
**South Carolina
Commission on Higher Education**



**FY 2016-17 Budget Presentation
to the
SC Senate Finance Committee
Higher Education Subcommittee**

**The Honorable John E. Courson, Chair
The Honorable Darrell Jackson
The Honorable John L. Scott, Jr.
The Honorable Daniel B. "Danny" Verdin, III**

March 17, 2016

**Mr. Gary S. Glenn
Interim Executive Director**

(Intentionally Blank)

SWOT Key - Staff Review Statutory Authority

as of review 3-2-2016

# Sort	Statute	Authority Type	Pg from A.Hill Doc	Functional Responsibility					Status			Priority	Recommendation		
	(Note: Proviso # FY16 and not re- numbered FY17.)	Coordination Commentary Financial		GEN	AA	FA	SA	EA	Yes	No	Partial		Keep	Delete	Amend
1	59-103-15	Coordination	1	X					Yes				X		
2	59-103-20 - part 1	Coordination	4	X					Yes				X		
3	59-103-20 - part 2	Coordination	4	X						No		High	X		
4	59-103-20 - a	Coordination	4	X					Yes				X		
5	59-103-20 - b	Coordination	4			X					Partial	High	X		
6	59-103-20 - c	Coordination	4		X						Partial	High	X		
7	59-103-20 - d	Coordination	4		X						Partial	High	X		
8	59-103-20 - e	Coordination	5	X							Partial	High	X		
9	59-103-25 - part 1	Coordination	5					X			Partial	High	X		
10	59-103-25 - part 2	Coordination	5					X	Yes				X		
11	59-103-36	Coordination	5				X			No				X	
12	59-103-40 - part 1	Coordination	6	X					Yes						X
13	59-103-40 - part 2	Coordination	6	X						No		High	X		
14	59-103-45(1)	Coordination / See also Financial	7		X				Yes				X		
15	59-103-45(2)	Coordination / See also Financial	7		X				Yes				X		
16	59-103-45(3)	Coordination / See also Financial	7		X				Yes						X
17	59-103-45(4) a	Coordination / See also Financial	7			X					Partial	High	X		
18	59-103-45(4) b	Coordination / See also Financial	7			X			Yes				X		
19	59-103-45(4) c	Coordination / See also Financial	8			X			Yes				X		
20	59-103-45(4) d	Coordination / See also Financial	8			X			Yes				X		
21	59-103-45(5)	Coordination / See also Financial	8	X					Yes				X		
22	59-103-45(6)	Coordination	8		X				Yes				X		
23	59-103-45(7)	Coordination	9				X			No		High	X		
24	59-103-50	Coordination	9	X							Partial			X	
25	59-103-55	Coordination	9	X							Partial	High	X		
26	59-103-90	Coordination	10	X					Yes				X		
27	59-103-160	Coordination	11		X					No					X
28	59-103-165	Coordination	12				X		Yes						X
29	59-103-170	Coordination	12				X		Yes					X	
30	59-103-180	Coordination	13				X		Yes						X
31	59-103-195	Coordination	14		X				Yes				X		
32	59-104-10 a	Coordination	14		X				Yes				X		
33	59-104-10 b	Coordination	15		X					No		High	X		
34	59-104-20	Coordination	16				X		Yes						X

