

Legislative Updates of Interest for Higher Education - Week of Feb. 22 - 26, 2010

(Yellow highlighted text is hot-linked to source.)

In the House –

The following bills were introduced relating to higher education:

[H.4615](#), which was referred to House Education and Public Works Committee, would require colleges and universities to post on-line a searchable transaction register for expenditures over \$100 and also credit card statements. A similar bill S.789, which is reported on below, is under consideration in the Senate Education Committee.

[H.4623](#), which was referred to House Judiciary, would require that members elected by the General Assembly to the University of South Carolina Board of Trustees must be graduates of the University.

[H.4636](#), which was referred to House Education and Public Works, relates to the Board of Trustees at SC State University and would add a member to be appointed by the National Alumni Association.

In the House, [S.19](#), which relates to campus security at private colleges and universities, was amended and returned to the Senate, as was [H.3192](#) which would implement a sunset review process for state agencies.

Also during the week, the Higher Education subcommittee of House Education and Public Works met and considered [H.4510](#), a bill relating to the Citadel Board of Trustees. The bill was reported out with amendments for consideration of the full House Education and Public Works Committee.

The Ways and Means Committee began meeting on budget recommendations on Monday and by Thursday had adopted recommendations to be advanced to the House for consideration. The House is expected to debate the state budget recommendations during the week of March 15. As anticipated with state revenues reduced to \$5.1 billion and current base allocations inclusive of the statewide reductions of 9.04% experienced to date in FY 2009-10 at \$5.3 billion, the recommendations negatively impact all agencies across state government. A brief overview for the impact to higher education follows.

- For higher education, the colleges and universities' base budgets on average were reduced \$104 million or 20%, bringing base funding for institutions to levels of twenty-five years ago. The recommendations also include just over \$110 million for the second and last year of allocations of the federal ARRA stabilization funds for colleges and universities. The colleges and universities received essentially the same level of ARRA funds as the reduced based funding. While the ARRA funds are helping to offset the recommended base funding cut, the recommended funding inclusive of the ARRA funds still leaves colleges and universities \$93 million short (15% reduction) of FY 2009-10 funding levels.
- The Committee's recommendations continue to fully fund growth in the scholarship programs and in the case of the need-based and lottery tuition assistance programs continue essentially level funding. To meet the anticipated growth, the merit scholarship programs (Palmetto Fellows, LIFE and HOPE) received an increase in general funds of \$23.1 million. Lottery Tuition Assistance receives level funding at \$47 million. Tuition Grants (student portion) and Need-Based Grants programs will receive funding level with their base appropriations and lottery funds.
- Overall, the lottery appropriations for higher education are essentially the same as last year. In terms of the excess unclaimed prize funds, the distribution for the programs funded by uncertified funds (i.e., those funds that may become available but not included in the BEA revenue estimate) is as follows: \$2 million to the State Library for aid to county libraries, \$4 million for Allied Health, \$5.4 million for technology for two- and four-year institutions (note additional technology dollars come from other sources in the lottery), \$1 million for One Voice/One Plan for critical needs technology, and the balance if any to LIFE, Palmetto Fellows and HOPE. This allocation is the same as last year except that the CATT program of the Technical College System had been included at \$2 million in the first position. The budget recommendations instead include for CATT an increase of \$7 million in nonrecurring funds for needs predominately related to training for Boeing.
- The Centers of Economic Excellence (CoEE) program, which lost its lottery funding in FY 2008-09, has not been restored and remains at \$0 in the recommendations.

- Also of note, the Commission and institutions had requested restoration to the extent possible of funding that was lost in FY 2008-09 for the statewide higher education virtual/ electronic library, PASCAL, and increased funding has not been provided in the recommendations.
- The Commission on Higher Education received base reductions of \$1,574,970 and a travel reduction of \$18,774. Additionally, \$413,929 in non-recurring funds, which is needed to assist in meeting next year's anticipated deficit for the SREB programs, was provided. The University Center of Greenville, which is funded through CHE's budget, received additional recurring funds of \$1.4 million which increases funding and replaces funding received last year from non-recurring or one-time sources.

The Ways and Means Committee spreadsheet has been posted online and may be viewed from the following link: <http://www.scstatehouse.gov/citizensinterestpage/Ways&MeansMeetingHandouts/SpreadsheetsFebruary252010.pdf>. As part of the process, the Committee completed work on recommended budget provisos. Information detailing the adopted provisos is not yet available but should be posted shortly at the link on the General Assembly's website for the FY 2010-11 budget at http://www.scstatehouse.gov/sess118_2009-2010/appropriations2010/gabxxx.htm.

In the Senate –

The following bills were introduced relating to higher education:

[S.1205](#), which was referred to Senate Education, would enable higher education institutions to enter into articulation agreements outside of their areas without seeking approval of the local higher education institution.

[S.1217](#), which was referred to Senate Education, would enable lottery ticket sales on primary or general election days.

[H.4244](#), which was referred to Senate Education, would add one additional trustee to the College of Charleston Board of Trustees.

[H.4520](#), which was referred to Senate Education, would enable the Technical College of the Lowcountry to establish an Enterprise Campus Authority.

[S.1230](#), which was referred to Senate Finance, would provide for a higher education equity fund for colleges and universities.

Also in the Senate, [H.3365](#), Higher Education Efficiency and Administrative Policies Act, and [H.3841](#), Technical College Administrative Efficiencies Act, which had been previously received from Senate Education were again not taken up by the Senate during the week and continue to await consideration. During much of the week, the Senate continued its debate on a Senate bill, [S.391](#), to reform the Employment Security Commission. By the end of the week, the Senate had amended the bill and returned it to the House. The Senate also received from the House during the week [H.3442](#), which was a bill passed by the House to reform the Employment Security Commission. The Senate amended the bill with its recommendations and also returned this bill to the House.

The conference committee report on [H.4087](#) (a bill which relates to the Area Commission for Greenville Technical College and its composition and responsibilities) was adopted by the Senate and also the House during the week. The bill was ratified and now awaits consideration of the Governor.

On Wednesday, the full Education Committee met. Among the bills considered were [S.789](#), a bill that would require higher education institutions to post expenditure registries and credit card statements online, and [S.964](#), a companion bill to H.4520 that would enable the Technical College of the Lowcountry to establish an Enterprise Campus Authority. S.789, which had been voted out of subcommittee with a recommendation to amend the bill such that institutions would be required to implement the legislation using existing resources and within a specified timeframe to enable them to do so, was carried over to provide additional time for work on an amendment. S.964 received a favorable report and was reported out to the full Senate for consideration.

Other –

On Wednesday, House and Senate met in a joint assembly to hear a report from the Chief Justice of South Carolina's Supreme Court. [CLICK HERE](#) for a copy Chief Justice Toal's remarks which are available in the February 24 House and Senate journals.

**** Bill numbers are linked to the SC General Assembly page and the link goes to the most recent version of the bill.**

Reminder: The above report is not intended to be all inclusive. For additional information on legislation referenced above and other legislation relating to higher education, see CHE's website at <http://www.che.sc.gov/Home/CHELegislativeUpdates/LegislativeSession2010.aspx> . Detailed information on the 2010 Session of the General Assembly may be access at www.scstatehouse.gov or from links included on CHE's website.