

2012 Session Legislative Wrap-Up – Higher Education

(Report prepared as of 7/6/2012 and updated as of 7/25/2012)

Blue and underlined text is linked to legislation as posted on the State's website for the General Assembly at www.scstatehouse.gov

The 2012 session (2nd regular session) of the 119th South Carolina General Assembly adjourned on Thursday, June 7 under the provisions of the *Sine Die* Resolution, [H.5410](#). The 2012 session marks the end of the 119th two-year continuing session of the General Assembly. Legislation that was not enacted as of the end of the session does not carry over into 2013 and must be reintroduced for consideration.

The General Assembly returned under the conditions of the resolution during the weeks of June 19th and 26th primarily to finish work on the state's FY 2012-13 budget. On June 28, the General Assembly passed and the Governor signed a Continuing Resolution, [H.5418](#), to enable state expenditures to continue in the new fiscal year as the Governor received and considered the budget. The budget bills (Appropriations Act and Capital Reserve Fund Bill) were also passed on June 28 and sent to the Governor for consideration on June 29.

After completing work on the budget, the General Assembly recessed under the *Sine Die* Resolution on June 28. The Governor issued budget vetoes by the deadline on July 5. The General Assembly returned to session on July 17 and 18, addressed the budget vetoes and adjourned under the provisions of the *Sine Die* Resolution (H.5410).

The following provides summary information on the FY 2012-13 budget, Appropriations Act ([H.4813](#)) and Capital Reserve Fund Bill ([H.4814](#)), and on legislation relating to higher education that passed during the 2012 session or, if applicable, was passed by June 28 but is pending consideration of the Governor's veto.

Please note that the information provided in this summary provides highlights and is not intended to be complete. Text that is blue and underlined is linked to the latest version of the legislation as posted on the General Assembly's website (www.scstatehouse.gov). Bills and other information may also be accessed from the statehouse website at <http://www.scstatehouse.gov/legislation.php>. A CHE staff summary of actions relating to higher education for the 2011 session may be accessed at [Click Here](#).

FY 2012-13 Higher Education recommendations in the Appropriations Bill (H.4813) and the Capital Reserve Fund Bill (H.4814)

The General Assembly submitted the FY 2012-13 budget, Appropriations Act and Capital Reserve Fund Bill (CRF), to the Governor on June 29. The Governor issued her veto messages on the budget bills on July 5. The House returned and considered the vetoes on July 17 and the Senate on July 18.

A copy of the budget as ratified is available at http://www.scstatehouse.gov/sess119_2011-2012/appropriations2012/ta12ndx.php for the Appropriations Act and http://www.scstatehouse.gov/sess119_2011-2012/bills/4814.htm for the CRF (non-recurring appropriations from the state's Capital Reserve Fund). For copies of the Governor's veto messages - [Click Here for H.4813](#) and [Click Here for H.4814](#).

A brief summary of FY 2012-13 budget recommendations for higher education follows. The report has been updated as of July 25, 2012, to include information concerning General Assembly action on the Governor's vetoes.

Colleges Generally

For the first year since FY 2008-09 and the Great Recession, the base recurring funds for the state's 33 public colleges and universities have not been reduced. Overall, with non-recurring (one-time) appropriations provided, college and university funding including the State Technical College System and its *readySC* program is increased over last year by approximately 22% (\$96 million), not including funds to be provided to state agencies for state employee pay/health plan increases. Of note:

- The budget includes for higher education institutions base budgets at the same level of FY 2011-12. (Additional base funds will be provided toward the mandated state employee 3% pay increase and to provide for necessary state employee health plan increases.)
- Increases in recurring base funds for several institutions for specific projects including: \$2,885,000 to USC for Palmetto College, \$500,000 to Francis Marion for its Nurse Practitioner program, and \$500,000 to AHEC for the Rural Physicians Program.
- Decrease in funds due to a proviso (Part 1B, Proviso 90.13) enacted again this year to prohibit public general funds to employ lobbyists. As was the case last year, this proviso will again decrease budgets of state agencies and higher education institutions in FY 2012-13 that had in the past used general funds for this purpose, resulting in a total reduction of \$460,075 across higher education institutions.
- Non-recurring funds are provided to colleges and universities for much needed support for deferred maintenance. The funds provided for this purpose total \$32.7 million and are provided through the Capital Reserve Fund bill (\$12.5 million), Proviso 90.20 (\$200,000) and Education Lottery (\$20 million).
- Non-recurring funds totaling \$40.8 million are provided for higher education projects across selected institutions. Of this funding, \$12.6 million was vetoed by the Governor and these vetoes were subsequently overridden by the General Assembly. The overridden vetoes included from the CRF bill: \$2,000,000 for Clemson Greenwood Genetics Lab, \$200,000 for Citadel Jenkins Hall Arms Room Upgrade, \$100,000 for Francis Marion Nurse Practitioner Program, \$2,115,000 for USC Palmetto College, \$5,500,000 for MUSC Hospital Authority for the Ashley Tower Renovation, \$2,000,000 for College of Charleston Interactive Digital Technology Pilot, and \$500,000 for Winthrop Student IT Infrastructure Update and also \$200,000 from Proviso 90.20 for Skills USA funded through the State Technical College System.
- The State Technical College System Office will receive \$19.4 million (\$6.15 million recurring and \$13.25 through CRF) to meet needs of *readySC*.
- Noted below, technology funding that has been provided to the state's two-year and four-year public institutions has been restored to levels experienced in years prior to budget cuts.

Commission on Higher Education (CHE)

Level funding is also provided for CHE, programs administered by CHE, and programs that pass through CHE (e.g., PASCAL or the statewide higher education electronic library, University Center of Greenville, Lowcountry Graduate Center, EPSCoR, SC Manufacturing Extension Partnership (SC MEP), African American Loan Program, Academic Endowment, and Charleston Transition Connection). Also of note:

- The SCMEP program's base budget remained level but was transferred to the Department of Commerce. A proviso 40.19 was adopted concerning the transfer, to prevent funds from being spent on lobbying services, and to direct reporting requirements for SCMEP.
- The Governor vetoed and the veto was subsequently overridden \$161,314 in recurring funds for the SC **E**xperimental **P**rogram to **S**timulate **C**ompetitive **R**esearch (EPSCoR). EPSCoR is a federal-state-university partnership that supports science and technology based research

and economic development and uses state funds to meet federally required cost-matching commitments.

- For two items that flow through CHE, additional non-recurring funds were provided but vetoed by the Governor and sustained by the General Assembly. The vetoed items included \$200,000 through Proviso 90.20 for SCMEP and \$100,000 for the University Center of Greenville for Technology.

State-supported Student Financial Aid Programs and Other Lottery Funded Higher Education Programs

Scholarships and Grants: The General Assembly continues to fully fund the state's undergraduate merit-based scholarship programs. A net increase of \$756,382 will fully fund anticipated needs for Palmetto Fellows, LIFE and HOPE. SC's continued participation in the Southern Regional Education Board (SREB) and SREB programs including student contract programs for Veterinary Medicine and Optometry is fully funded with an increase of \$551,309 in General Funds which were provided to replace a portion of program funds that had been provided in non-recurring funds in FY 2011-12. For the first time in several years, need-based grant programs are increased: a \$4 million increase for CHE Need-based Grant program and a \$1.5 million for S.C. Tuition Grants. Lottery Tuition Assistance (LTA) for two-year institutions was increased by \$2.1 million.

In total, approximately \$344 million is provided in the FY 2012-13 budget for the undergraduate scholarship and grant programs including: \$49.9 million for Palmetto Fellows, \$172.4 million for LIFE, \$8 million for HOPE, \$27.6 million for Need-based, \$49.1 million LTA, and \$31.3 million for Tuition Grants. The National Guard College Assistance Program receives level funding at \$1.78 (of which \$1.7 million is from the lottery). For details, see Appendix A.

Other Higher Education Lottery Recommendations: Lottery appropriations (outlined in Appendix A) include \$301.7 million including \$272.3 certified lottery funds (i.e., funds projected to be available for expenditure by the SC Board of Economic Advisors) for FY 2012-13, \$12.4 million certified unclaimed prize funds, and \$17 million in anticipated FY 2011-12 surplus. Similar to the proportion of funds provided in FY 2011-12, higher education appropriations include \$256.8 million (85%) for scholarships and grants and other higher education programs, and K-12 and other entities include \$44.9 million (15%). As has been the case, there are also provisions included to provide a list of items in priority order that would receive unclaimed prize funds should collections be higher than the \$12.4 million certified to be available. In an average year, approximately \$16 million in unclaimed prize funds has become available.

PASCAL (the statewide higher education electronic library) is included at \$1.5 million as the first item in the list of initiatives to be funded with any excess unclaimed prize funds and would be anticipated to be realized in an average year. PASCAL is a cooperative and collaborative effort among our public and private higher education libraries that has transformed how vital academic information is accessed. The higher education electronic library significantly enhances the quality of undergraduate education and eliminates duplicated expenditures across institutions by enabling a mechanism for group purchases, at better prices, of essential sophisticated electronic academic databases. The program is in its eighth year of funding and until FY 2008-09 had received \$2 million each year in a nonrecurring allocation. In FY 2008-09, the program lost 90% (\$1.8 million) of its funding and was left with a base appropriation of \$164,289 as of the current year.

Second on the excess unclaimed prize list is Lottery Technology funding at \$5,470,093 for four- and two-year public institutions. This funding would be made available after the \$12.4 million in certified unclaimed prize fund expenditures and \$1.5 million in excess unclaimed prize fund appropriations for PASCAL. It is noted that the institutions will share approximately \$9.8 million provided for lottery technology from certified and FY 2011-12 surplus funds. In an average year, a portion of the excess unclaimed prize funds would be anticipated to be realized which would bring the program to its historical levels of \$12 million. For other items included on the "excess" priority list beyond the technology funds, see Part 1B budget Proviso 2.6. The list includes the same initiatives as provided for in FY 2011-12 with the exception of an item added at the end of the list which would provide funding for selected institutions concerning parity.

Other higher education programs funded through the lottery continue to be funded at levels similar to the previous year including the aforementioned National Guard College Tuition Assistance program, Higher Education Excellence Enhancement Program (\$3 million), and SC State (\$2.5 million). In addition, the increase in lottery funds also provided for \$20 million for higher education institutions for deferred maintenance as described previously.

Temporary Part 1B Budget Provisos included in the Appropriations Act:

The following list includes select provisos of interest for higher education or related to all agencies and impacting higher education that are NEW, AMENDED or DELETED for 2012-13. For convenience, a copy of the full text of each proviso listed below is attached in Appendix B. For copies of these and all provisos included in the FY 2012-13 Appropriations Act, see Part 1B provisos for the Act as ratified (Governor's vetoes marked) at http://www.scstatehouse.gov/sess119_2011-2012/appropriations2012/ta12ndx.php.

1.90 (SDE: Felton Lab Allocation) NEW. Proviso added concerning the calculation of EFA funds for purposes of the Felton-Laboratory School at South Carolina State University.

1A.52. (SDE-EIA: Partnerships/Other Agencies & Entities) NEW. Proviso added to provide direction for the allocation EIA funds appropriated to other entities such that the funds are received through EOC and entities receiving such funds will continue to report to the EOC which is responsible for making funding recommendations for these funds as part of its annual budget request.

2.5. (LEA: FY 2012-13 Lottery Funding) AMENDED. This proviso details the lottery expenditures and has been amended to provide for the allocations for FY 2012-13.

6.4. (CHE: Allowable Tuition and Fees) DELETED. This proviso was codified (enacted in permanent law) with the passage of the regulatory reform bill for higher education in 2011, S.172. The permanent provision is §59-101-55. Because the provision is now in permanent law the temporary budget proviso was deleted.

6.11. (CHE: SREB Veterinary Students) DELETED. This proviso directed the incorporation of five additional veterinary medicine students in the SREB contract program. The additional slots have been incorporated and the proviso is no longer needed.