Tab 4 1 - Statutory Authority CHE Excel SWOT Key 2016-03-02

SWOT Key - Staff Review Statutory Authority

as of review 3-2-2016

# Sort	Statute	Authority Type	Pg from A.Hill Doc	Functional Responsibility					Status			Priority	Recommendation		
	(Note: Proviso # FY16 and not re- numbered FY17.)	Coordination Commentary Financial		GEN	AA	FA	SA	EA	Yes	No	Partial		Keep	Delete	Amend
35	59-104-25 a	Coordination	20				X		Yes				X		
36	59-104-25 b	Coordination	21		X				Yes				X		
37	59-104-25 c	Coordination	21				X		Yes				X		
38	59-104-25 d	Coordination	21				X		Yes				X		
39	59-104-30	Coordination	22		X						Partial	High			X
40	59-104-40	Coordination	22		X				Yes					X	
41	59-104-220	Coordination / See also Financial	23		X					No		High	X		
42	59-104-260	Coordination	23		X				Yes				X		
43	59-104-610	Coordination	24	X					Yes				X		
44	59-104-620	Coordination	25	X						No				X	
45	59-104-630	Coordination	25	X						No			X		
46	59-104-640	Coordination	25	X						No				X	
47	59-104-650	Coordination	26		X						Partial	High	X		
48	59-104-660	Coordination	27		X					No		High	X		
49	59-114-30	Coordination	28				X		Yes				X		
50	59-114-40	Coordination	28				X		Yes				X		
51	59-114-65	Coordination	29				X		Yes				X		
52	59-114-75	Coordination	30				X		Yes				X		
53	59-142-20	Coordination	30				X		Yes						X
54	59-58-30	Coordination	31		X				Yes				X		
55	59-58-40	Coordination / See also Financial	33		X				Yes				X		
56	59-58-50	Coordination / See also Financial	35		X				Yes				X		
57	59-58-60	Coordination	36		X				Yes				X		
58	2-77-20	Coordination / See also Financial	37			X			Yes				X		
59	8-17-380	Coordination	38		X					No					X
60	11-51-190	Coordination	39			X			Yes				X		
61	59-101-350	Coordination	39					X		No					X
62	59-112-100	Coordination	43				X		Yes				X		
63	59-118-90	Coordination	43			X			Yes				X		
64	59-149-140	Coordination	44			X			Yes				X		
65	Proviso 11.5	Coordination	44			X			Yes				X		
66	Proviso 11.7	Coordination	44			X			Yes				X		
67	Proviso 11.9	Coordination	44				X		Yes				X		
68	Proviso 11.11	Coordination	45				X		Yes				X		

Tab 4 1 - Statutory Authority CHE Excel SWOT Key 2016-03-02

SWOT Key - Staff Review Statutory Authority

as of review 3-2-2016

# Sort	Statute	Authority Type	Pg from A.Hill Doc	Functional Responsibility					Status			Priority	Recommendation		
	(Note: Proviso # FY16 and not re- numbered FY17.)	Coordination Commentary Financial		GEN	AA	FA	SA	EA	Yes	No	Partial		Keep	Delete	Amend
69	Proviso 11.12	Coordination	45					X	Yes				X		
70	Proviso 11.15	Coordination	45				X		Yes				X		
71	Proviso 11.19	Coordination	46				X		Yes						X
72	Proviso 11.25	Coordination	47			X				No		High	X		
73	Proviso 11.29	Coordination	47			X			Yes				X		
74	Proviso 11.30	Coordination	47			X			Yes				X		
75	Proviso 11.35	Coordination	48		X				Yes				X		
76	Proviso 1A.58	Coordination	48				X		Yes				X		
77	Proviso 1A.78	Coordination	49		X				Yes				X		
78	Proviso 117.64	Coordination	50				X			No				X	
79	Proviso 117.73	Coordination	51					X	Yes				X		
80	Proviso 117.131	Coordination	51			X			Yes					X	
81	Proviso 1.17	Coordination	53			X			Yes				X		
82	Proviso 20.5	Coordination	54			X			Yes					X	
83	59-59-190	Coordination	54					X			Partial	High			X
84	59-59-210	Coordination	55		X				Yes						X
85	59-26-20 a	Coordination	56		X				Yes				X		
86	59-26-20 b	Coordination	57		X					No		High	X		
87	59-26-20 c	Coordination	57		X					No		High	X		
88	59-26-20 d	Coordination	57		X						Partial	High	X		
89	59-26-20 e	Coordination	57		X						Partial	High	X		
90	59-26-20 h	Coordination	58		X						Partial	High	X		
91	59-26-20 i	Coordination	58		X						Partial	High	X		
92	59-26-20j	Coordination	59				X		Yes				X		
93	59-26-20k	Coordination	62		X						Partial	High	X		
94	59-26-20l	Coordination	62		X						Partial	High	X		
95	59-26-20m	Coordination	62		X						Partial	High	X		
96	59-26-20n	Coordination	62				X				Partial	High	X		
97	59-150-360	Coordination	64				X		Yes				X		
98	59-150-370	Coordination	66				X		Yes				X		
99	59-103-30	Commentary	68			X				No		High	X		
100	59-103-35 part 1	Commentary / See also Financial	70			X				No		High			X
101	59-103-35 part 2	Commentary / See also Financial	71		X				Yes						X
102	59-103-60	Commentary	72	X							Partial	High			X

