

Consideration Of Below-The-Line Items

Background

Each year institutions submit funding requests for projects that are not covered by the Mission Resource Requirement (MRR) Model to the Commission on Higher Education for its consideration. These projects are referred to as below-the-line items (Items) because they are in addition to the operating funds request.

Items that are funded with non-recurring state appropriations are required to be requested by the institutions and considered by the Commission, annually. Items funded with recurring state appropriations that are requesting an increase also require Commission consideration. Items funded with recurring state appropriations that are not requesting an increase do not require annual approval consideration (these items are shown for information purposes only).

Staff initially determines whether the requests from the institutions meet the Commission approved eligibility guidelines. Items that meet the guidelines are reviewed and analyzed and submitted to the Finance and Facilities Committee for consideration. Items not meeting the guidelines are referred back to the institutions, with the understanding that they can appeal directly to the Committee.

Items are summarized in Attachment 1, by institution. Descriptions of the items are provided for your review in Attachment 2. Also included in Attachment 2 is a listing of those projects not being recommended for approval along with the related reason.

Requests are labeled in one of the three following categories:

1. **Approved initially by Legislation** – these Items have been initially funded or created and funded by the General Assembly.
2. **Competitive Matching Awards** – these Items have already received federal grants but required state match.
3. **Other** – these Items have various characteristics.

There were a total of 42 requests for fiscal year 2004-2005. The Committee on Finance and Facilities has recommended approval of 34 of the requests and is not recommending approval of ten of the requests.

There are 13 new Items and 21 continuing Items, for a total of 34 Items, submitted for the Commission's consideration. Within the continuing Items 5 Items were approved by the Commission last year but were not funded by the Legislature.

Summary of Reasons for Non-Recommended Projects

The Commission staff expects capital related items to be funded through the Capital Project process. Therefore the staff is recommending \$0 for one of the eight non-approved requests.

The Commission on Higher Education is requesting approximately \$2.5 million (on behalf of the colleges & universities) for the creation of the proposed statewide virtual library. Therefore staff is recommending \$0 for one of the eight non-approved requests because funding for this project could be considered by the institution from its share of the \$2.5 million. Therefore, this item is not recommended for separate funding.

The Commission on Higher Education staff expects the teaching universities and the 2-year colleges will continue to receive special technology funding from the Lottery proceeds. Therefore staff is recommending \$0 for one of the eight non-approved requests because the project may be funded from that source.

Four of the requests are for funding for Academic Centers/Institutes that have not been approved through the Commission on Higher Education. Therefore the staff is recommending \$0 for four of the eight non-approved requests.

One of the requests is for costs considered in the MRR and should be funded through educational and general funds. Therefore the staff is recommending \$0 for one of the eight non-approved requests.

Recommendation

The Committee on Finance & Facilities recommends full-funding of the 34 requests presented on Attachment 1 with the caveats that: 1) the “Lowcountry Graduate Center”, proposed by the College of Charleston, be funded contingent upon the Center submitting a comprehensive operating plan, including bylaws and a detailed budget, for review and approval by the Commission, and 2) the “Center for Optical Materials Science and Engineering Technologies (COMSET)” proposed by Clemson University, be funded contingent upon the Center successfully completing the new program approval review process and approval by the Commission.