6.12. (CHE: EPSCoR Transfer Authority) DELETED. This proviso had been included in the budget in the late-1990's to enable EPSCoR to consider transferring the program from the SC Research Authority to CHE. The program was not moved, and the proviso is no longer needed.

6.13. (CHE: Excellence Enhancement Program Additions) DELETED. This proviso, which enabled Converse College and Columbia College to participate in the lottery-funded Higher Education Excellence Enhancement Program, was ruled out of order by the Senate in its deliberations in 2012 and deleted.

6.16. (CHE: Critical Needs Nursing Initiative) DELETED. Legislation enacting the Critical Needs Nursing initiative was passed several years ago and the proviso is no longer needed.

6.17. (CHE: Tuition Age) AMENDED. This proviso enables an appeal of the age limitation for children of certain war veterans who are eligible for free tuition. It was amended to update the effective year to continue the proviso in the current year.

6.18. (CHE: Mandatory Furlough) DELETED. This proviso, which provided for certain flexibility for colleges and universities in implementing furloughs in a fiscal year in which general funds appropriated for an institution of higher learning are less than the general funds in the prior

or in the event of a mid-year budget cut, was ruled out of order by the Senate in its deliberations and deleted.

6.20. (CHE: SmartState) NEW. Proviso included for the first time in FY 2012-13 to prohibit CHE from expending any source of funds on the marketing of the SmartState Program.

15.2. (USC: Indirect Cost Recovery Waiver for Summer Food Service Program) DELETED.

****15.3. (USC: School Improvement Council) **Vetoed by Governor and veto overridden.**

17.1. (MUSC: Palmetto Initiative for Excellence) DELETED.

18.4. (TEC: Caterpillar Dealer Academy) DELETED. This proviso was codified (enacted in permanent law) with the passage of the regulatory reform bill for higher education in 2011, S.172. The permanent provision is §59-112-140. Because the provision is now in permanent law the temporary budget proviso was deleted.

18.5 (TEC: Manufacturing Training Facility) NEW. Proviso added for FY 2012-13 concerning the expenditure of appropriated funds to SBTCE in FY 2012-13 for the purposes of up-fitting a manufacturing training facility at Central Carolina Technical College to be used in conjunction with worker training programs offered by the *readySC* program.

40.18. (CMRC: Research Funds) NEW. Proviso added to provide direction to the Department of Commerce for the use of funds appropriated in FY 2012-13 for research.

40.19. (CMRC: SC Mfg Extension Partnership) NEW. Proviso added concerning the transfer of funds for the SCMEP program from CHE to Commerce. The proviso also prohibits SCMEP from using funds to compensate individuals or employees for lobbying services and requires a report to be made to the finance committee chairs by November 1.

70.21. (LEG: Joint Strategic Technology Committee) DELETED. This proviso, which had been enacted effective in FY 2008-09 to create a joint committee of the General Assembly known as the Joint Strategic Technology Committee and provide for its responsibilities, was deleted.

80A.25. (BCB: Employee Compensation) AMENDED. Proviso concerns state employee compensation and was amended to authorize and direct the application of a 3% pay increase for state employees.

80B.2. (BCB/AUD: Annual Audit of Federal Programs) NEW. Provision added to require state agencies which receive federal funds subject to the audit requirements of the Single Audit Act Amendments of 1996 and OMB Circular A-133, Audits of States, Local Governments and Nonprofit Organizations to reimburse the State Auditor for their share of the audit costs and to provide other procedures relating to the State Auditor's authority for this process.

89.16. (GP: Allowance for Residences & Compensation Restrictions) AMENDED. See full text in Appendix A for various amendments made concerning the applicability of the proviso and consideration for housing. Of note, a provision was added to enable any state institution of higher learning to provide complimentary membership privileges to employees who work at their wellness centers.

89.21. (GP: Travel - Subsistence Expenses & Mileage) AMENDED. An amendment to this proviso was included to index the allowable standard business mileage rate for reimbursement to the current IRS rate rather than the rate set previously which was the lesser of 50.5 cents per mile or the current IRS per mile rate.

89.23. (GP: Information Technology - Report of Requested Increases) DELETED.

89.66. (GP: Year-End Financial Statements - Penalties) AMENDED. Proviso amended to change the required reporting date for audits not contracted by the State Auditor's Office from October 15 to October 10.

89.83. (GP: Printed Report Requirements) AMENDED. Proviso was enacted in FY 2008-09 to defer certain reporting. It was amended to update the dates for continued applicability in FY 2012-13.

89.110. (GP: FY 2011-12 Flexibility) DELETED. Proviso had provided flexibility for agencies in implementing mid-year and budget reductions.

89.122. (GP: USC Greenville Medical School) AMENDED. This proviso, which was added in 2011 to prohibit general fund appropriations for the new medical school at the University of South Carolina in Greenville and to prohibit the university from transferring general funds to the new medical school, was updated so as to advance the date to reflect the current year.

89.128. (GP: Single Audit Schedule of Federal Expenditures) NEW. Proviso added concerning reporting to the State Auditor by state agencies that do not receive a separate audit of federal expenditures. These agencies must report a schedule of federal program expenditures by August 15.

90.13. (SR: Prohibits Public Funded Lobbyists) AMENDED. Proviso, which prohibited General Fund expenditures from being spent by state agencies and institutions on lobbying expenses and that required selected agencies to transfer funds to the general fund, was continued. The effective date was updated to the current year.

90.20. (SR: Non-recurring Revenue) NEW. Proviso directs the appropriations from just over \$555 million in supplemental (non-recurring) revenue from sources from prior years that had become available for expenditure in FY 2012-13.

LEGISLATION

Bills ENACTED or Pending Final Action of the General Assembly

Bills are listed below in numeric order of the bill number with House bills (denoted by H.) listed first and followed by Senate bills (denoted by S.). Bills are identified by the Act (A) number, which is assigned upon a bill's enactment, followed by the Ratification (R) number, which is assigned once the bill is adopted by the General Assembly and sent to the Governor, and then the bill number.

For bills with short bill titles (i.e., descriptive title that is provided with legislation when introduced), the summary and bill title (denoted by all caps) are provided. For legislation with lengthy titles, a brief description is provided instead of the bill title. Copies of the full text of the legislation are accessible by clicking on the hyperlinked Act/Bill number information. For a listing of all legislation that was passed during the 2012 Session, see the SC General Assembly website at http://www.scstatehouse.gov/sess119_2011-2012/bills/12actsp1.php.

Act 164 (R.188, H.3241) Charter Schools. This legislation amends provisions of Chapter 40, Title 59 of the SC Code of Laws pertaining to public charter schools. Among other changes enacted with the passage of this legislation, a provision [§59-40-40(1), (3) and (4)] is included that enables SC public and independent institutions of higher education to be eligible as sponsors of a charter school. Prior to this change only a public school district and the SC Public Charter School District were eligible sponsors.

[Act 165 \(R.189, H.3558\)](#) Military service, duty, training or disaster relief. AN ACT TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 25-1-2270 SO AS TO REQUIRE ALL STATE INSTITUTIONS OF HIGHER EDUCATION TO ALLOW STUDENTS TO COMPLETE ASSIGNMENTS OR TAKE MAKE-UP EXAMINATIONS WHEN AN ABSENCE IS CAUSED BY ATTENDING OR PARTICIPATING IN MILITARY SERVICE, DUTY, TRAINING, OR DISASTER RELIEF EFFORTS.

[Act 188 \(R.234, H.4092\)](#) Smoking. AN ACT TO AMEND SECTION 44-95-20, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO PLACES WHERE SMOKING IS PROHIBITED, SO AS TO PROVIDE THAT SMOKING IS NOT ALLOWED IN BUILDINGS, PORTIONS OF BUILDINGS, AND AREAS CONTIGUOUS TO THESE BUILDINGS OWNED, LEASED, OR OPERATED BY PUBLIC INSTITUTIONS OF HIGHER LEARNING THAT THE GOVERNING BODY OF THE INSTITUTION HAS DESIGNATED AS NONSMOKING.

[Act 262 \(R.307, H.4786\)](#) Unemployment Benefits. AN ACT TO AMEND SECTION [41-35-20](#), CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE PAYMENT OF UNEMPLOYMENT BENEFITS BASED ON CERTAIN SERVICES IN SCHOOLS OR INSTITUTIONS OF HIGHER EDUCATION, SO AS TO INCLUDE SERVICES PROVIDED BY SUBSTITUTE TEACHERS UNDER CERTAIN CIRCUMSTANCES.

[Act 213 \(R.243, H.5051\)](#) Higher Education mission and goals. AN ACT TO AMEND SECTION [59-103-15](#), CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO HIGHER EDUCATION MISSION AND GOALS FOR ALL PUBLIC HIGHER EDUCATION INSTITUTIONS IN THIS STATE, SO AS TO ALLOW A FOUR YEAR COLLEGE OR UNIVERSITY, WITH APPROVAL OF THE COMMISSION ON HIGHER EDUCATION, TO OFFER A DOCTORAL DEGREE IN MARINE SCIENCE. (Note: In signing this legislation, the Governor issued a “signing statement”, a copy of which is available at [CLICK HERE](#).)

[Act 133 \(R.149, S.833\)](#) Tuition rates for military personnel and dependents. AN ACT TO AMEND SECTION 59-112-50, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO TUITION RATES FOR MILITARY PERSONNEL AND THEIR DEPENDENTS, SO AS TO PROVIDE THAT ACTIVE DUTY MILITARY PERSONNEL MAY BE CHARGED LESS THAN THE UNDERGRADUATE TUITION RATE FOR SOUTH CAROLINA RESIDENTS FOR CERTAIN COURSES.

[Act # \(R.219, S.1134\)](#) Williamsburg Technical College. AN ACT TO AMEND ACT 1377 OF 1968, AS AMENDED, RELATING TO CAPITAL IMPROVEMENT BOND AUTHORIZATIONS, SO AS TO REVISE THE PURPOSE FOR WHICH CAPITAL IMPROVEMENT BOND AUTHORIZATIONS MAY BE USED AT WILLIAMSBURG TECHNICAL COLLEGE.

[Act 176 \(R.203, S.1307\)](#) Statutes creating certain educational boards and commissions. This legislation amends legislation for state boards for educational and other entities for the purpose of adding where there is representation by Congressional Districts the appropriate reference for appointments of the State’s new 7th Congressional District. For higher education, affected boards include: Commission on Higher Education (59-53-10), State Board for Technical and Comprehensive Education (59-103-10), the Medical University of South Carolina (59-123-40 and 59-123-50), Winthrop University (59-125-20 and 59-123-30), SC State University (59-127-20A), College of Charleston (59-130-10), Francis Marion University (59-133-10), Lander University (59-135-10), and Coastal Carolina University (59-136-110). In addition, representation for the 7th Congressional District was also addressed for Denmark Technical College Area Commission (59-53-610) under another bill, [Act #, \(R.313, S.1088\)](#) that was enacted concerning other boards to address this issue.

[Act 209 \(R.223, S.1331\)](#) Research Authority. Legislation amends and revises certain provisions for the SC Research Authority legislation including changes to the board, participation of designees for the Executive Committee, and other changes to the program’s authority.

Act 159 (R.179, S.1351) Number of lifeguards for public swimming pools. AN ACT TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 44-55-2390 SO AS TO SPECIFY THE NUMBER OF LIFEGUARDS, BASED ON THE SQUARE FOOTAGE OF THE POOL AND NUMBER OF PATRONS, A TYPE "A" PUBLIC SWIMMING POOL MUST HAVE AS A CONDITION OF OBTAINING AND MAINTAINING AN OPERATING PERMIT; TO REQUIRE DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL APPROVAL OF LIFEGUARD COVERAGE PLANS FOR TYPE "E" PUBLIC SWIMMING POOLS; TO PROVIDE THAT A POOL REQUIRED TO HAVE ONLY ONE LIFEGUARD MUST HAVE AN ADDITIONAL EMPLOYEE AVAILABLE; AND TO PROVIDE PROCEDURES FOR APPLYING FOR A VARIANCE.