Tab 4 1 - Statutory Authority CHE Excel SWOT Key 2016-03-02

SWOT Key - Staff Review Statutory Authority

as of review 3-2-2016

# Sort	Statute	Authority Type	Pg from A.Hill Doc	Functional Responsibility					Status			Priority	Recommendation		
	(Note: Proviso # FY16 and not re- numbered FY17.)	Coordination Commentary Financial		GEN	AA	FA	SA	EA	Yes	No	Partial		Keep	Delete	Amend
103	59-103-70	Commentary	73					X		No		High	X		
104	59-103-130	Commentary	73		X					No		High	X		
105	59-101-190	Commentary	73		X					No		High			X
106	2-47-40	Commentary	75			X			Yes						X
107	2-47-55	Commentary	77			X			Yes				X		
108	59-54-20	Commentary	77		X					No					X
109	59-105-60	Commentary	79				X		Yes						X
110	59-111-330	Commentary	79				X		Yes				X		
111	Proviso 11.41	Commentary	80				X				Partial			X	
112	Proviso 3.1 part 1	Commentary	81			X			Yes				X		
113	Proviso 3.1 part 2	Commentary	82				X				Partial	High	X		
114	59-150-325	Commentary	83	X					Yes				X		
115	59-113-10	Commentary	84	X					Yes				X		
116	13-17-40	Commentary	85	X					Yes				X		
117	59-50-20	Commentary	88	X					Yes				X		
118	59-48-20	Commentary	88	X					Yes				X		
119	59-53-40	Commentary	90		X						Partial	High			X
120	12-6-3385	Commentary	91				X		Yes				X		
121	48-52-865	Commentary	93	X					Yes				X		
122	59-103-65	Financial	96	X					Yes				X		
123	59-103-80	Financial	96			X			Yes						X
124	59-103-110	Financial	96			X			Yes				X		
125	59-103-120	Financial	97		X				Yes					X	
126	59-103-140	Financial	98		X				Yes				X		
127	59-103-162	Financial	98			X				No					X
128	59-104-230	Financial	99		X					No				X	
129	59-104-250	Financial	100		X				Yes					X	
130	59-104-410	Financial	100			X				No				X	
131	59-104-420	Financial	101			X				No				X	
132	59-104-430	Financial	101			X				No				X	
133	59-104-440	Financial	102			X				No				X	
134	59-101-150	Financial / Also see Commentary	102		X				Yes						X
135	59-101-340	Financial	103		X					No				X	
136	59-101-345	Financial	104			X				No					X

Tab 4 1 - Statutory Authority CHE Excel SWOT Key 2016-03-02

SWOT Key - Staff Review Statutory Authority

as of review 3-2-2016

# Sort	Statute	Authority Type	Pg from A.Hill Doc	Functional Responsibility					Status			Priority	Recommendation		
	(Note: Proviso # FY16 and not re- numbered FY17.)	Coordination Commentary Financial		GEN	AA	FA	SA	EA	Yes	No	Partial		Keep	Delete	Amend
137	59-101-360	Financial	104			X				No			X		
138	59-58-70	Financial	106		X				Yes				X		
139	59-58-80	Financial	106		X				Yes				X		
140	59-58-90	Financial	108		X				Yes				X		
141	59-58-100	Financial	108		X				Yes				X		
142	59-58-110	Financial	109		X				Yes				X		
143	59-58-120	Financial	109		X				Yes				X		
144	59-58-130	Financial	110		X				Yes				X		
145	59-143-30	Financial	111				X				Partial			X	
146	2-75-10	Financial	113					X	Yes				X		
147	2-75-70	Financial	115					X	Yes				X		
148	11-51-125	Financial	115			X			Yes				X		
149	59-110-20 part 1	Financial	117			X			Yes				X		
150	59-110-20 part 2	Financial	117		X				Yes				X		
151	59-150-375	Financial	117				X		Yes				X		
152	59-118-100	Financial	118			X			Yes				X		
153	59-104-210	Financial	118		X					No			X		
154	59-104-240	Financial	118			X				No				X	
155	59-150-380	Financial	119		X				Yes				X		
156	Proviso 11.1	Financial	120					X	Yes				X		
157	Provisos 11.3	Financial	120				X		Yes				X		
158	Proviso 11.4	Financial	121				X		Yes				X		
159	Proviso 11.42	Financial	121				X		Yes				X		
160	Proviso 3.8	Financial	122			X			Yes					X	
161	Proviso 1A.7 part 1	Financial	122			X			Yes				X		
162	Proviso 1A.7 part 2	Financial	123				X				Partial	High	X		
163	Proviso 3.6	Financial	124			X			Yes						X

