

Synopsis of Legislative Update Briefing for the May 6th CHE Meeting

The 2010 Session of the General Assembly is winding down. This past Friday, May 1, the crossover date was reached which means that bills originating in one chamber that have not yet reached the other now require vote of two-thirds of the chamber to receive consideration. The 2010 session is set to end June 3 but there is a possibility the session may end a week or two earlier if work on the budget and other pertinent legislation can be concluded.

Budget Update –

The Senate completed its floor debate and gave third reading to the FY 2010-11 budget on Friday, April 30. The budget has been sent back to the House for consideration of the Senate amendments and presently awaits further action by the House. The House could agree with Senate amendments which would send the budget to the Governor for consideration or could further amend the budget. If there is not agreement and differences remain, the budget will go to conference committee to resolve the differences before being sent to the governor for consideration. Before the budget is finalized, any vetoes of the Governor must be considered by the House and Senate. Please keep in mind that the information is subject to change until the budget is finalized.

For higher education, the Senate version of the budget is the same as those recommended by the Senate Finance Committee with regard to appropriated dollars. With regard to budget provisions in part 1B that provide direction relating to appropriations, the Senate Finance Committee recommendations were included and, in addition, there were several new provisos that were adopted during the Senate floor debate pertaining to or affecting higher education.

As a reminder, the Senate Finance Committee recommendations for higher education are largely the same as those of the budget approved in March by the House with the main exception being the source of funding for the anticipated growth in the merit scholarship programs. When developing its recommendations, the Senate Finance Committee was working with around \$127 million less than was included in the budget passed by the House. Consequently additional reductions had to be made by Senate Finance in developing its recommendations. For higher education, the reductions were made by shifting some of the increased general funds provided to meet the anticipated scholarship growth to the lottery. During the Senate debate, there were a number of attempts to redirect scholarship and grant funds to K-12, as well as, institutional funds. However, the attempts were all turned back and the scholarships and grants remain fully funded as was the case with the House budget and the funding recommendations for higher education institutions as recommended by Senate Finance remained intact.

For a summary report on **the Senate Finance budget recommendations** which provides detailed information, please refer to the report at

http://www.che.sc.gov/CHE_Docs/InfoCntr/Legis/SFC_Budget_Update_042210.pdf

For a **summary report on the budget as adopted by the House** in March, please see

http://www.che.sc.gov/CHE_Docs/InfoCntr/Legis/CHE_Update_April_1_2010.pdf.

The **full text of the various versions of the budget is available on the SC General Assembly website** at http://www.scstatehouse.gov/sess118_2009-2010/appropriations2010/gab4657.htm .

As mentioned above, while the budgeted amounts were the same as Senate Finance Committee recommendations, there were several new budget provisos added during the Senate floor debate that would affect higher education. The added provisos along with a brief explanation are copied below.

- 1) Provision to require institutions to report on changes to tuition and fees no later than 30 days after a change is made with information reported to include identification of how each board member voted.

6.28. *(CHE: Tuition and Fees) From the funds appropriated or authorized to each institution of higher learning, and for Fiscal Year 2010-11, any institution of higher learning that adopts a change to the tuition or fees imposed on students, must issue a public report, no later than thirty days after the change, that includes the identity of the trustees voting for and against the change.*

- 2) Provision for institutions to post audited financial statements and to link to information on credit card purchases that may be posted by another state agency. Institutions and/or the auditor's office presently post the statements. Last week, the Comptroller General began posting monthly credit card statements for all agencies including the colleges and universities. A provision for state agencies to provide a link to the information was also added.

6.30. *(CHE: Transaction Register) For Fiscal Year 2010-11, each public institution of higher learning shall post on its website the institution's annual and periodic financial statements.*

Each public institution of higher learning shall be responsible for providing on its Internet website a link to the Internet website of any agency, other than the individual institution, that posts on its Internet website the institution's monthly state procurement card statements or monthly reports containing all or substantially all of the same information contained in the monthly state procurement card statements. The link must be to the specific webpage or section on the website of the agency where the state procurement card information for the institution can be found. The information posted may not contain the state procurement card number.

Any information that is expressly prohibited from public disclosure by federal or state law or regulation must be redacted from any posting required by this section.