Other Legislation of interest that passed during 2012 and affects state agencies and higher education:

Act # (R.323, H.4967) SC Retirement System. This legislation, which was signed into law by the Governor on June 26, amends SC Code of Laws to reform South Carolina's state retirement system. The SC Retirement Systems has provided on its website guides that summarize the changes made by the new law and the detailing the effective dates of the changed provisions. This summary information is accessible from the homepage of SC Retirement Systems at <http://www.retirement.sc.gov/>.

Act 105 (R.112, S.258) Office of Inspector General. Legislation enacted to codify the establishment of the Office of the State Inspector General which the Governor had previously established during the 2011 Session through an Executive Order 2011-10 on March 11, 2011.

Act # (R.326, H.3508) Government owned communications service providers. Legislation signed into law on June 29 that amends and updates existing statutes addressing government-owned telecommunications service providers. Sections are included that address provisions concerning broadband service and un-served areas; the definition of broadband service; the purpose and scope of Article 23, Chapter 9, Title 58; definitions in Section 58-9-2610; matching funds, investigation and enforcement, conforming amendments; exemptions of certain provisions; report of the State Regulation of Public Utilities Review Committee; and SC LightRail Consortium.

Act 143 (R.161, H.4639) International Energy Conservation Code of 2009. AN ACT TO AMEND SECTION 6-10-30, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE 2006 EDITION OF THE INTERNATIONAL ENERGY CONSERVATION CODE, SO AS TO ADOPT THE 2009 EDITION OF THE INTERNATIONAL ENERGY CONSERVATION CODE AS THE ENERGY STANDARD OF THIS STATE. - ratified title

Act 216 (R.220, S.1143) Civil War Heritage Trails. A JOINT RESOLUTION TO ESTABLISH SOUTH CAROLINA CIVIL WAR HERITAGE TRAILS AS THE OFFICIAL CIVIL WAR ERA HISTORIC DRIVING TRAILS OF SOUTH CAROLINA; TO PERMIT SOUTH CAROLINA CIVIL WAR HERITAGE TRAILS TO CONSULT WITH THE SOUTH CAROLINA CIVIL WAR SESQUICENTENNIAL ADVISORY BOARD AND THE DEPARTMENT OF ARCHIVES AND HISTORY CONCERNING THE PLANNING, DEVELOPMENT, ESTABLISHMENT, MAINTENANCE, AND MARKETING OF THE TRAILS; TO ENCOURAGE THE DEPARTMENT OF TRANSPORTATION TO WORK WITH SOUTH CAROLINA CIVIL WAR HERITAGE TRAILS CONCERNING THE PLACEMENT OF SIGNS ADJACENT TO THE STATE HIGHWAY SYSTEM; AND TO ENCOURAGE THE APPROPRIATE GOVERNMENT AGENCIES TO COOPERATE WITH SOUTH CAROLINA CIVIL WAR HERITAGE TRAILS CONCERNING EDUCATIONAL AND MARKETING MATERIALS. - ratified title

Act 131 (R.138, S.1196) African American History Month. AN ACT TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 1-1-616 SO AS TO PROVIDE THAT THE MONTH OF FEBRUARY OF EVERY YEAR IS DESIGNATED AFRICAN AMERICAN HISTORY MONTH IN SOUTH CAROLINA. - ratified title

[Act 218 \(R.226, S.1429\)](#) Alzheimer's disease and Related disorders Resource Coordination Center Advisory Council. AN ACT TO AMEND ARTICLE 3, CHAPTER 36, TITLE 44, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE ALZHEIMER'S DISEASE AND RELATED DISORDERS RESOURCE COORDINATION CENTER AND ITS ADVISORY COUNCIL, SO AS TO CLARIFY THAT THIS CENTER IS IN THE OFFICE OF THE LIEUTENANT GOVERNOR. - ratified title (Includes on the Council among others representation from USC, MUSC and SC State University)

Legislation of interest that was discussed but failed to pass as of the end of the 2012 Session:

Two pieces of legislation of note that received attention during the 2012 Session but did not pass as of the end of the session included [S.1397](#) which was a Joint Resolution concerning the implementation of a new accountability based funding system for universities and [H.5025](#) concerning restructuring of the Board of Trustees of SC State University. [H.4641](#) concerning a waiver of the 12-month residency period for purposes of in-state tuition and fees for those military and dependents establishing SC residency within two years of discharge was passed by the House and Senate Education but was not passed as of the end of the session.

Also of note for state government, the General Assembly continued to deliberate legislation introduced in 2011 concerning the restructuring of State Government and the creation of a Department of Administration. The legislation, [H.3066](#), was not passed and died as of the end of the 2012 Session. Another piece of legislation, [H.3225](#), considered since the 2011 Session that would have changed provisions of the State's Freedom of Information Act (FOIA) laws also failed to pass as of the end of the session.

APPENDIX A, Higher Education Funding

Increases/ decreases in recurring General Funds (Part 1A) over FY12 and Nonrecurring Funds for FY 2012-13
Text printed in bold italics indicates vetoed items by the Governor on July 5 and veto was overridden.

	Part 1A Recurring	Proviso 90.20 Non-recurring	CRF	Proviso 90.13	Estimated Lottery Deferred Maintenance
SC Commission on Higher Education (CHE)					
CHE - Merit Scholarships	(381,621)				
CHE - SREB Programs	551,309				
UCG Technology Upgrade		Note 1			
SCMEP	(682,049) ²⁾	Note 1			
Clemson				(45,546)	
Clemson Deferred Maintenance			1,595,044		2,904,177
Clemson - Grid Simulator Project			3,000,000		
Clemson - Greenwood Genetics Lab			2,000,000		
USC				(53,386)	4,687,732
USC Palmetto College	2,885,000		2,115,000		
USC Child Abuse Medical Response		250,000			
USC Palmetto Poison Control Center		71,862			
USC Law School			10,000,000		
MUSC				(80,380)	
MUSC Deferred Maintenance			3,200,000		2,510,334
MUSC - Ashley Tower Renov.- Hosp Auth			5,500,000		
AHEC	500,000				
Citadel				(16,881)	
Citadel Deferred Maintenance			737,691		412,919
Citadel - Jenkins Hall Arms Room Upgrade			200,000		
College of Charleston				(34,000)	880,383
CofC - Science Center Updgrade			1,924,246		
CofC Interactive Digital Tech Pilot		2,000,000			
Coastal Carolina				(20,230)	417,620
Coastal Research Vessel			948,366		
Coastal Scientific Equipment for Research Vessel		198,000			
Francis Marion				(23,500)	
FMU Deferred Maintenance			1,141,069		502,478
FMU Nurse Practitioner	500,000		100,000		
Lander				(25,000)	
Lander Deferred Maintenance			646,417		284,655
SC State				(20,000)	
SC State Deferred Maintenance			1,255,979		553,080
USC Aiken Deferred Maintenance			553,795		287,966
USC Beaufort Deferred Maintenance			327,207		66,146
USC Upstate				(11,000)	
USC Upstate Deferred Maintenance			729,126		379,135
USC Lancaster Deferred Maintenance			137,302		71,395
USC Salkehatchie Deferred Maintenance		200,000	116,979		60,827
USC Sumter Deferred Maintenance			367,869		113,289
USC Union Deferred Maintenance			53,290		27,710
Winthrop				(9,300)	
Winthrop Deferred Maintenance			1,374,947		605,468
Winthrop - Student IT Infrastructure Update			500,000		
State Board for Technical College Education (SBTCE)				(22,431)	
SBTCE - readySC	6,150,000		13,250,000		
SC SkillsUSA		200,000			
Aiken Tech (ATC) Deferred Maintenance					201,943
ATC Ctr for Energy & Adv Manuf (Facility&Equip)- NonRecurring	2,445,000				241,455
Central Carolina Tech (CCTC) Deferred Maintenance					
CCTC Building Renovation - NonRecurring		400,000			
CCTC Training Facility Upfit - NonRecurring	2,250,000	1,250,000			
Denmark Tech Deferred Maintenance			250,000		154,403
Florence Darlington Technical College (FDTC)				(10,001)	
FDTC Deferred Maintenance					410,847
Greenville Technical College (GTC)				(31,783)	
GTC Deferred Maintenance					882,812
Horry-Georgetown Tech Speir Allied Health		200,000		(1,183)	
HGTC Deferred Maintenance					360,320
Midlands Technical College					537,494
Northeastern Technical College					98,699
OCTC Programmable Logic Controller Equip			500,000		
OCTC Deferred Maintenance					164,322
Piedmont Technical College					325,835
SCC Cherokee Campuse Capital Improvements		3,500,000			
SCC Deferred Maintenance					416,957
TCL Veterans Recruitment & Training		200,000			
TCL Deferred Maintenance					156,613
TriCnty Tech Pedestrian Safety Improvements		500,000			
TriCnty Tech				(55,454)	290,809
Trident Tech Deferred Maintenance					636,739
Trident Tech Aeronautical Training			500,000		
Williamsburg Technical College					66,555
York Technical College					288,882
TOTALS	14,217,639	8,969,862	53,024,327	(460,075)	20,000,000

Notes:

- 1) Governor vetoes of nonrecurring funding of \$100,000 for UCG and \$200,000 for SCMEP were sustained. Items shown in bold italics indicated Governor vetoes that were subsequently overridden by the General Assembly.
- 2) SCMEP base funding transferred from CHE to Commerce. See also Proviso 40.19.
- 3) Estimated allocation of \$20 million in lottery funds for deferred maintenance that is allocated pro-rata across the 33 public colleges. based on FY 2011-12 base.

as of 7/25/12

Higher Education Funding, continued

Scholarships and Grants	FY12 Appropriations Act	FY 2012-13 Appropriations Act			Difference FY13-FY12
		Part 1A	Lottery	Total	
* Palmetto Fellows	49,386,667	19,109,427	30,777,240	49,886,667	500,000
LIFE	171,890,285	65,154,048	107,236,237	172,390,285	500,000
SC HOPE	8,255,201	231,727	7,779,856	8,011,583	(243,618)
Lottery Tuition Assistance 2-Year	47,000,000	n/a	49,100,000	49,100,000	2,100,000
* CHE Need-Based Grants	23,631,566	12,000,000	15,631,566	27,631,566	4,000,000
** Tuition Grants	29,762,430	21,995,826	9,266,604	31,262,430	1,500,000
National Guard College Tuition Assistance	1,789,968	89,968	1,700,000	1,789,968	-
SREB Programs and Assessments	3,469,750	3,430,040	n/a	3,430,040	(39,710)
SREB Arts Program	7,177	7,177	n/a	7,177	-
TOTAL	335,193,044	122,018,213	221,491,503	343,509,716	8,316,672

* Includes allocation from Education Endowment appropriation of \$24 million which is divided equally between Palmetto Fellows and Need-based.
 ** Includes appropriations directly allocated to Tuition Grants. The program also receives an allocation from appropriations for CHE Need-based Grants.