23	56	38	36	10	104	34	25	36	116	21	26
----	----	----	----	----	-----	----	----	----	-----	----	----

STATUS NOT YET ASSIGNED

23

64% 21% 15%

Recommendation not yet Determined

0 0 0

(Intentionally Blank)

Commission on Higher Education

Recurring Discretionary Funding Available in FY 2015-16

FY 2015-16 Budget	\$357,828,614	
Scholarships / Scholarship Administration (88%)	(314,788,947)	
Directed to Other Agencies / Entities (9%)	(33,187,990)	
Program Specific Appropriations / Federal Awards (2%)	(7,631,798)	Available
Salary and Employer Contributions	(1,934,359)	in FY 2007-
Operational Support	285,520	08
		<u>448,217</u>
State Portion of Building Rent	(118,469)	
State Portion of Phone	(10,535)	
Net Discretionary Funds	\$156,516	

Scholarships / Scholarship Administration

SREB Contract Programs	3,948,914
LIFE	200,106,098
Palmetto Fellows	59,827,986
HOPE	8,874,433
Need-based Grants	29,929,867
Scholarship Administration	424,505
LTA	3,510,874
National Guard CAP	5,166,270
Veteran's Tuition Differential	3,000,000
Total Scholarships / Scholarship Administration	314,788,947
Directed to Other Agencies / Entities	
PASCAL	7,695,060
SmartState	2,610,247
University Center of Greenville	1,929,289
Academic Endowment	160,592
EPSCoR	1,279,330
SC State University	279,504
African American Loan Program	119,300
Allocations to Coker & Clinton	94,168
Lottery Technology	7,354,190
Lottery Maintenance Needs	2,825,028
HEEEP	4,597,755
EIA Teacher Recruitment	4,243,527
Total Directed to Other Agencies / Entities	33,187,990
Program Specific / Federal Awards	
Licensing	354,299
EEDA	1,191,940
EIA Centers of Excellence	1,137,526
ITQ	753,842
SAA	308,813
GearUp	3,844,378
College Goal SC	41,000
Total Program Specific / Federal Awards	7,631,798

(Intentionally Blank)

SUPPORT OF CHE AGENCY NEEDS IN MEETING CORE MISSION CRITICAL FUNCTIONS

AGENCY OPERATING SUPPORT FOR CORE MISSION FUNCTIONS \$2,152,700 Recurring Increase

CHE is requesting an increase in operating funds for the agency to carry out its core mission functions including:

1) Agency Staffing Needs Increase of CHE State-funded FTE by 16 from 26.7 to 42.7 \$1,572,700

- Salaries for 16 new FTEs to support financial and academic activities relating to budget, capital project, and academic program review. \$1,109,000
- Employer Contributions for 16 new FTEs \$332,700
- Operational Support for 16 new FTEs \$131,000

Related Proviso Requests: CHE also requests two new budget provisos relating to 1) program approval and termination authority and 2) institutional budget review. The changes had been identified in CHE’s review of its statutory authority.

Ways and Means:

- *Included \$300,000 in recurring funding and 3 new State FTE.*
- *Reduced by \$95,000 (from \$345,000 to \$250,000) authority provided to CHE in the Lottery Expenditure Proviso 3.6 for scholarship and grant administration. For FY16, CHE received an increase of \$85,000 (from \$260,000 to \$345,000) to restore an audit function. CHE needs the funding returned to the FY16 level of \$345,000.*
- *Requested provisos not included.*

2) Agency Legal Staffing Support \$250,000

CHE has not had general counsel on staff and has recently contracted for assistance. CHE anticipates the continued need for such legal assistance and is requesting recurring funds to support the anticipated need on an on-going basis.

Ways and Means: \$125,000 included

3) Agency Technology Needs \$330,000

Requested funds will support needed security initiatives to comply with State IT security mandates, upgrades to CHE’s database and end-user capabilities, and continued improvements to the agency’s website to improve accessibility and facilitate more efficient data processing. In addition, the requested funds will enable CHE to upgrade its conference room technology to enhance digital meeting capabilities and will support technology needs to migrate the phone system to voice-over IP as the legacy PBX system State contract ends in 2018.

