senate Finance Committee recommended Part 1B FY16 Budget Provisos follows below. For full text of Senate Finance Committee Recommendations, see [http://www.scstatehouse.gov/sess121\\_2015-2016/appropriations2015/sfb15ndx.php](http://www.scstatehouse.gov/sess121_2015-2016/appropriations2015/sfb15ndx.php). (Provisos are numbered by Section # followed by Proviso #, e.g. 3.1 is Section 3 number 1.)

CHE requested technical changes to update provisos that were made including the deletion of 11.14 (SC National Guard College Assistance Program) which was codified in 2014 and a technical change to 11.7 (Performance Improvement Pool) to update an obsolete reference. CHE requested a new proviso relating to SmartState and authorization of matching funds which Senate Finance recommended.

<b>HOUSE FY16 Part 1B</b>	<b>Senate Finance as of 4/16/2015</b>
3.1. (LEA: Audit) <b>Amend</b>	3.1. (LEA: Audit) <b>Amend Further</b>
3.2. (LEA: Technology Lottery Funds) <b>DELETE</b>	3.2. (LEA: Technology Lottery Funds) <b>Adopt Deletion</b>
3.4 (FY15 Lottery Funding) <b>Technical Deletion</b>	3.4 (FY15 Lottery Funding) <b>Technical Deletion</b>
3.5. (LEA: Higher Education Allocations) <b>Add New Proviso</b>	3.5. (LEA: Higher Education Allocations) <b>Delete New Proviso</b>
3.6 (FY16 Lottery Funding) <b>Provides for Expenditures of Lottery Funds</b>	3.6 (FY16 Lottery Funding) <b>Provides for Expenditures of Lottery Funds</b>
3.7. (LEA: Higher Education Excellence Enhancement Program Additions) <b>Add new proviso (same as proviso in CHE section)</b>	3.7. (LEA: Higher Education Excellence Enhancement Program Additions) <b>Delete New Proviso and restore existing proviso in CHE Section 11</b>
11.1. (CHE: Contract for Services Program Fees) <b>Amend to delete CHE</b>	11.1. (CHE: Contract for Services Program Fees) <b>Restore Original Proviso</b>
11.2. (CHE: Out-of-State School of the Arts) <b>Delete</b>	11.2. (CHE: Out-of-State School of the Arts) <b>Reinsert and amend to include FY</b>
11.3. (CHE: African-American Loan Program) <b>Amend to delete CHE</b>	11.3. (CHE: African-American Loan Program) <b>Restore Original Proviso</b>
11.4. (CHE: GEAR-UP) <b>Amend to delete CHE</b>	11.4. (CHE: GEAR-UP) <b>Restore Original Proviso</b>
11.5. (CHE: EPSCoR Committee Representation) <b>Amend to delete CHE</b>	11.5. (CHE: EPSCoR Committee Representation) <b>Restore Original Proviso</b>

HOUSE FY16 Part 1B	Senate Finance as of 4/16/2015
11.6. (CHE: SREB Funds Exempt From Budget Cut) No Change	11.6. (CHE: SREB Funds Exempt From Budget Cut) No Change
11.7. (CHE: Performance Improvement Pool Allocation) Amend per CHE request	11.7. (CHE: Performance Improvement Pool Allocation) Adopt as Amended
11.8. (CHE: Troop-to-Teachers) Amend to delete CHE	11.8. (CHE: Troop-to-Teachers) Restore Original Proviso
11.9. (CHE: Need-Based Grants for Foster Youth) Amend to delete CHE	11.9. (CHE: Need-Based Grants for Foster Youth) Restore Original Proviso
11.10. (CHE: Tuition Age) Amend to delete CHE	11.10. (CHE: Tuition Age) Restore Original
11.11. (CHE: LIFE and Palmetto Fellows Enhancement Stipends) Amend to delete CHE	11.11. (CHE: LIFE and Palmetto Fellows Enhancement Stipends) Restore Original
11.12. (CHE: SmartState) No Change	11.12. (CHE: SmartState) No Change
11.13. (CHE: Higher Education Excellence Enhancement Program Additions) Delete and reinsert under 3.7	11.13. (CHE: Higher Education Excellence Enhancement Program Additions) Reinsert
11.14. (CHE: SCNG CAP Carry Forward) Deleted as proviso was codified in prior year	11.14. (CHE: SCNG CAP Carry Forward) Adopt Deletion
11.15. (CHE: College Transition Need-Based Grants) Amend to delete CHE	11.15. (CHE: College Transition Need-Based Grants) Restore Original Proviso
11.16. (CHE: Mission, Ethics and Values Statements) Delete	11.16. (CHE: Mission, Ethics and Values Statements) Adopt Deletion
11.17. (CHE: Distribution of Materials on College Campuses) Delete	11.17. (CHE: Distribution of Materials on College Campuses) Adopt Deletion
11.18. (CHE: Required Reading Material Reporting) Delete	11.18. (CHE: Required Reading Material Reporting) Adopt Deletion
11.19. (CHE: Scholarship Awards) Move provision from lottery proviso to separate provision within CHE section.	11.19. (CHE: Scholarship Awards) Adopt and further amend to provide for technical correction consistent with CHE program policy guidelines that were adopted.
11.20. (CHE: Transferability) Deleted. See proviso 11.35 below	
11.21. (CHE: Other Funds Expenditure Authorization) New Proviso	11.21. (CHE: Other Funds Expenditure Authorization) Delete New Proviso
11.22. (CHE: Graduation Data) New Proviso	11.22. (CHE: Graduation Data) Delete New Proviso
11.23. (CHE: Equalizing In-State Tuition) New Proviso	11.23. (CHE: Equalizing In-State Tuition) Delete New Proviso
11.24. (CHE: Student Debt) New Proviso	11.24. (CHE: Student Debt) Delete New Proviso
11.25. (CHE: Other Funded FTE Revenue) New Proviso	11.25. (CHE: Other Funded FTE Revenue) Delete New Proviso
11.26. (CHE: Federal and Other Fund Compensation Increase Exemption) New Proviso	11.26. (CHE: Federal and Other Fund Compensation Increase Exemption) Delete New Proviso
11.27. (CHE: Remit Endowed Chairs Commerce Awards Funds) New Proviso	11.27. (CHE: Remit Endowed Chairs Commerce Awards Funds) Delete New Proviso
11.28. (CHE: 4% Waivers) New Proviso	11.28. (CHE: 4% Waivers) Delete New Proviso
11.29. (CHE: Abatements) New Proviso	11.29. (CHE: Abatements) Amend New Proviso Further.
11.30. (CHE: Outstanding Institutional Debt) New Proviso	11.30. (CHE: Outstanding Institutional Debt) Delete New Proviso
11.31. (CHE: Personal Finances Curriculum) New Proviso	11.31. (CHE: Personal Finances Curriculum) Delete New Proviso
11.32. (CHE: Uniform Acceptance Letter Deadline) Deleted. See Proviso 11.36 Below	