FY 2012-13 SC Education Lottery Appropriations

Higher Education

Palmetto Fellows	\$30,777,240	
LIFE	\$107,236,237	
HOPE	\$7,779,856	
Lottery Tuition Assistance	\$49,100,000	
CHE Need-based	\$11,631,566	
+ (FY12 surplus #3)	\$4,000,000	
Tuition Grants	\$7,766,604	
+ (FY12 surplus #4)	\$1,500,000	
National Guard Tuition Prgm	\$1,700,000	
SC State	\$2,500,000	
Technology - 2-& 4-yr Public	\$7,301,816	
+ (FY12 surplus #5)	\$2,500,000	
* Higher Education E Excellence Enhancement (certified Uncl Prize)	\$2,950,000	
+ certified lottery	\$50,000	
CHE Deferred Maintenance - 4yr&2yr Regionals	\$13,285,315	
+ (FY12 surplus #1)	\$1,480,000	
Tech Board Deferred Maintenance	\$4,714,685	
+ (FY12 surplus #2)	\$520,000	
Subtotal Higher Education	\$256,793,319	85.1%

K-12 and Other Entities

K-5 RMSS	\$26,291,798	
* + (certified Uncl Prize)	\$3,200,000	
6-8 RMSS	\$2,000,000	
SDB - Tech	\$200,000	
* SDB - Bus (certified Uncl Prize)	\$250,000	
* SDE Buses (certified Uncl Prize)	\$5,950,000	
* DAODAS (certified Uncl Prize)	\$50,000	
SDE Buses (FY12 surplus #6)	\$6,267,000	
State Library - County Libraries (FY12 surplus #7)	\$733,000	
Subtotal K-12 and other entities	\$44,941,798	14.9%
TOTAL HE & K-12	\$301,735,117	100.0%

* Total certified Unclaimed Prize Funds **\$12,400,000**

Excess Unclaimed Prize Funds above certified \$12.4 million:

PASCAL	\$1,500,000
Technology - 2-& 4-yr Public	\$5,470,093
State Library - County Libraries	\$2,000,000
Higher Education Excellence Enhancement Program (HEEEP)	\$1,000,000
Tech Allied Health	\$4,000,000
Critical Needs Nursing	\$1,000,000
Parity funding for select institutions**	\$5,000,000
Any Balance to LIFE, HOPE, and Palmetto Fellows	balance if any

** Funds to be directed in order to selected institutions for full-time equivalent student funding as follows: USC Beaufort at 38% or \$1,914,564, USC Upstate at 23% or up to \$1,135,093, Coastal Carolina at 15% or up to \$886,826, Lander University at 11% or up to \$553,567, and USC Aiken at 10% or up to \$509,953.

APPENDIX B: Referenced FY 2012-13 Appropriations Act Part 1B Provisos

Copied below are selected Part 1B Provisos of the FY 2012-13 Appropriations Act as referenced in his summary. ~~Strikethrough~~ denotes text to be deleted and new text is denoted by italics and underline. Governor's vetoes and action of the General Assembly are shown in ***bold italics and marked (*veto sustained and **veto overridden)***. For a copy of all provisos effective for FY 2012-13 see, http://www.scstatehouse.gov/sess119_2011-2012/appropriations2012/tab12ndx.php .

1.90. (SDE: Felton Lab Allocation) Of the funds distributed pursuant to the Education Finance Act, the Felton-Laboratory School at South Carolina State University shall receive each year, seventy percent of the funds it would have received for that year under the Education Finance Act and under aid to school districts-fringe benefits, as if it were a special school district. The calculation of the amount of funds which the Felton-Laboratory School is entitled to receive each year shall be made by the Department of Education.

1A.52. (SDE-EIA: Partnerships/Other Agencies & Entities) For the current fiscal year, agencies and other entities receiving funds appropriated in Part IA, Section 1, XII.F.2. will continue to report annually to the Education Oversight Committee (EOC). Any entity receiving funds that must flow through a state agency will receive those funds through the EOC. The EOC will make funding recommendations to the Governor and General Assembly as part of the agency's annual budget request.

2.5. (LEA: FY 2012-13 Lottery Funding) There is appropriated from the Education Lottery Account for the following education purposes and programs and funds for these programs and purposes shall be transferred by the Budget and Control Board as directed below. These appropriations must be used to supplement and not supplant existing funds for education. The Budget and Control Board is directed to prepare the subsequent Lottery Expenditure Account detail budget to reflect the appropriations of the Education Lottery Account as provided in this section. All Education Lottery Account revenue shall be carried forward from the prior fiscal year into the current fiscal year including any interest earnings, which shall be used to support the appropriations contained below.

For Fiscal Year 2012-13 certified net lottery proceeds and investment earnings and any other proceeds identified by this provision are appropriated as follows:

- (1) Commission on Higher Education and State Board for Technical and Comprehensive Education--Tuition Assistance \$ 49,100,000;*
- (2) Commission on Higher Education--LIFE Scholarships as provided in Chapter 149, Title 59 \$ 107,236,237;*
- (3) Commission on Higher Education--HOPE Scholarships as provided in Section 59-150-370 \$ 7,779,856;*
- (4) Commission on Higher Education--Palmetto Fellows Scholarships as provided in Section 59-104-20 \$ 30,777,240;*
- (5) Commission on Higher Education--Need-Based Grants \$ 11,631,566;*
- (6) Tuitions Grants Commission--Tuition Grants \$ 7,766,604;*
- (7) Commission on Higher Education--National Guard Tuition Repayment Program as provided in Section 59-111-75 \$ 1,700,000;*
- (8) South Carolina State University \$ 2,500,000;*
- (9) Technology--Public Four-Year Universities, Two-Year Institutions, and State Technical Colleges \$ 7,301,816;*
- (10) Department of Education--K-5 Reading, Math, Science & Social Studies Program as provided in Section 59-1-525 \$ 26,291,798;*
- (11) Department of Education--Grades 6-8 Reading, Math, Science & Social Studies Program \$ 2,000,000;*
- (12) School for the Deaf and the Blind--Technology Replacement \$ 200,000;*
- (13) Commission on Higher Education--Higher Education Excellence Enhancement Program \$ 50,000;*
- (14) Commission on Higher Education--Public Four-Year Universities & Two-Year Institutions--Deferred Maintenance \$ 13,285,315; and*
- (15) State Board for Technical and Comprehensive Education--Technical Colleges Deferred Maintenance \$ 4,714,685.*

Fiscal Year 2012-13 funds appropriated to the Commission on Higher Education for Tuition Assistance must be distributed to the technical colleges and two-year institutions as provided in Section 59-150-360. Annually the State Board for Technical and Comprehensive Education and the Commission on Higher Education shall develop the Tuition Assistance distribution of funds appropriated.

Of the funds appropriated to South Carolina State University, \$250,000 may be used for the BRIDGE Program.

The provisions of Section 2-75-30 of the 1976 Code regarding the aggregate amount of funding provided for the Centers of Excellence Matching Endowment are suspended for the current fiscal year.

The Commission on Higher Education is authorized to temporarily transfer funds between appropriated line items in order to ensure the timely receipt of scholarships and tuition assistance. It is the goal of the General Assembly to fund the Tuition Assistance program at such a level to support at least \$996 per student per term for full time students.

Fiscal Year 2012-13 net lottery proceeds and investment earnings in excess of the certified net lottery proceeds and investment earnings for this period are appropriated and must be used to ensure that all LIFE, HOPE, and Palmetto Fellows Scholarships for Fiscal Year 2012-13 are fully funded.

If the lottery revenue received for Fiscal Year 2012-13 is less than the amounts appropriated, the projects and programs receiving appropriations for any such year shall have their appropriations reduced on a pro rata basis, except that a reduction must not be applied to the funding of LIFE, HOPE, and Palmetto Fellows Scholarships.

The Commission on Higher Education is authorized to use up to \$260,000 of the funds appropriated in this provision for LIFE, HOPE, and Palmetto Fellows scholarships to provide the necessary level of program support for the scholarship award process.

The Higher Education Tuition Grants Commission is authorized to use up to \$70,000 of the funds appropriated in this provision for Tuition Grants to provide the necessary level of program support for the grants award process.

For Fiscal Year 2012-13, of the funds certified from unclaimed prizes, \$5,950,000 shall be appropriated to the Department of Education for the purchase of new school buses; \$250,000 shall be appropriated to the South Carolina School for the Deaf and blind for the purchase of new school buses; \$3,200,000 shall be appropriated to the Department of Education for K-5 Reading, Math, Science & Social Studies Program as provided in Section 59-1-525; \$50,000 shall be appropriated to the Department of Alcohol and Other Drug Abuse Services for gambling addiction services; and \$2,950,000 shall be appropriated to the Commission on Higher Education for the Higher Education Excellence Enhancement Program.

Of any unclaimed prize funds available in excess of the Board of Economic Advisors estimate, the first \$1,500,000 shall be directed to the Commission on Higher Education for the Partnership Among South Carolina Academic Libraries (PASCAL) Program. The next \$5,470,093 shall be directed for Technology: Public Four-Year Universities, Two-Year Institutions, and State Technical Colleges. The next \$2,000,000 shall be directed to the State Library for Aid to County Libraries. The next \$1,000,000 shall be directed to the Commission on Higher Education for the Higher Education Excellence Enhancement Program. The next \$4,000,000 shall be directed to the State Board for Technical and Comprehensive Education for the Allied Health Initiative. The next \$1,000,000 shall be directed to the Commission on Higher Education for the Critical Needs Nursing Program. The next thirty-eight percent, up to \$1,914,561, shall be directed to USC - Beaufort for Full Time Equivalent Student Funding. The next twenty-three percent, up to \$1,135,093, shall be directed to USC - Upstate for Full Time Equivalent Student Funding. The next eighteen percent, up to \$886,826, shall be directed to Coastal Carolina for Full Time Equivalent Student Funding. The next eleven percent, up to \$553,567, shall be directed to Lander University for Full Time Equivalent Student Funding. The next ten percent, up to \$509,953, shall be directed to USC - Aiken for Full Time Equivalent Student Funding. All additional revenue in excess of the amount certified by the Board of Economic Advisors for unclaimed prizes shall be distributed to the Commission on Higher Education for LIFE, HOPE, and Palmetto Fellows Scholarships.

For Fiscal Year 2012-13, net lottery proceeds and investment earnings realized above the amount certified by the Board of Economic Advisors for Fiscal Year 2011-12 are appropriated as follows on a pro-rata basis:

- (1) Commission on Higher Education--Institutions of Public Four-Year Universities and Two-Year Institutions of Higher Learning Deferred Maintenance. \$ 1,480,000;
- (2) State Board for Technical and Comprehensive Education--Technical Colleges Deferred Maintenance \$ 520,000;
- (3) Commission on Higher Education--Need-Based Grants \$ 4,000,000;
- (4) Tuitions Grants Commission--Tuition Grants \$ 1,500,000;
- (5) Technology--Public Four-Year Universities, Two-Year Institutions, and State Technical Colleges \$ 2,500,000;
- (6) Department of Education--New School Buses \$ 6,267,000; and
- (7) State Library--Aid to County Libraries \$ 733,000.

All funds received in this provision by the Commission on Higher Education for deferred maintenance at public four-year universities and two-year institutions of higher learning shall be distributed on a pro rata basis to each state supported university and institution. The distribution methodology to be used by the commission shall be based on each institution's

proportion of general fund appropriation in Part IA of Act 73 of 2011 as compared to the total general fund appropriation in that Act for all public four-year universities and two-year institutions of higher learning.

6.4. (CHE: Allowable Tuition and Fees) State funds shall not be used to provide undergraduate out-of-state subsidies to students attending state-supported public institutions of higher learning, as defined in Section 59-103-5.

6.11. (CHE: SREB Veterinary Students) Of the funds appropriated to or authorized for the Commission on Higher Education, the commission is directed to fund the Southern Regional Educational Board dues at an appropriate amount to include five additional veterinary medicine students.

6.12. (CHE: EPSCoR Transfer Authority) At the discretion of the State Manager of the South Carolina EPSCoR Program, the State Manager is authorized to transfer the South Carolina EPSCoR Program from the South Carolina Research Authority to the Commission on Higher Education. Regardless of whether the State Coordinator chooses for the program to be transferred, no funds appropriated to or authorized for the South Carolina EPSCoR Program may be retained by the South Carolina Research Authority or the Commission on Higher Education without the consent of the South Carolina EPSCoR Program.

6.13. (CHE: Excellence Enhancement Program Additions) Converse College and Columbia College shall be eligible to receive funds under the Higher Education Excellence Enhancement Program.

6.16. (CHE: Critical Needs Nursing Initiative) The funds appropriated to the Commission on Higher Education for the Critical Needs Nursing Initiative shall be used the purpose of implementing the Critical Needs Nursing Initiative Fund per Section 59-110-10, et seq., of the 1976 Code of Laws, as amended. Funds allocated for nursing faculty and faculty salary enhancements and new nursing faculty shall be permanently transferred to the affected institutions where such faculty are employed. The governing body of the institution, pursuant to its procedures, shall then allocate these enhancements among its affected faculty in such amounts as it determines appropriate consistent with their salary guidelines.