Ways and Means: Not included

OTHER TECHNICAL CHE AGENCY BUDGET REQUESTS

Annualization of \$9,594 for FY16 Health Insurance Plan Allocation *(Ways and Means included)*

SREB Technical Adjustment, Combining SREB Funding Lines (SREB Arts combined into SREB Program and Assessments): As of FY16, SC does not participate in the contract program with the NC School of Arts but the funding of \$7,177 remained on a separate SREB line within CHE’s budget. CHE requests to move this funding to the line for the State’s participation in SREB and other contract programs. *(Ways and Means included)*

SUPPORT OF STUDENT FINANCIAL AID AND OTHER HIGHER EDUCATION PROGRAMS

GOVERNOR’S PROFESSOR OF THE YEAR PROGRAM \$15,000 Recurring

Established in 1988, SC Code of Laws, §59-104-220 provides for the Governor's Office, in conjunction with CHE, to select two Professors of the Year, one chosen from the public and independent 4-year sector and one from the 2-year sector. The legislation requires an award of \$5,000 for each and allows the option of an award of \$500 each for up to ten finalists. This line item was cut in FY09. The program continued with support from the SC Higher Education Foundation until FY13, was funded by agency carry-over in FY14, and was suspended in FY15.

Ways and Means: Not included

SOUTHERN REGIONAL EDUCATION BOARD (SREB) PROGRAMS AND SERVICES \$245,212 Recurring Increase

SREB contract programs offer students pursuing professional health degrees admission to schools in other states for the price of in-state tuition and fees. Our state participates by contracting through SREB for 24 student slots in optometry and 104 slots in veterinary medicine at five partner institutions. The requested increase results from a structured increase in SREB contract prices for FY17. A fact sheet on SREB programs and assessments is available for more information.

Ways and Means: Increase included in Lottery along with a shift of \$71,244 from General Fund to Lottery for a total of \$313,456 of the SREB funds provided in Lottery.

SC COMMISSION ON HIGHER EDUCATION - FY 2016-17 BUDGET PRIORITIES

NEED-BASED GRANTS **\$4,537,078 Total (\$2,600,000 Annualization & \$1,937,078 Recurring Increase)**

Need-based aid is a critical element for any state seeking to enhance participation in and completion of degree programs for those with limited means. The level of need-based grants has not increased over the past two-years. Tuition and fees at public colleges and universities increased on average 3.2% in FY15 and 3.7% in FY16. The requested increase annualizes \$2,600,000 provided in non-recurring funds in FY16 and provides an additional increase of \$1,937,078 to compensate for average tuition and fee increases over the past two years.

Ways and Means: Increase as requested included in Lottery Expenditures

Other State-supported Student Financial Aid Programs:

Continuation of full support for anticipated growth of merit-based financial aid (Palmetto Fellows, LIFE, & HOPE) and continued level support for the Lottery Tuition Assistance at two-year institutions (\$51.1 million) and the SC National Guard College Assistance Program (\$4,545,000 Lottery & \$89,968 General Fund).

Ways and Means: Fully funded PF, LIFE & HOPE; LTA at \$51.0 million, and SC NG level.

COLLEGE TRANSITION NEED-BASED GRANTS **\$170,822 Recurring Increase**

CHE requests an increase in the funds available to support the College Transition Need-Based Grant Program to meet anticipated growth. These grants were initiated by the General Assembly in FY14 and provide need-based assistance for eligible SC Students with intellectual disabilities enrolled in non-degree postsecondary opportunities that provide structured curriculum for academic career and independent living instruction to prepare for gainful employment. Clemson, USC, Coastal Carolina, College of Charleston, and Winthrop offer recognized College Transition programs. The increase will bring the support from current level of \$179,178 to \$350,000. Eligible SC students have been 20 students in FY14, 26 in FY15, and 31 in FY16. If the increase is provided, the controlling proviso, 11.12, will need to be conformed to funding.

Ways and Means: Increased funding as requested.

STATE ELECTRONIC LIBRARY, PASCAL **\$1,500,000 Recurring (Annualization)**

PASCAL, Partnership Among SC Academic Libraries (www.pascal.org), is a government best practice, providing cooperative sharing at greatly reduced rates of physical and electronic resources among the state's public and private academic institutions. The state began investing in PASCAL in FY05 at \$2M annually, but funding has been provided in recent years from lottery funds that have not been predictable or fully available. On-going support of \$1.5M is requested.