89.137. *(GP: Websites) All agencies, departments, and institutions of state government shall be responsible for providing on its Internet website a link to the Internet website of any agency, other than the individual agency, department, or institution, that posts on its Internet website that agency, department, or institution's monthly state procurement card statements or monthly reports containing all or substantially all the same information contained in the monthly state procurement card statements. The link must be to the specific webpage or section on the website of the agency where the state procurement card information for the state agency, department, or institution can be found. The information posted may not contain the state procurement card number. Any information that is expressly prohibited from public disclosure by federal or state law or regulation must be redacted from any posting required by this section.*

- 3) Provision added for to implement a study committee on the USC law school which would be chaired by the Chief Justice and include legislative appointments for other members. CHE would be tasked with staffing the committee.

6.29. *(CHE: Law Study) From the funds appropriated to the Commission on Higher Education, for Fiscal Year 2010-11, there is created a study committee to examine the governance model of the University of South Carolina School of Law. The committee shall study the law school's governance model and the models of other public law schools, including the University of Virginia School of Law. The committee shall also study the feasibility of creating a Board of Trustees and a Foundation for the law school. The committee shall also study the law school's financial condition and its academic standing. No later than June 30, 2011, the committee shall complete its study and report its findings and recommendations to the President Pro Tempore of the Senate and the Speaker of the House of Representatives.*

The committee shall be comprised of 11 members. Of the 11 members: 2 shall be appointed by the Governor, 2 members shall be appointed by the Chief Justice of the South Carolina Supreme Court, 2 shall be appointed by the President Pro Tempore of the Senate, 2 shall be appointed by the Speaker of the House of Representatives, 1 member appointed by the President of the University of South Carolina, and 1 member appointed by the Dean of the University of South Carolina School of Law. The final member shall be the Chief Justice of the South Carolina Supreme Court who shall serve as chairman. The committee shall be staffed by the Commission on Higher Education.

- 4) Provision added to create a legislatively-appointed study committee to consider state agency restructuring.

89.136. *(GP: State Agency Restructuring Study Committee) There is created a State Agency Restructuring Study Committee. The committee shall be composed of eight members of the General Assembly appointed as follows: one member appointed by the President Pro Tempore of the Senate; one member of the Senate Finance Committee appointed by the Chairman of the Senate Finance Committee; one member appointed by the Senate Majority Leader; one member appointed by the Senate Minority Leader; one member appointed by the Speaker of the House of Representatives; one member of the House Ways and Means Committee appointed by the Chairman of the House Ways and Means Committee; one member appointed by the House Majority Leader; and one member appointed by the House Minority Leader. Members of the committee shall receive per diem from the approved accounts of their respective body.*

The study committee shall review the potential for agencies to collaborate to potentially consolidate functions. This review, including an estimate of cost savings must be submitted to the Chairman of the Senate Finance Committee and the Chairman of the House of Representatives Ways and Means Committee by February 1, 2011. Functional areas to be reviewed are: 1) Education; 2) Health and Social Services; 3) Natural Resources and Environmental Services; 4) Cultural; 5) Regulatory; and 6) Transportation.

Legislation Updates

Regulatory reform bills for higher education ([H.3365](#) and [H.3841](#)) remain on the Senate calendar awaiting consideration of second reading.

[S.789](#), which would require institutions to post a searchable transaction register and link to posted information on procurement cards, remains on the Senate Calendar awaiting second reading as do two bills pertaining to higher education that relate to boards of trustees. These latter two bills include [S.1268](#), relating to SC State University, and [H.4244](#), relating to the relating to the College of Charleston.

Restructuring of the Employment Security Commission is underway with the passage of [H.3442 \(Act146\)](#) to create the Department of Workforce and Employment as a cabinet agency. The Governor recently announced his selection of Mr. John Finan as the interim director.

A bill, [H.3584](#), to increase the cigarette tax from 7 to 57 cents per pack was adopted and sent to the Governor. With the increase of 50 cents, the cigarette tax would be anticipated to raise an additional \$125 million. Under the legislation the funds would be provided to healthcare including Medicaid. As anticipated, the Governor on May 11 vetoed the legislation and the veto awaits consideration of the General Assembly. A copy of the veto message is available at <http://governor.sc.gov/executive/veto/>.

Recently enacted legislation relating to higher education includes: 1) a bill, [S.964 \(Act 148\)](#) to provide the Technical College of the Lowcountry with Enterprise Campus Authority and 2) a bill, [H.4087](#), relating to the make-up of Greenville Technical Colleges Area Commission.

A bill, [S.19](#), relating to private institutions of higher learning and college security, which passed the House and Senate, was vetoed by the Governor. The veto was not overturned by the General Assembly.