6.17. (CHE: Tuition Age) For Fiscal Year 2010-11 the current fiscal year, the age limitation for those children of certain war veterans who may be admitted to any state-supported college, university, or post high school technical education institution free of tuition is suspended for eligible children that successfully appeal the Division of Veterans Affairs on the grounds of a serious extenuating health condition.

6.18. (CHE: Mandatory Furlough) In a fiscal year in which the general funds appropriated for an institution of higher learning are less than the general funds appropriated for that institution in the prior fiscal year, or whenever the General Assembly or the Budget and Control Board implements a midyear across-the-board budget reduction, agency heads for institutions of higher learning and the State Board for Technical and Comprehensive Education through policy and procedure for the Technical College System may institute employee furlough programs of not more than twenty working days in the fiscal year in which the deficit is projected to occur. The furlough must be inclusive of all employees in an agency or within a designated department or program regardless of source of funds, place of work, or tenure status, and must include employees in classified positions and unclassified positions as well as agency heads. A furlough program may also be implemented by pay band for classified employees and by pay rate for unclassified employees. Law enforcement, employees who provide direct patient or client care, and front-line employees who deliver direct customer services may be exempted from a mandatory furlough. If the furlough includes the entire agency, the furlough must include the agency head. Scheduling of furlough days, or portions of days, shall be at the discretion of the agency or individual institution. In the event that an agency implements both a voluntary furlough program and a mandatory furlough program during the fiscal year, furlough days taken voluntarily will count toward furlough days required by the mandatory furlough. During this furlough, affected employees shall be entitled to participate in the same state benefits as otherwise available to them except for receiving their salaries. As to those benefits which require employer and employee contributions, including but not limited to contributions to the South Carolina Retirement System or the optional retirement program, institutions will be responsible for making both employer and employee contributions during the time of the furlough if coverage would otherwise be interrupted; and as to those benefits which require only employee contributions, the employee remains solely responsible for making those contributions. Placement of an employee on furlough under this provision does not constitute a grievance or appeal under the State Employee Grievance Act. In the event an institution's reduction is due solely to the General Assembly transferring or deleting a program, this provision does not apply. The implementation of a furlough program authorized by this provision shall be on an institution-by-institution basis. Agencies may allocate the employee's reduction in pay over the balance of the fiscal year for payroll purposes regardless of the pay period within which the furlough occurs if that employee is non-exempt under the provisions of the federal Fair Labor Standards

Act. State agencies shall report information regarding furloughs to the Office of Human Resources of the Budget and Control Board as requested.

6.20. (CHE: SmartState) The Commission on Higher Education is prohibited from expending any source of funds on the marketing of the SmartState Program.

15.2. (USC: Indirect Cost Recovery Waiver for Summer Food Service Program) The University of South Carolina is granted partial waiver of the remittance of indirect cost recoveries for the Summer Food Service Program supported by the Federal Department of Agriculture through the Department of Social Services. The waiver may not exceed the amount of direct administrative cost for the program.

****15.3. (USC: School Improvement Council) Of the funds appropriated to the University of South Carolina Columbia Campus, \$100,000 shall be used for the School Improvement Council. **Governor veto and veto overridden.**

17.1. (MUSC: Palmetto Initiative for Excellence) Funds appropriated herein to the SC Healthcare Recruitment and Retention Center for the Palmetto Initiative for Excellence shall be used as match funds to promote diversity within the administrative health services workforce in South Carolina. Funds are to be used to stimulate the development of post-graduate fellowships, undergraduate internships, and mentoring programs.

18.4. (TEC: Caterpillar Dealer Academy) The area commission for the Florence-Darlington Technical College may waive the requirements of Chapter 112, Title 59, Code of Laws of South Carolina, 1976, for student participants in the Caterpillar Dealer Academy operated by Florence-Darlington Technical College.

18.5 (TEC: Manufacturing Training Facility) Of the funds appropriated to the State Board for Technical and Comprehensive Education, \$3,500,000 must be utilized to complete the up-fit of a manufacturing training facility at Central Carolina Technical College. The facility shall be used in conjunction with worker training programs offered by the ReadySC program.

40.18. (CMRC: Research Funds) Funds appropriated to the Department of Commerce as a special item or nonrecurring appropriation for Research shall be used to fund, upon approval of the Secretary of Commerce and the Coordinating Council for Economic Development, partnerships between the Department of Commerce, higher education institutions, either collectively or individually, and South Carolina-based industry with significant investment in the state. These partnerships shall be in Distribution and Logistics Sciences, or any other science, technology, research, development, or industry that creates well-paying jobs and enhanced economic opportunities for the State as determined by the Secretary of Commerce. Unexpended funds shall be carried forward from the prior fiscal year into the current fiscal year and may be used for the same purpose or to fund economic development projects.

40.19. (CMRC: SC Mfg Extension Partnership) No funds appropriated to the department that are designated for the SC Manufacturing Extension Partnership may be utilized to compensate employees or individuals who engage in lobbying services on behalf of the department or the partnership. In addition, the department shall prepare an annual report on the SC Manufacturing Extension Partnership's expenditures for the prior fiscal year and shall submit the report to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee by November first.

70.21. (LEG: Joint Strategic Technology Committee) There is created a joint committee of the General Assembly to be known as the Joint Strategic Technology Committee consisting of eight members. The Chairman of the Senate Finance Committee shall appoint four members, at least two of whom must be appointed from the Senate Finance Committee. The Chairman of the House Ways and Means Committee shall appoint four members, at least two of whom must be appointed from the House Ways and Means Committee.

The Joint Strategic Technology Committee shall have the following purposes and responsibilities:

(1) The joint committee shall review the Statewide Strategic Information Technology Plan prepared by the Budget and Control Board and the Agency Directors Technology Advisory Committee and, as needed, make recommendations to the Senate Finance Committee and the House Ways and Means Committee regarding the plan by January twenty-ninth, of the current fiscal year. The joint committee shall also recommend priorities for state government enterprise information technology projects and resource requirements as it determines appropriate;

(2) The joint committee shall review information technology spending by state agencies and evaluate whether greater efficiencies, more effective services and cost savings can be achieved through streamlining, standardizing and consolidating state agency information technology. State agencies must consult with hardware maintenance manager vendors under state contract to determine whether the agency may achieve cost savings by utilizing these contracts for

information technology. A report by agency of these findings must be provided to the joint committee by the Budget and Control Board. The joint committee shall recommend to the President Pro Tempore of the Senate and the Speaker of the House of Representatives, for referral to the appropriate standing committees, any statutory changes appropriate for the successful implementation of the Statewide Strategic Information Technology Plan and the efficient and effective management and use of information technology by state government.

The Budget and Control Board and all state agencies shall cooperate with and provide assistance to the Joint Strategic Technology Committee as requested by the committee.

The Executive Director of the Budget and Control Board shall appoint an Agency Directors Technology Advisory Committee. The Executive Director shall determine the number and composition of this committee, which shall represent a cross section of state government agencies. This committee shall provide input and advice regarding the Statewide Strategic Information Technology Plan being developed by the State through the Budget and Control Board. The committee shall also assist and advise the Joint Strategic Technology Committee at its request.

80A.25. (BCB: Employee Compensation) The amounts appropriated to the Budget and Control Board for Employee Pay Increases must be allocated by the Board to the various state agencies to provide for employee pay increases in accordance with the following plan:

1. With respect to classified and non-judge judicial classified employees, effective on the first pay date that occurs on or after July first of the current fiscal year, the compensation of all classified employees shall be increased by ~~zero~~ three percent.

2. With respect to unclassified and non-judge judicial unclassified employees or unclassified executive compensation system employees not elsewhere covered in this act, effective on the first pay date that occurs on or after July first of the current fiscal year each agency is authorized to allot the total funds for compensation increases among individual employees without uniformity the compensation of all unclassified employees shall be increased by three percent. The funds provided for compensation increases for any employees subject to the provisions of this paragraph are based on an average zero percent increase. All of the salaries are subject to the provisions of Section 89.17 of Part IB of this act and Office of Human Resources approval must be obtained before any employees subject to the provisions of this paragraph may be granted an annual pay increase in excess of the guidelines established by the Budget and Control Board. Any employee subject to the provisions of this paragraph shall not be eligible for compensation increases provided in paragraphs 1, 3, 4, 5, or 6.

3. Effective on the first pay date that occurs on or after July first of the current fiscal year, agency heads not covered by the Agency Head Salary Commission, shall receive an annualized base pay increase of ~~zero~~ three percent.

4. With respect to local health care providers compensation increases shall be ~~zero~~ three percent effective on the first pay date that occurs on or after July first of the current fiscal year. With respect to Area Agencies on Aging funded by the Lieutenant Governor's Office on Aging, compensation shall be increased by ~~zero~~ three percent effective on the first pay date that occurs on or after July first of the current fiscal year. With respect to local councils on aging or local providers of services funded by the Lieutenant Governor's Office on Aging through Area Agencies on Aging, no pay increases will be allowed. School Bus Driver salary and fringe funding to school districts shall be increased by ~~zero~~ three percent.

5. Effective on the first pay date that occurs on or after July first of the current fiscal year, the Chief Justice and other judicial officers shall receive an annualized base pay increase of ~~zero~~ three percent.

6. Effective on the first pay date that occurs on or after July first of the current fiscal year, county auditors and county treasurers shall receive an annualized base pay increase of ~~zero~~ three percent.

7. The Budget and Control, the Office of Comptroller General, and state agencies whose payroll is not processed by the Office of Comptroller General are authorized to implement employee pay increases described in this provision retroactively to the first pay date that occurs on or after July first of the current fiscal year, if the Appropriations Act is ratified by the General Assembly after June 7, 2012.

The Budget and Control Board shall allocate associated compensation increases for retirement employer contributions based on the retirement rate of the retirement system in which individual employees participate.

The Executive Director of the Budget and Control Board is authorized to use excess appropriations for the current fiscal year, as determined by the Director of the Office of State Budget, designated for statewide employer contributions for other statewide purposes. At the discretion of the Executive Director of the Budget and Control Board, such action may be considered a permanent transfer into the receiving agency's base budget.

Funds appropriated in Part IA, F30, Section 80C, Budget and Control Board, Employee Benefits may be carried forward from the prior fiscal year into the current fiscal year.

80B.2. (BCB/AUD: Annual Audit of Federal Programs) Each state agency receiving federal funds subject to the audit requirements of the Single Audit Act Amendments of 1996 and OMB Circular A-133, Audits of States, Local Governments and Nonprofit Organizations shall remit to the State Auditor an amount representing an equitable portion of the expense of contracting with a nationally recognized CPA firm to conduct a portion of the audit of the State's federal financial

assistance. Each state agency's equitable portion of the expense will be determined by a schedule developed by the State Auditor. Such remittance will be based upon invoices provided by the State Auditor. The audit shall be re-bid every five years. The State Auditor shall retain and expend the funds received and shall carry forward any unexpended funds from the prior fiscal year into the current fiscal year for the same purpose.

89.16. (GP: Allowance for Residences & Compensation Restrictions) That salaries paid to officers and employees of the State, including its several boards, commissions, and institutions shall be in full for all services rendered, and no perquisites of office or of employment shall be allowed in addition thereto, but such perquisites, commodities, services or other benefits shall be charged for at the prevailing local value and without the purpose or effect of increasing the compensation of said officer or employee. The charge for these items may be payroll deducted at the discretion of the Comptroller General or the chief financial officer at each agency maintaining its own payroll system. This shall not apply to the Governor's Mansion, ~~nor for department-owned housing used for recruitment and training of Mental Health Professionals,~~ nor to guards at any of the state's penal institutions and nurses and attendants at ~~the Department of Mental Health,~~ and the Department of Disabilities and Special Needs, and registered nurses providing clinical care at the MUSC Medical Center, nor to the Superintendent and staff of John de la Howe School, nor to the cottage parents and staff of Wil Lou Gray Opportunity School, nor to full-time or part-time staff who work after regular working hours in the SLED Communications Center or Maintenance Area, nor to adult staff at the Governor's School for Science and Mathematics and the Governor's School for Arts and Humanities who are required to stay on campus by the institution because of job requirements or program participation. Any state institution of higher learning may provide complimentary membership privileges to employees who work at their wellness centers. The presidents of those state institutions of higher learning authorized to provide on-campus residential facilities for students may be permitted to occupy residences on the grounds of such institutions without charge.