Ways and Means: Not Included

VETERANS TUITION DIFFERENTIAL SUPPORT FOR PUBLIC INSTITUTIONS **TBD**

During the 2015 Session, the General Assembly passed Act 11 of 2015 (S.391) to require certain eligible out-of-state veterans and their dependents receiving GI bill education benefits to be assessed at the in-state tuition rate without the requirement of establishing SC residency for tuition and fee purposes. The legislation was enacted in support of veterans and to bring SC into compliance with federal requirements enacted in 2014. It was anticipated that the legislation could result in a loss of out-of-state tuition across the public colleges and universities upwards of \$14 million. For FY16, the General Assembly provided \$3 million in non-recurring funding to assist toward off-setting the anticipated impact.

Ways and Means: Not Included

MAINTENANCE, EQUIPMENT, AND OTHER FACILITIES' NEEDS **\$19,900,000**

Capital investment is a normal business operating cost—not an exceptional or unusual one. The lack of a statewide bond bill since 2000, as well as the lack of a predictable source of funding educational and general (E&G) facilities for our public colleges and universities has created pressure to rely on tuition and fees, local funds, and benefactor support as institutions maintain and develop needed infrastructure. We greatly appreciate the General Assembly's support in recent years toward maintenance, equipment and other facilities' needs and encourage continued support of these much needed resources.

Related Proviso Requests: Should funds to be allocated for critical maintenance and repair be included, CHE recommends a distribution based on a formula determined by CHE to include that institutions participating must demonstrate a Maintenance Reserve Account has been established, that student tuition and fees include a dedicated maintenance fee, and that out-of state students are assessed an amount greater than or equal to their share of maintenance program costs.

Ways and Means: Recommendations did not include allocated funds for maintenance and repair as have been included in the lottery in each of the past 4 years. Nonrecurring funds for various facility related projects were included and directed to the institutions including \$22.95 million across several of the four-year colleges and \$105.45 million for technical colleges.

OTHER:

Lottery Technology Funds for Public 2-year and 4-year institutions were not included in Ways and Means recommendations. These funds have been included since the inception of the lottery and are important in meeting on-going technology needs. FY16 funding was \$7,354,250.

Core Mission Functions	Funding needed to comply	Employer		Support	Total	
		Salaries	Contributions			
59-103-20	<p>Studies of Institutions of higher learning</p> <p>The commission is...charged with examining the state's institutions of higher learning relative to both short and long-range programs and missions which include:</p> <p>(b) Enrollment trends, student costs, business management practices, accounting methods, operating results and needs, and capital fund requirements</p> <p>(c) The administrative setup and curriculum offerings of the several institutions and of the various departments, schools, institutes, and services within each institution and the respective relationships to the services and offerings of other institutions</p> <p>(d) Areas of state-level coordination and cooperation with the objective of reducing duplication, increasing effectiveness, and achieving economies and eliminating sources of friction and misunderstanding</p>	<p>Add 2 Accounting Manager Is and 1 Data Coordinator II to FA</p> <p>Add 1 Program Manager II to AA</p>	<p>200,000</p> <p>75,000</p>	<p>60,000</p> <p>22,500</p>	<p>21,000</p> <p>10,000</p>	<p>281,000</p> <p>107,500</p>
59-103-35	<p>Submission of Budget</p> <p>All public institutions of higher learning shall submit annual budget requests to the commission in the manner set forth in this section.</p> <p>The State Board for Technical and Comprehensive Education shall submit an annual budget request to the Commission representing the total requests of all area-wide technical and comprehensive educational institutions.</p> <p>The budget submitted by each institution and the State Board for Technical and Comprehensive Education must include all state funds, federal grants, tuition, and fees other than funds derived wholly from athletic or other student contests, from the activities of student organizations, from approved private practice plans, and from the operation of canteens and bookstores which may be retained by the institutions and be used as determined by the respective governing boards, subject to annual audit by the State.</p>	<p>Add 1 Program Manager II to FA</p>	<p>75,000</p>	<p>22,500</p>	<p>10,000</p>	<p>107,500</p>
Sub-total					496,000	
59-104-30	<p>Developmental education plans, studies, and programs</p> <p>Each public institution of higher learning in the State shall develop a plan for developmental education in accord with provisions, procedures, and requirements developed by the Commission on Higher Education. The commission shall conduct a study as well as evaluations and review of developmental education in this State. The commission shall develop appropriate methods of funding developmental education programs and courses.</p>	<p>Add 1 Program Manager I to AA</p>	<p>60,000</p>	<p>18,000</p>	<p>7,000</p>	<p>85,000</p>
Sub-Total					85,000	

