

LEGISLATIVE UPDATE for APRIL 1 CHE MEETING

Regulatory Reform Bills ([H.3365](#) and [H.3841](#)) remain on the Senate calendar awaiting consideration. A bill relating to higher education financial reporting of transaction registers ([S.789](#)) was amended by the Senate Education committee and is on the Senate calendar awaiting consideration. Bills concerning SC State Board of Trustees ([S.1268](#)), College of Charleston Board of Trustees ([H.4244](#)), and The Citadel ([H.4510](#)) advanced with the first two awaiting Senate consideration and the latter awaiting consideration of the House. Legislation to provide Technical College of the Lowcountry with Enterprise Campus Authority ([S.964](#)) and a bill relating to the Greenville Technical College Area Commission ([H.4087](#)) were ratified and await consideration of the Governor. Legislation ([H.3442](#)) was signed into law that reforms the Employment Security Commission by creating a Department of Workforce under the Governor.

House passed its \$5.2 billion dollar budget for FY 2010-11 during the week of March 15th. For Higher Education the budget remained largely unchanged from recommendations of [Ways and Means](#).

House budget recommendations bring institutional base funding to \$424 million, a level below that received 25 years ago. The base funds are reduced by almost \$104 million, a 20% decrease compared to current levels. The second and last year of federal ARRA State Fiscal Stabilization Funds are provided in a similar amount as the base cuts. Together, base funds and ARRA funds for FY 2010-11 remain below the FY 2009-10 level of these funds by \$93 million.

For CHE, agency funding is reduced by \$1.6 million (approximately 16% agency wide). The agency reduction is partially off-set with \$364,440 in federal ARRA State Fiscal Stabilization funds.

University Center of Greenville, for which funding passes through CHE's budget, receives \$1.4 million in recurring funds. The additional recurring funds replace nonrecurring funding received last year. Scholarships are fully funded for anticipated growth. An increase of just over \$23 million in general funds was provided. Nonrecurring funds of \$413,929 were provided for SREB program assessments. Lottery appropriations are essentially the same as those made in the current year. As a reminder, the CoEE program has not been restored and remains at \$0 in the recommendations.

During the House floor debate, a provision to include \$1 million for PASCAL (Statewide Higher Education Electronic Library) in lottery excess unclaimed prize funds was added.

Two new provisos were also added to CHE's section during the floor debate. One relates to residency of military dependents and the other relates to LIFE and Palmetto Fellows Enhancement Stipends. The former would enable certain military dependents to retain eligibility for in-state rates upon transfer. The latter would require a student receiving LIFE and Palmetto Fellows stipend enhancements for eligible math/ science majors to certify and an institution to verify that the student is meeting the major requirements and provide that such determinations are subject to CHE audit.

[See attached information provided to Senate Finance Higher Education Budget subcommittee](#) for illustrations and additional information related to the House recommendations for higher education institutions.

The budget is now under consideration of the Senate. Senate Finance budget subcommittees are meeting. The Higher Education subcommittee did not hold hearings and instead requested written information (attached). The full Senate Finance Committee is expected to deliberate the budget during the week of April 12th. The budget is expected to reach the full Senate for debate during the week of April 27th. As a reminder, any differences in the House and Senate budgets will need to be resolved before the budget is ratified and sent to the Governor for consideration.

The **Board of Economic Advisors (BEA) met in mid-March and did not make any changes to revenue**

projections but remained concerned about the state's situation as revenues were just shy of the estimate. The next meeting of the BEA will be April 15.

House is on furlough and did not meet this week and will not meet again next week. The Senate will not meet next week.