Any state institution of higher learning may provide a housing allowance to the president in lieu of a residential facility, the amount to be approved by the Budget and Control Board.

That the following may be permitted to occupy residences owned by the respective departments without charge: ~~the Director of the Department of Mental Health;~~ the Farm Director, Farm Managers, and Specialists employed at the Wateree River Correctional Institution; the South Carolina State Commission of Forestry fire tower operators, forestry aides, and caretaker at central headquarters; the Department of Natural Resources' Game Management Personnel, Fish Hatchery Superintendents, Lake Superintendent, and Fort Johnson Superintendent; the Department of Parks, Recreation and Tourism field personnel in the State Parks Division; Director of Wil Lou Gray Opportunity School; President of the School for the Deaf and the Blind; houseparents for the Commission for the Blind; South Carolina Department of Health and Environmental Control personnel at the State Park Health Facility and Camp Burnt Gin; Residence Life Coordinators at Lander University; Residence Life Directors, temporary and transition employees, student interns, and emergency personnel at Winthrop University; Farm Superintendent at Winthrop University; Residence Hall Directors at the College of Charleston; ~~Clemson University's Head Football Coach;~~ the Department of Disabilities and Special Needs' physicians and other professionals at Whitten Center, Clemson University Off-Campus Agricultural Staff and Housing Area Coordinators; and ~~University of South Carolina's Manager of Bell Camp Facility, Housing Maintenance Night Supervisors, Residence Life Directors, temporary and transition employees, and emergency medical personnel;~~ TriCounty Technical College's Bridge to Clemson Resident and Area Directors. Except in the case of elected officials, the fair market rental value of any residence furnished to a state employee shall be reported by the state agency furnishing the residence to the Agency Head Salary Commission, and the Division of Budget and Analyses by October first, of each fiscal year.

All salaries paid by departments and institutions shall be in accord with a uniform classification and compensation plan, approved by the Budget and Control Board, applicable to all personnel of the State Government whose compensation is not specifically fixed in this act. Such plan shall include all employees regardless of the source of funds from which payment for personal service is drawn. The Division of Budget and Analyses of the Budget and Control Board is authorized to approve temporary salary adjustments for classified and unclassified employees who perform temporary duties which are limited by time and/or funds. When approved, a temporary salary adjustment shall not be added to an employee's base salary and shall end when the duties are completed and/or the funds expire. Academic personnel of the institutions of higher learning and other individual or group of positions that cannot practically be covered by the plan may be excluded therefrom but their compensations as approved by the Division of Budget and Analyses shall, nevertheless, be subject to review by the Budget and Control Board. Salary appropriations for employees fixed in this act shall be in full for all services rendered, and no supplements from other sources shall be permitted or approved by the Budget and Control Board. With the exception of travel and subsistence, legislative study committees shall not compensate any person who is otherwise employed as a full-time state employee. Salaries of the heads of all agencies of the State Government shall be specifically fixed in this act and no salary shall be paid any agency head whose salary is not so fixed. ~~Commuter mileage on non-exempt state vehicles~~

~~shall be considered as income and reported by the Comptroller General in accordance with IRS regulations.~~ As long as there is no impact on appropriated funds, state agencies and institutions shall be allowed to spend public funds and/or other funds for designated employee award programs which shall have written criteria approved by the agency governing board or commission. For purposes of this section, monetary awards, if any, shall not be considered a part of an employee's base salary, a salary supplement, or a perquisite of employment. The names of all employees receiving monetary awards and the amounts received shall be reported annually to the South Carolina Division of Budget and Analyses.

In the case of lodging furnished by certain higher education institutions to employees, the prevailing local rate does not apply if the institution meets the exceptions for inadequate rent described in the current Internal Revenue Code Section 119(d)(2). To meet the exception, rental rates must equal the lesser of five percent of the appraised value of the qualified campus lodging, or the average of the rentals paid by individuals (other than employees or students of the educational institution) during the calendar year for lodging provided by the educational institution which is comparable to the qualified campus lodging provided to the employee, over the rent paid by the employee for the qualified campus lodging during the calendar year. The appraised value shall be determined as of the close of the calendar year in which the taxable year begins, or, in the case of a rental period not greater than one year, at any time during the calendar year in which the period begins.

89.21. (GP: Travel - Subsistence Expenses & Mileage) Travel and subsistence expenses, whether paid from state appropriated, federal, local or other funds, shall be allowed in accordance with the following provisions:

(A) Unless otherwise provided in paragraphs B through H of this section, all employees of the State of South Carolina or any agency thereof including employees and members of the governing bodies of each technical college while traveling on the business of the State shall, upon presentation of a paid receipt, be allowed reimbursement for actual expenses incurred for lodging, not to exceed the current maximum lodging rates, excluding taxes, established by the U.S. General Services Administration. The lodging reimbursement for employees of a school district must also conform to these rates when that employee's travel reimbursement is paid by state funds that are transferred to the school district. Agencies may contract with lodging facilities to pay on behalf of an employee. Failure to maintain proper control of direct payments for lodging may result in the revocation of the agency's authority by the Comptroller General or the State Auditor. The employee shall also be reimbursed for the actual expenses incurred in the obtaining of meals except that such costs shall not exceed \$25 per day within the State of South Carolina. For travel outside of South Carolina the maximum daily reimbursement for meals shall not exceed \$32. Agencies may contract with food or dining facilities to pay for meals on behalf of employees in accordance with rules and regulations established by the Budget and Control Board. It shall be the responsibility of the agency head to monitor the charges for lodging which might be claimed by his employees in order to determine that such charges are following maximum lodging rates as established by the U.S. General Services Administration. Any exceptions must have the written approval of the agency head, taking into consideration location, purpose of travel or other extenuating circumstances. The provisions of this item shall not apply to Section 42-3-40 of the 1976 Code, and when pertaining to institutions of higher learning, for travel paid with funds other than General Funds.

(B) That employees of the State, when traveling outside the United States, Canada, and Puerto Rico upon promotional business for the State of South Carolina shall be entitled to actual expenses for both food and lodging.

(C) The Governor, Lieutenant Governor, Secretary of State, Comptroller General, Attorney General, State Treasurer, Adjutant General, Superintendent of Education and the Commissioner of Agriculture shall be reimbursed actual expenses for subsistence.

(D) Non-legislative members of committees appointed pursuant to Acts and Resolutions of the General Assembly whose membership consists solely of members of the General Assembly or members of the General Assembly and other personnel who are not employees of the State of South Carolina shall be allowed subsistence expenses of \$35 per day while traveling on official business, unless otherwise designated by law. Members of such committees may opt to receive actual expenses incurred for lodging and actual expenses incurred in the obtaining of meals in lieu of the allowable subsistence expense.

(E) Members of the state boards, commissions, or committees whose duties are not full-time and who are paid on a per diem basis, shall be allowed reimbursement for actual expenses incurred at the rates provided in paragraph A and I of this section while away from their places of residence on official business of the State. One person accompanying a handicapped member of a state board, commission, or committee on official business of the State shall be allowed the same reimbursement for actual expenses incurred at the rates provided in paragraph A through I of this section.

(F) No subsistence reimbursement shall be allowed to a Justice of the Supreme Court or Judge of the Court of Appeals while traveling in the county of his official residence. When traveling on official business of said court within fifty miles outside the county of his official residence, a Supreme Court Justice and a Judge of the Court of Appeals shall be allowed subsistence expenses in the amount of \$35 per day plus such mileage allowance for travel as is provided for other employees of the State. When traveling on official business of said court fifty or more miles outside the county of his

official residence, each Justice and Judge of the Court of Appeals shall be allowed subsistence expenses in the amount as provided in this act for members of the General Assembly plus such mileage allowance for travel as is provided for other employees of the State. The Chief Justice, or such other person as the Chief Justice designates, while attending the Conference of Chief Justices and one member of the Supreme Court while attending the National Convention of Appellate Court Judges, and three Circuit Judges while attending the National Convention of State Trial Judges shall be allowed actual subsistence and travel expenses.

Upon approval of the Chief Justice, Supreme Court Justices, Judges of the Court of Appeals, Circuit Judges, and Family Court Judges shall be reimbursed for actual expenses incurred for all other official business requiring out-of-state expenses at the rate provided in paragraph A of this section.

(G) No subsistence reimbursements are allowed to a Circuit Judge, a Family Court Judge, or an Administrative Law Judge while holding court within the county in which he resides. While holding court or on other official business outside the county, within fifty miles of his residence, a Circuit Court Judge, Family Court Judge, or an Administrative Law Judge is entitled to a subsistence allowance in the amount of \$35 per day plus such mileage allowance for travel as is provided for other employees of the State. While holding court or on other official business at a location fifty miles or more from his residence, a Circuit Court, Family Court or Administrative Law Judge is entitled to a subsistence allowance in the amount as provided in this act for members of the General Assembly plus such mileage allowance for travel as is provided for other employees of the State.

(H) Any retired Justice, Circuit Court Judge or Family Court Judge or Master-in-Equity appointed by the Supreme Court to serve as a Special Circuit Judge, Family Court Judge, Appeals Court Judge, or Acting Associate Justice shall serve without pay but shall receive the same allowance for subsistence, expenses, and mileage as provided in Part I for Circuit Court Judges.

(I) No expense shall be allowed an employee either at his place of residence or at the official headquarters of the agency by which he is employed except as provided in paragraph E, of this section. When an employee is assigned to work a particular territory or district, and such territory or district and his official headquarters are in different localities or sections of the State, expenses may be allowed for the necessary travel to his official headquarters. The members of the Workers' Compensation Commission may be reimbursed at the regular mileage rate of one round trip each week from their respective homes to Columbia. No subsistence reimbursement shall be allowed to a member of the Workers' Compensation Commission while traveling in the county of his official residence. When traveling on official business of the commission outside the county of his official residence, a member of the Workers' Compensation Commission shall be allowed subsistence expenses in the amount of \$35 per day. When traveling on official business of the commission fifty or more miles outside the county of his official residence, each member shall be allowed a subsistence allowance in the amount as provided in this act for members of the General Assembly. When out-of-state, members of the Workers' Compensation Commission and the members of the Appellate Panel of the Department of Employment and Workforce may claim the established amount of per diem, as stated in the General Appropriation Act, or actual expenses as deemed reasonable by the Comptroller General. The members of the Appellate Panel of the Department of Employment and Workforce may be reimbursed at the regular mileage rate when the member is on official business fifty miles or more outside of Columbia. The members of the Appellate Panel of the Department of Employment and Workforce shall be allowed subsistence allowance in the amount as provided in this act for members of the General Assembly when the member is on official business fifty miles or more outside of Columbia.

(J) When an employee of the State shall use his or her personal automobile in traveling on necessary official business, a charge to equal the standard business mileage rate as established by the Internal Revenue Service will be allowed for the use of such automobile and the employee shall bear the expense of supplies and upkeep thereof. ~~However, the~~ The standard business mileage rate used in this calculation shall be the ~~lesser of 50.5 cents per mile or the~~ current rate established by the Internal Revenue Service. Whenever state provided motor pool vehicles are reasonably available and their use is practical and an employee of the State shall request for his own benefit to use his or her personal vehicle in traveling on necessary official business, a charge of four cents per mile less than the standard business mileage rate as established by the Internal Revenue Service will be allocated for the use of such vehicle and the employee shall bear the expense of supplies and upkeep thereof. ~~However, the~~ The standard business mileage rate used in this calculation shall be the ~~lesser of 50.5 cents per mile or the~~ current rate established by the Internal Revenue Service. When such travel is by a state-owned automobile, the State shall bear the expense of supplies and upkeep thereof but no mileage will be allowed. Agencies and employees are directed to use state fueling facilities to the maximum extent possible, when such use is cost beneficial to the State. When using commercial fueling facilities, operators of State-owned vehicles are directed to use self-service pumps. In traveling on the business of the State, employees are required to use the most economical mode of transportation, due consideration being given to urgency, schedules and like factors.