59-103-30	Critical Success Factors and Performance Indicators This section lists critical success factors that should be measured in priority order...	Add 1 Program Manager III - Director (net increase) to FA	101,000	30,300	12,000	143,300
		Add 1 Program Manager II - Research Director to FA	85,000	25,500	7,000	117,500
		Add 1 Program Manager I to FA	60,000	18,000	7,000	85,000
		Add 1 Program Manager I to FA	60,000	18,000	7,000	85,000
		Add 2 Program Manager Is- Auditors to FA	120,000	36,000	20,000	176,000
		Add 1 Program Coordinator I to FA	38,000	11,400	7,000	56,400
Sub-Total						663,200
59-104-650	Institutional Effectiveness Program Reinstate "A Closer Look"	Add 1 Program Manager II to AA	75,000	22,500	7,000	104,500
Sub-Total						104,500
Proviso 1.17 Teacher Data Collection		Reassign to AA using existing staff				0
Sub-Total						0
59-26-20	Duties of the State Board of Education and the Commission on Higher Education					
	a) Develop and implement a plan for the continuous evaluation and upgrading of standards for program approval of undergraduate and graduate education training programs	Add 1 Program Manager II to AA	75,000	22,500	7,000	104,500
	b) Adopt policies and procedures which result in visiting teams with a balanced composition of teachers, administrators, and higher education faculties	Reinstate funding for NCATE membership to AA				
	c) Establish program approval procedures which shall assure that all members of visiting teams...have attended training programs...					
	d) render Advice and aid to departments and colleges of education concerning their curricula, program approval standards, and results on...examinations...					
Sub-Total						104,500
59-103-70	Reports					
	The Commission shall make reports to the Governor and the General Assembly at least annually on the status and progress of higher education in the State, with such recommendations as may be appropriate	Add 1 Program Manager II - Communications Director to AO	85,000	25,500	7,000	117,500
Sub-Total						117,500

59-101-190 Dean's Committee on Medical Education			
...Any strategic plan approved by the dean's committee also must be approved by the Commission on Higher education if it contains any proposal for the consolidation, elimination, or change of medical education programs...	Support for annual meeting to AA	2,000	2,000

	Sub-Total	2,000
Total SWOT Adjustments		1,572,700
Agency Legal Staffing Support		250,000
Agency Technology Needs		330,000
Total needed to address legislative mandates		2,152,700
Governor's Professor of the Year		15,000
SREB Programs and Services		245,212
Need-based Grants (Annualization)	2,600,000	
Need-based Grants (Recurring Increase)	<u>1,937,078</u>	
Total Need-based Grants		4,537,078
College Transition Need-based Grants		170,822
State Electronic Library (PASCAL) (Annualization)		1,500,000
Veteran's Tuition Differential Support for Public Institutions (Actual TBD)		1
Maintenance Needs (Would offset individual institution requests)		\$19,900,000

(Intentionally Blank)

SOUTH CAROLINA PARTICIPATION IN SREB PROGRAMS AND SERVICES

- The Southern Regional Education Board (SREB) was founded in 1948 by the Governors of the member states specifically to help states share resources and improve higher education.
- Today, SREB continues to organize and administer regional arrangements to avoid costly duplication and expensive development of programs that provide access to undergraduate and graduate programs in specialized areas by waiving out-of-state tuition.
- SREB data collection, SREB policy documents, comparative research and publications on K-20 issues as well as participation in several other programs are benefits of SC's membership in this sixteen state consortium.
- The SREB operates through state support provided by the member states. SREB's 16 member states are AL, AR, DE, FL, GA, KY, LA, MD, MS, NC, OK, SC, TN, TX, VA, and WV.
- Each year, the Governors of the member states receive an invoice for their share of SREB general operations and regional education programs and for contracts-for-services. The Commission on Higher Education (CHE) coordinates SC's participation in higher education programs under the SREB. Funding for SREB participation and programs flows through CHE.
- Over the years, state support has enabled numerous South Carolinians to benefit directly through access to programs at rates not available without SC's participation in SREB. SC benefits as a state from timely policy information and access to other regional programs.

SREB General Operation and Regional Education Programs offer benefits by enabling access to student programs such as the *Academic Common Market*, which provides access to undergraduate and graduate programs in specialized areas. In addition, SC benefits from access to a wealth of SREB publications, data sharing resources, and the ability to participate in other regional programs. SREB works with higher education and K-12 agencies in the 16 member states to collect and share timely comparative information and to produce policy reports used extensively by state leaders.

