



CHE
10/7/2004
Agenda Item 4.02. A.

October 7, 2004

MEMORANDUM

To: Mr. Dalton B. Floyd, Jr., Chairman, and Members, Commission on Higher Education

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

Consideration of Budget Request, FY 2004-05 **Research Centers of Excellence /Endowed Chairs Professorship Program**

Background

At its August 30, 2004, meeting, the Review Board for the South Carolina Research Centers of Economic Excellence approved a budget for the 2004-05 Fiscal Year.

The total budget (see **Attachment I**) is \$441,618, and includes \$75,000 for technical review and on-site review of proposals, \$60,000 for independent auditors, \$37,500 for salaries (representing a percentage of CHE staff time devoted to administering the program), and \$223,000 for public relations activities and in-state conferences represented in three line items: Public Relations/Conferences, Website Development/Maintenance, and Research Project Development. Auditing costs and anticipated expenditures related to public relations activities are new budget items this year and represent the natural evolution of this program as it begins its third year.

Over the last two years the Review Board has approved funding for 17 research proposals from USC, MUSC, and Clemson University and their partner institutions, totaling \$72.5 million in state lottery funds (see **Attachment II**).

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 request from the Review Board, Research Centers of Economic Excellence/Endowed Professorship Program, FY 2004-05.