Mileage between an employee's home and his/her place of employment is not subject to reimbursement. However, when an employee leaves on a business trip directly from his/her home, and does not go by the employee's headquarters, the employee shall be eligible for reimbursement for actual mileage beginning at his/her residence.

(K) That a state agency may advance travel and subsistence expense monies to employees of that agency for the financing of ordinary and necessary travel required in the conducting of the business of the agency. The Budget and Control Board is directed to develop and publish rules and regulations pertaining to the advancing of travel expenses and no state agency shall make such advances except under the rules and regulations as published. All advances for travel and subsistence monies shall be repaid to the agency within thirty days after the end of the trip or by July fifteenth, whichever comes first.

(L) That the state institutions of higher learning are authorized to reimburse reasonable relocation expenses for new employees when such reimbursements are considered by the agency head to be essential to successful recruitment of professionally competent staff members.

(M) The Budget and Control Board is authorized to promulgate and publish rules and regulations governing travel and subsistence payments.

(N) No state funds may be used to purchase first class airline tickets.

89.23. (GP: Information Technology - Report of Requested Increases) ~~The Budget and Control Board is authorized and directed to identify all requested increases for information technology for agencies, institutions or departments, with the exception of colleges, universities and technical institutions, compile the requests into one report for the Governor, the Chairman of Senate Finance Committee, and the Chairman of the House Ways and Means Committee or a respective subcommittee chairman. Upon request of the Governor, the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, or a respective subcommittee chairman, the Budget and Control Board shall provide an evaluation of any request.~~

89.66. (GP: Year-End Financial Statements - Penalties) Agencies and other reporting entities required to submit annual audited financial statements for inclusion in the State's Comprehensive Annual Financial Report must comply with the submission dates stipulated in the State Auditor's Office audit contract. If the audit was not contracted by the State Auditor's Office, the final audited financial statements are due not later than October ~~fifteenth~~ *tenth* for the prior fiscal year. Each agency that does not comply with the provisions of this proviso shall appear before the Comptroller General, providing an explanation for the delay.

89.83. (GP: Printed Report Requirements) (A) For Fiscal Year ~~2011-12~~ 2012-13, state supported institutions of higher learning shall not be required to submit printed reports mandated by Sections 2-47-40, 2-47-50, and 59-103-110 of the 1976 Code, and shall instead only submit the documents electronically.

Submission of the plans or reports required by Sections 2-47-55, 59-101-350, 59-103-30, 59-103-45(4), and 59-103-160(D) shall be waived for the current fiscal year, except institutions of higher learning must continue to report under 2-47-55 year one of the Comprehensive Permanent Improvement Plan, student pass rates on professional examinations, and data elements otherwise required for the Commission on Higher Education Management Information System. The commission, in consultation with institutions, shall take further action to reduce data reporting burdens as possible.

(B) For Fiscal Year ~~2011-12~~ 2012-13, the Department of Agriculture shall not be required to submit printed reports mandated by Section 46-49-10 of the 1976 Code. The department shall provide these reports electronically and shall use any monetary savings for K5-12 agricultural education programs.

(C) For Fiscal Year ~~2011-12~~ 2012-13, the Department of Health and Human Services shall not be required to provide printed copies of the Medicaid Annual Report required pursuant to Section 44-6-80 of the 1976 Code and the Provider Reimbursement Rate Report required pursuant to Proviso 21.11, and shall instead only submit the documents electronically.

(D) For Fiscal Year ~~2011-12~~ 2012-13, the Department of Transportation shall not be required to submit printed reports or publications mandated by Sections 1-11-58, 2-47-55, and 58-17-1450 of the 1976 Code.

The Department of Transportation may combine their Annual Report and Mass Transit Report into their Annual Accountability Report.

89.110. (GP: FY 2011-12 Flexibility) ~~In order to provide maximum flexibility in absorbing the general fund reductions mandated in this act as compared to Fiscal Year 2008-09 general fund appropriations, agencies are authorized for Fiscal Year 2011-12 to spend agency earmarked and restricted accounts designated as "special revenue funds" as defined in the Comptroller General's records, to maintain critical programs previously funded with general fund appropriations. Any spending authorization for these purposes must receive the prior approval of the Office of State Budget and must be reported to the Governor, Senate Finance Committee, and the House Ways and Means Committee. The Comptroller General is authorized to implement the procedures necessary to comply with this directive. This provision is provided notwithstanding any other provision of law restricting the use of earned revenue. Appropriation transfers may exceed twenty percent of the program budget upon approval of the Budget and Control Board, Office of State Budget in consultation with the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means~~

Committee.

State institutions of higher learning whose budgets have been reduced from the Fiscal Year 2010-11 state funding level, shall have the authority to use other sources of available funds to support and maintain state funded programs affected by state reductions during Fiscal Year 2011-12 and may adjust appropriations from special items or programs contained in this act in an amount greater or less than the percentage of the reduction assessed to the institution's base budget. Institutions shall submit to the Office of State Budget, the Senate Finance Committee, and the House Ways and Means Committee the amount of base budget reductions associated with these programs.

Notwithstanding the flexibility authorized in this provision, the following agencies are prohibited from reducing or transferring funds from the following programs or areas:

(A) — Department of Natural Resources

Law Enforcement Program/Enforcement Operations as contained in Program II. F.1

(B) — Department of Parks, Recreation, and Tourism

Program II. A. Special Item: Regional Promotions

In addition the Department of Parks, Recreation and Tourism is prohibited from closing or reducing the FTE's in the State House Gift Shop and the Santee Welcome Center.

Notwithstanding the prohibition on reducing or transferring funds from the programs or areas listed above, the Department of Natural Resources may reduce the specified programs or areas by an amount not to exceed the percentage associated with any mandated reduction.

89.128. *(GP: Single Audit Schedule of Federal Expenditures) To ensure timely completion of the of the Statewide Single Audit, state agencies which do not receive a separate audit of federal expenditures, must submit to the Office of the State Auditor a schedule of federal program expenditures in a format prescribed by the Office of the State Auditor, no later than August 15 of each year.*

89.122. (GP: USC Greenville Medical School) It is the intent of the General Assembly that during Fiscal Year ~~2011-12~~ 2012-13, no general funds shall be appropriated for the new medical school at the University of South Carolina in Greenville. In addition, no state funds may be transferred from state earmarked or restricted funds held by the University of South Carolina to the medical school except for grants, contributions, contractual payments, and tuition and required fees for students attending the new medical school at the University of South Carolina in Greenville that are specifically designated for the medical school at the University of South Carolina in Greenville.

90.13. (SR: Prohibits Public Funded Lobbyists) In order to eliminate taxpayer funded lobbying, the following state agencies and institutions, for Fiscal Year ~~2011-12~~ 2012-13, shall transfer the amounts indicated to the General Fund:

Administrative Law Court	\$	22,000
The Citadel	\$	16,881
Clemson University	\$	45,546
Coastal Carolina University	\$	20,230
College of Charleston	\$	34,000
Department of Health & Environmental Control	\$	26,553
State Board for Technical & Comprehensive Education	\$	22,431
Florence-Darlington Technical College	\$	10,001
Greenville Technical College	\$	31,783
Horry-Georgetown Technical College	\$	1,183
Tri-County Technical College	\$	55,545
Francis Marion University	\$	23,500
Judicial Department	\$	59,164
Medical University of South Carolina	\$	80,380
Department of Natural Resources	\$	17,157
Prosecution Coordination Commission	\$	19,290
South Carolina State University	\$	20,000
University Of South Carolina	\$	53,368
University of South Carolina-Upstate	\$	11,000
Winthrop University	\$	9,300
Lander University	\$	25,000
Total	\$	604,312 <u>\$585,022</u>

All state agencies and institutions are prohibited from using general fund appropriations to compensate employees who engage in lobbying on behalf of the state agency or institution. The State Ethics Commission shall require state agencies and institutions that report lobbying activities to the commission to certify that the lobbying activities were not funded by

general fund appropriations.

All state agencies and institutions are prohibited from entering into contracts using general fund appropriations to provide lobbying services to the agency or institution.

****Various items in 90.20 vetoed by Governor and status marked - *veto sustained and **veto overridden**

90.20. (SR: Non-recurring Revenue) (A) The source of revenue appropriated in this provision is \$555,153,157 of non-recurring revenue generated from the following sources and transferred to the State Treasurer. This revenue is deemed to have occurred and is available for use in Fiscal Year 2012-13 after September 1, 2012, following the Comptroller General's close of the state's books on Fiscal Year 2011-12.

(1) \$122,333,689 from Fiscal Year 2010-11 Contingency Reserve Fund;
(2) \$397,086,761 from Fiscal Year 2011-12 unobligated general fund revenue as certified by the Board of Economic Advisors;

(3) \$30,722,343 from Fiscal Year 2012-13 general fund revenue; and

(4) \$5,010,364 from Fiscal Year 2011-12 Capital Reserve Fund lapse.

Any restrictions concerning specific utilization of these funds are lifted for the specified fiscal year. The above agency transfers shall occur no later than thirty days after the close of the books on Fiscal Year 2011-12 and shall be available for use in Fiscal year 2012-13.

(B) The appropriations in this provision are listed in priority order. Item (1) must be funded first and each remaining item must be fully funded before any funds are allocated to the next item. Provided, however, that any individual item may be partially funded in the order in which it appears to the extent that revenues are available.

The State Treasurer shall disburse the following appropriations by September 30, 2012, for the purposes stated:

- (1) General Reserve Fund
Full 5% Funding \$98,175,036;
- (2) Y14-State Ports Authority
Harbor Deepening Reserve Fund \$300,000,000;
- (3) P32-Department of Commerce
Research Funds \$3,542,592;
- (4) R60-Department of Employment and Workforce
SUTA Tax Relief \$3,009,350;
- (5) H63-Department of Education
EFA-IDEA Contingency Reserve \$36,202,909;
- (6) L04-Department of Social Services
Child Support Enforcement System \$2,500,000;
- (7) H59-State Board for Technical and Comprehensive
Education Spartanburg Community College
Cherokee Campus Capital Improvements \$3,500,000;
- (8) A20-Legislative Audit Council
 - (a) Information Technology Upgrade
(Servers, Computers, Software) \$45,000;
 - ** (b) Peer Review Audit - Government***
Auditing Standards \$15,000;

*Please note: Text printed in italic, boldface indicates sections vetoed by the Governor on July 5, 2012. **veto overridden*

- (9) C05-Administrative Law Court
Staff Attorney/Hearing Officer/Business
Associate Equipment \$6,900;
- (10) P32-Department of Commerce
Deal Closing Fund \$7,000,000;
- (11) F03-Budget and Control Board
South Carolina Enterprise Information System
-Statewide Program SCEIS Program
Sustainment \$2,458,843;
- (12) D10-State Law Enforcement Division
 - (a) Personal Service and Operating \$1,701,000;
 - (b) Forensic Equipment \$1,134,994;
 - (c) Law Enforcement Operating \$150,000;
 - (d) CJIS/IT Equipment \$4,777,000;
 - (e) Vehicles \$840,000;

- (f) Computer Equipment \$138,500;
(13) K05-Department of Public Safety
(a) Emergency Communications
Equipment \$3,250,000;
(b) Bureau of Protective Services Officers
Equipment \$44,700;
****(c) Capitol Complex Garage Security
Equipment \$75,000;***