SREB Higher Education Contract Programs offer students pursuing professional health degrees admission to schools in other states for the price of in-state tuition and fees at public institutions and reduced tuition at private institutions. Participating states pay schools to maintain spots in their professional programs and save the expense of building and staffing these schools. SC participates in Veterinary Medicine at Tuskegee University, the University of Georgia, and Mississippi State University and in Optometry at Southern College in Tennessee and the University of Alabama Birmingham. SREB serves as the fiscal agent and handles the administrative duties for participating states. SC has participated in veterinary medicine programs since 1958 and optometry since 1973. Funding supports a total of 104 veterinary medicine and 24 optometry students.

Academic Common Market (ACM) was established in 1974 by SREB to share among member states specified degree programs located at public colleges and universities through an exchange of students across borders at in-state rates. As a cooperative agreement, the ACM seeks to eliminate unnecessary duplication of degree programs while supporting programs which are able to serve additional students. The ACM allows residents of the 16 member states to pay in-state tuition rates while enrolled in certain degree programs at participating SREB out-of-state colleges and universities. In accordance with SREB policy, eligible programs are those undergraduate and graduate programs which are at least 50 percent different in course content from programs offered in the home state. Currently, SC institutions have made just over 130 programs available through the Academic Common Market, and SC residents have access to more than 450 out-of-state programs. Last year (2014), 88 South Carolinians were certified to access programs in other SREB states.

Doctoral Scholars Program provides financial assistance and academic support to minority students who are admitted to doctoral programs. Started in 1993, the program aims to produce more minority PhDs and encourage them to seek faculty positions. Last year 15 new and continuing SC students participated. Since its inception, the Doctoral Scholars program has graduated in total across the region 800 PhD's and 83% are employed in education; SC has supported 72 of those graduates.

SREB Funding and FY 2016-17 Request

In FY 2016-17, the appropriations for SREB are found across two lines in CHE’s base budget – SREB Contract Program and Assessments (\$3,849,250) and SREB Arts Program (\$7,177)¹ for a total of \$3,856,527.

For FY 2016-17, CHE is requesting increased recurring funding need of \$245,212 to maintain level participation in the SREB programs.

FY 2016-17, SREB program costs and requested funding are outlined as follows:

SREB Contract Programs	\$3,661,600 ²
Veterinary Medicine at University of Georgia, Mississippi State University and Tuskegee (104 students at \$31,100 per student, totaling \$3,234,400) and Optometry at Southern College of Optometry and University of Alabama (24 students at \$17,800 per student totaling \$427,200).	
Doctoral Scholars Program (12 students at \$25,000 per student)	\$300,000
SREB General Appropriations and Regional Education Programs Including Technology Initiative ³	\$207,400 ²
Total FY 2016-17 Need	\$4,169,000

Current available funding sources:

FY 2015-16 Recurring General Fund Appropriation	(\$3,856,527)
<i>Anticipated unexpended SREB funds carried forward from FY2015-16 ⁴</i>	(\$67,361)

Resulting FY 2016-17 request after consideration of recurring funds and estimated carry forward:

Recurring Increase of \$245,212

- 1 Participation in the SREB Tuition Aid Arts Program for SC residents attending the NC School of Arts ended as of July 1, 2015 with the deletion of the supporting program proviso in the FY 2015-16 Appropriations Act. There were no participants in this program last year (2014-15).
- 2 For FY 2016-17, per student rates for Optometry and Veterinary Medicine increase by 6.6% over FY 2015-16 contract rates per SREB scheduled increases. Veterinary Medicine increases by \$2,000 per student and Optometry by \$1,100 per student for an overall increase of \$234,400 (104 x \$2,000=\$208,000 plus 24 x \$1,100=\$26,400).
- 3 To support core operations and regional education programs for FY 2016-17, SREB set the requested appropriations payment at \$199,400 which is a 1.5% (\$2,947) increase over FY 2016-17. The balance of \$8,000 supports participation in the SREB Technology Initiative.
- 4 CHE is authorized by budget proviso (FY 2015-16, Part 1B 11.6) to carry forward funds appropriated for SREB programs and expend such funds for the same purpose. Carry forward funds may result in any year if all available funded SC contract seats are not filled due to occasional student stop-outs which may occur during the year. The request for FY 2016-17 anticipates all seats being filled and factors in estimated carry forward from any seats not filled in the current year.