HOUSE FY16 Part 1B	Senate Finance as of 4/16/2015
11.33. (CHE: Comprehensive Academic Program Evaluation) Deleted. See Proviso 11.36 Below	
11.34. (CHE: Higher Education Continuous Improvement Goals) Deleted. See Proviso 11.36 Below	
11.35. (CHE: Transferability) New Proviso	11.35. (CHE: Transferability) Amend New Proviso
11.36. (CHE: Uniform Acceptance Letter Deadline) New Proviso	11.36. (CHE: Uniform Acceptance Letter Deadline) Delete New Proviso
11.37. (CHE: Comprehensive Academic Program Evaluation) New Proviso	11.37. (CHE: Comprehensive Academic Program Evaluation) Delete New Proviso
11.38. (CHE: Higher Education Continuous Improvement Goals) New Proviso	11.38. (CHE: Higher Education Continuous Improvement Goals) Delete New Proviso
N/A	11.39. (CHE: SmartState Draw Down) New Proviso
N/A	11.40. (CHE: Higher Education Safe Campus Task Force) New Proviso
14.1. (CU: Travel Advances and Subsistence Expenses) Delete Proviso	14.1. (CU: Travel Advances and Subsistence Expenses) Adopt Deletion
14.2. (CU: Electrical Infrastructure) New Proviso	14.2. (CU: Electrical Infrastructure) Adopt New Proviso
19.1. (SCSU: BRIDGE Program) Delete Proviso	19.1. (SCSU: BRIDGE Program) Adopt Deletion
	19.2. (SCSU: Blue Ribbon Advisory Committee) Delete Existing
19.3. (SCSU: Interim Governing Authority and Control) New Proviso	19.3. (SCSU: Interim Governing Authority and Control) Delete New Proviso
	19.4. (SCSU: Loan Funds) Add new proviso regarding loans provided previously
20.4. (USC: Energy-Related Economic Development) Delete Proviso	20.4. (USC: Energy-Related Economic Development) Adopt Deletion
20.3 (USC Child Abuse Medical Response Program) Conform to Funding	20.3 (USC Child Abuse Medical Response Program) Conform to Funding
20.5. (USC: Palmetto College - Operating) New Proviso relative to allocation through USC for USC 2-year regional campuses.	20.5. (USC: Palmetto College - Operating) Deleted
25.1. (TEC: Training of New & Expanding Industry) Amended to change CATT to readySC	25.1. (TEC: Training of New & Expanding Industry) Adopt Proviso as Amended
25.6. (TEC: Aeronautics Training Center) New Proviso	25.6. (TEC: Aeronautics Training Center) Adopt New Proviso
25.7. (TEC: Governance) New Proviso	25.7. (TEC: Governance) Delete New Proviso
93.18. (DOA: Compensation - Reporting of Supplemental Salaries) Amend Existing	93.18. (DOA: Compensation - Reporting of Supplemental Salaries) Amend further
N/A	98.vt (TREAS: Out of State Veteran Tuition Differential Reimbursement Fund) Adopt New Proviso
117.5 (GP: Allowance for Residences & Compensation Restrictions) No Change	117.5 (GP: Allowance for Residences & Compensation Restrictions) Amend proviso
117.55. (GP: Employee Bonuses) Amend existing proviso	117.55. (GP: Employee Bonuses) Restore Original Proviso
117.62. (GP: LightRail) Delete	117.62. (GP: LightRail) Adopt Deletion
117.73. (GP: Printed Report Requirements) Amend to update Fiscal Year of applicability	117.73. (GP: Printed Report Requirements) Adopt Amended