Please note: Text printed in italic, boldface indicates sections vetoed by the Governor on July 5, 2012. *veto sustained

- (d) Vehicles \$1,000,000;
***** (14) H63-Department of Education
Governor's School for the Arts and Humanities
Administration Building Construction \$1,250,000;***

Please note: Text printed in italic, boldface indicates sections vetoed by the Governor on July 5, 2012. **veto overridden

- (15) L12-John de la Howe School
(a) Deferred Maintenance on Seven
Cottages \$400,000;
***** (b) Information Technology Upgrade \$200,014;***
***** (16) H71-Wil Lou Gray Opportunity School
Window Replacement \$750,000;***

Please note: Text printed in italic, boldface indicates sections vetoed by the Governor on July 5, 2012. **veto overridden

- (17) H75-School for the Deaf and Blind
Robertson Hall Construction \$1,477,550;
(18) J02-Department of Health and Human Services
Medicaid Management Information System \$3,918,676;
(19) N04-Department of Corrections
(a) Wateree Radium Drinking Water
Compliance \$6,000,000;
(b) Statewide Roof Replacement \$2,500,000;
(c) Statewide Major Maintenance Projects \$2,500,000;
(d) Victim Services Web Based Case
Management System \$500,000;
(e) SC SAVIN Court Notification System \$500,000;
(f) Allendale CI Pre-Treatment Wastewater
Plant Closing \$350,000;
(g) Statewide Infirmary Consolidation \$300,000;
(h) Farm Irrigation - Wateree \$100,000;
(i) Training Academy - Weapons
Replacement \$40,000;
(20) P24-Department of Natural Resources
***** (a) Replacement of IT Equipment and
Maintenance \$1,260,505;***

Please note: Text printed in italic, boldface indicates sections vetoed by the Governor on July 5, 2012. **veto overridden

- (b) Water Resources Other Operating \$1,000,000;
****(21) E08-Secretary of State
Information Technology Upgrade \$500,000;***

Please note: Text printed in italic, boldface indicates sections vetoed by the Governor on July 5, 2012. *veto sustained

- (22) E20-Attorney General
(a) Information Technology Upgrade \$500,000;
(b) Operating Expenses \$500,000;
***** (23) E23-Commission on Indigent Defense
Information Technology Upgrade \$101,000;***

Please note: Text printed in italic, boldface indicates sections vetoed by the Governor on July 5, 2012. **veto overridden

(24) P12-Forestry Commission
Firefighting Equipment \$3,500,000;

****(25) R40-Department of Motor Vehicles***
Programming & Training/Implementation
of S.1031 \$88,550;

Please note: Text printed in italic, boldface indicates sections vetoed by the Governor on July 5, 2012. *veto sustained

***** (26) H73-Vocational Rehabilitation***
Restoration of Vocational Rehabilitation Program
- State Matching Funds \$1,000,000;

(27) J04-Department of Health and Environmental Control

***** (a) ADAP Prevention \$200,000;***

***** (b) SC Coalition Against Domestic Violence and***
Sexual Assault \$453,680;

***** (c) Kidney Disease Early Evaluation and Risk***
Assessment Education \$100,000;

***** (d) Hemophilia - SC Bleeding Disorders Premium***
Assistance Program \$100,000;

Please note: Text printed in italic, boldface indicates sections vetoed by the Governor on July 5, 2012. **veto overridden

****(e) S.C. Office of Rural Health - Benefit***
Bank \$500,000;

Please note: Text printed in italic, boldface indicates sections vetoed by the Governor on July 5, 2012. *veto sustained

***** (f) James R. Clark Memorial Sickle Cell***
Foundation \$100,000;

Please note: Text printed in italic, boldface indicates sections vetoed by the Governor on July 5, 2012. **veto overridden

****(28) H63-Department of Education***
SC School Improvement Council \$35,000;

(29) H79-Department of Archives and History

****(a) City of Charleston African American Historic***
Sites Preservation \$200,000;

****(b) City of Hilton Head - Mitchelville Capital***
Land Purchase \$200,000;

****(30) H95-State Museum***
North Myrtle Beach Historical Museum \$300,000;

Please note: Text printed in italic, boldface indicates sections vetoed by the Governor on July 5, 2012. *veto sustained

***** (31) E21-Prosecution Coordination Commission***
Center for Fathers and Families \$200,000;

Please note: Text printed in italic, boldface indicates sections vetoed by the Governor on July 5, 2012. **veto overridden

****(32) K05-Department of Public Safety***
Andrews Public Safety Building -
1 to 1 Match \$100,000;

Please note: Text printed in italic, boldface indicates sections vetoed by the Governor on July 5, 2012. *veto sustained

(32.1) (Andrews Public Safety Building Match) Each state dollar of the above appropriation for the Andrews Public Safety Building must be matched with one dollar of non-state funds.

(33) R52-State Ethics Commission
Information Technology Upgrade \$25,000;

****(34) U12-Department of Transportation***
SMART Ride - Camden \$60,000;

Please note: Text printed in italic, boldface indicates sections vetoed by the Governor on July 5, 2012. *veto sustained

(35) X22-Local Government Fund-State Treasurer
Local Government Fund \$30,000,000;

(36) H03-Commission on Higher Education

****(a) University Center of Greenville***

Technology Upgrade \$100,000;

****(b) SC Manufacturers Extension Partnership \$200,000;***

*Please note: Text printed in italic, boldface indicates sections vetoed by the Governor on July 5, 2012. *veto sustained*

(37) P20-Clemson University-PSA

***** (a) Advanced Plant Technology Lab \$4,000,000;***

***** (b) Operating \$100,000;***

*Please note: Text printed in italic, boldface indicates sections vetoed by the Governor on July 5, 2012. **veto overridden*

(38) H27-University of South Carolina-Columbia Campus

(a) Palmetto Poison Center \$71,862;

(b) Child Abuse Medical Response Program \$250,000;

(39) H59-State Board for Technical and

Comprehensive Education

***(a) Central Carolina Technical College - Training
Facility Purchase and Upfit \$1,250,000;***

***(b) Central Carolina Technical College -
Building Renovation \$400,000;***

***(c) Technical College of the Low Country - Veterans
Recruitment and Training Program \$200,000;***

***(d) Tri-County Technical College - Pedestrian Safety
Improvements \$500,000;***

***** (e) SC Skills USA \$200,000;***

*Please note: Text printed in italic, boldface indicates sections vetoed by the Governor on July 5, 2012. **veto overridden*

(40) E24-Adjutant General's Office

(a) State Guard \$59,000;

(b) Armory Maintenance \$500,000;

***** (41) J16-Department of Disabilities and Special Needs***

Charles Lea Center - 1 to 1 Match \$250,000;

*Please note: Text printed in italic, boldface indicates sections vetoed by the Governor on July 5, 2012. **veto overridden*

(41.1) (Charles Lea Center Match) Each state dollar of the above appropriation for the Charles Lea Center must be matched with one dollar of private funds.

(42) J02-Department of Health and Human Services

***(a) SC Healthcare Information
and Referral Network \$50,000;***

(b) In-Home Health Care Systems \$500,000;

***(43) J20-Department of Alcohol and Other Drug Abuse Services
McCord Center Safety Improvement Project \$250,000;***

(44) L04-Department of Social Services

****(a) United Center for Community Care \$75,000;***

****(b) Community Outreach Center Incorporated After
School Program \$25,000;***

****(45) L32-Housing Finance and Development Authority
Marion County Habitat for Humanity Pilot Project***

- 1 to 1 Match \$250,000;

*Please note: Text printed in italic, boldface indicates sections vetoed by the Governor on July 5, 2012. *veto sustained*

(45.1) (Marion County Habitat for Humanity Pilot Project Match) Each state dollar of the above appropriation for the Marion County Habitat for Humanity Pilot Project must be matched with one dollar of private funds.

(46) P16-Department of Agriculture

***** (a) Marketing and Branding \$500,000;***

*Please note: Text printed in italic, boldface indicates sections vetoed by the Governor on July 5, 2012. **veto overridden*

(b) State Farmer's Market Infrastructure \$400,000;

***** (c) Market Operations \$600,000;***

*Please note: Text printed in italic, boldface indicates sections vetoed by the Governor on July 5, 2012. **veto overridden*

(47) P24-Department of Natural Resources

(a) Drill Rig for Geological Survey and Strengthened Services \$200,000;

(b) Savannah River Basin Study Phase II \$100,000;

(c) Catawba/Waterree River Basin Supply Study \$250,000;

*****(d) Darlington County Watershed Project \$600,000;***

*****(e) Lake Wallace Special Purpose District \$150,000;***

*Please note: Text printed in italic, boldface indicates sections vetoed by the Governor on July 5, 2012. **veto overridden*

(48) P28-Department of Parks, Recreation, and Tourism

(a) Kings Mountain Bridge Replacement \$250,000;

*****(b) Southeastern Wildlife Exposition Regional Marketing and Advertising \$200,000;***

*Please note: Text printed in italic, boldface indicates sections vetoed by the Governor on July 5, 2012. **veto overridden*

****(c) Irmo Veterans Park \$30,000;***

****(d) Patriot Park Environmental Pavilion \$100,000;***

*Please note: Text printed in italic, boldface indicates sections vetoed by the Governor on July 5, 2012. *veto sustained*

*****(49) H15-University of Charleston Interactive Digital Technology Pilot Project - 1 to 1 Match \$2,000,000;***

*Please note: Text printed in italic, boldface indicates sections vetoed by the Governor on July 5, 2012. **veto overridden*

(49.1) (Interactive Digital Technology Pilot Project Match) Each state dollar of the above appropriation for the Interactive Digital Technology Pilot Project must be matched with one dollar of private funds.

(50) R44-Department of Revenue

Implementation of SCITS \$4,374,496;

(51) H38-USC-Salkehatchie Campus

Deferred Maintenance \$200,000;

*****(52) H91-Arts Commission Grants \$500,000;***

*Please note: Text printed in italic, boldface indicates sections vetoed by the Governor on July 5, 2012. **veto overridden*

(53) P36-Patriots Point Development Authority

National Flight Academy \$393,000;

(54) H59-State Board for Technical and

Comprehensive Education

Horry-Georgetown Tech Speir Allied Health \$200,000;

(55) H17-Coastal Carolina University

Scientific Equipment for Research Vessel \$198,000;

*****(56) A85-Education Oversight Committee School District Efficiency Review***

Pilot Program \$300,000;

*Please note: Text printed in italic, boldface indicates sections vetoed by the Governor on July 5, 2012. **veto overridden and*

(56.1) (School District Efficiency Review Pilot Program) The funds appropriated above for the School District Efficiency Review Pilot Program shall be utilized to implement the requirements of proviso 70.32 contained in this act.

*****(57) F03-Budget and Control Board***

Rural Infrastructure Fund \$3,000,000.

*Please note: Text printed in italic, boldface indicates sections vetoed by the Governor on July 5, 2012. **veto overridden*

Unexpended funds appropriated pursuant to this provision may be carried forward to succeeding fiscal years and expended for the same purposes.

(C) From the escrow account established pursuant to Proviso 90.13 of Act 310 of 2008, the remaining funds shall be used to offset any operating shortfalls resulting from the Barnwell Low Level Waste Facility operations in order to preserve the economic viability of the facility. The amount distributed to offset any operating shortfalls shall be determined by

calculating the difference between the allowable operating costs plus adjustments as approved by the Public Service Commission, and the access fees paid by the Atlantic Compact generators. Funds remaining in the account to offset operating shortfalls shall also be used to maintain access fees to the facility for Fiscal Year 2012-13 at the Fiscal Year 2009-10 level. There shall also be paid from the escrow account the annual dues of the Southern States Energy Board.

(D) Of any excess funds collected above the amount identified in subsection (A)(2), there is appropriated \$2,000,000 to the Department of Natural Resources for the State River Basin Study Project-Water Resource Planning. The funds must be used for water data collection to provide scientific information on water resources in the state's eight major river basins.