

August 2, 2006

**MEMORANDUM**

**To:** Dr. Layton R. McCurdy, Chairman, and Members, Commission on Higher Education

**From:** Dr. Vermelle J. Johnson, Chair, and Members, Committee on Academic Affairs and Licensing

**Consideration of Budget for Research Centers of Economic Excellence,  
FY 2006-07**

At its June 13, 2006, quarterly meeting, the Review Board for the South Carolina Research Centers of Economic Excellence approved a budget for the 2006-07 Fiscal Year.

The total budget is \$466,216, and includes \$84,000 for technical review and on-site review of proposals, \$60,000 for independent auditors, \$104,044 for salaries (representing a percentage of CHE staff time devoted to program administration), and \$170,000 for public relations activities represented in two line items: Public Relations/Conferences and Website Development/Maintenance. Auditing costs and anticipated expenditures related to public relations activities were budgeted items last year, but because the Review Board has only recently contracted with public relations and auditing agencies, those expenditures were not been realized.

Over the last four years the Review Board has approved funding for 29 Research Centers of Economic Excellence from USC, MUSC, and Clemson University and their partner institutions, totaling \$120 million in state lottery funds. Responsibility and authority for approving the Review Board's annual budget is found in Section 2-75-70 of the 2002 Research Centers of Economic Excellence Act (Session 114, Chapter 75), which notes that:

Staff and support for the operations of the board and the panels must be provided by the Commission on Higher Education. The Commission on Higher Education shall approve all necessary funds for the prudent operation of the board, including per diem, subsistence, and mileage expenses of board members as provided by law for members of state boards, committees, and commissions, and for the costs and expenses of the panel members.

**Recommendation**

The Committee on Academic Affairs and Licensing recommends that the Commission approve the proposed budget.

Att. /2006-07 Budget