

**Legislative Updates of interest for Higher Education  
Week of May 19 – May 23, 2008**

***Budget Update –***

The Budget Conference Committee met throughout the week and approved conference reports on the Appropriations Act ([H.4800](#)) and the Capital Reserve Fund Bill ([H.4801](#)). These bills were ratified and sent to the Governor. The Governor now has five days, Sundays excluded, to consider the budget bills. Should the Governor issue any vetoes, a two-thirds vote by the House and also the Senate is required to override each veto.

*In what follows, the budget recommendations for higher education are described.*

The budget includes recurring reductions for the higher education agencies (CHE, State Technical College Board and Tuition Grants) and institutions totaling just over \$23 million. The only new recurring funds across these agencies include \$200,000 for the Higher Education Electronic Library (PASCAL). In each of the past four years, this statewide project has received \$2,000,000 in non-recurring or one-time appropriations. The budget also includes non-recurring or one-time funds for the following higher education projects: \$1,112,229 University Center of Greenville Operations, \$4,500,000 for SC LightRail (\$1.5 million to each research institution), \$250,000 SC State Bridge Program, \$250,000 Rural Dentist Incentive Program, \$100,000 USC Lancaster and \$3,000,000 Centers of Accelerated Technology and Training CATT). (Note: For the University Center, SC LightRail, and the Bridge Program, the non-recurring funding represents a continuation of non-recurring funds received in FY 2007-08.) Also of note in regard to the recurring appropriations, the budget, as sent to the Governor, includes funds to provide a 1% pay increase for state employees and to cover state health plan increases.

In regard to lottery funding for FY 2008-09, the budget includes a total of \$260,722,729 in appropriations with 81% appropriated to higher education. The following higher education programs are funded: \$181,708,202 for scholarship and grant programs (see below for details), \$10,000,000 for Centers of Economic Excellence program (a reduction of \$20,000,000 from FY 2007-08), \$4,700,000 for Higher Education Excellence Enhancement (same as FY 2007-08), \$2,500,000 for SC State (same as FY 2007-08), and \$12,000,000 (\$3,600,000 in lottery revenues and \$8,400,000 in certified unclaimed prize funds) for technology for 2- and 4-year institutions (same as FY 2007-08). The lottery fund recommendations also include a provision that would appropriate any unclaimed prize funds in excess of \$8,400,000 as follows: 1) \$4,000,000 for Allied Health Initiative for State Board for Technical and Comprehensive Education, 2) \$1,000,000 for Critical Needs Nursing Initiative, and 3) the balance of any funds after the aforementioned appropriations to the Need-based Grant program.

*Summary of scholarship and grant appropriations:*

	Palmetto Fellows	LIFE	HOPE	LTA	Need-based	SC Tuition Grants*	National Guard Tuition Assistance
<b><i>FY 07-08 funding from all sources</i></b>							
	\$40,915,490	\$147,727,542	\$7,767,606	\$47,000,000	\$23,631,566	\$29,568,851	\$3,000,000
<b><i>Recommended FY 2008-09 funding by source:</i></b>							
General Fund	\$12,000,000	\$81,033,307	\$0	\$0	\$12,000,000	\$21,802,247	\$0
Lottery Funds	\$30,277,240	\$75,256,682	\$8,076,110	\$47,000,000	\$11,631,566	\$7,766,604	\$1,700,000
<b>Total</b>	<b>\$42,277,240</b>	<b>\$156,288,989</b>	<b>\$8,076,110</b>	<b>\$47,000,000</b>	<b>\$23,631,566</b>	<b>\$29,568,851</b>	<b>\$1,700,000</b>

\* Program administered by the SC Tuition Grants Commission. All other programs administered by CHE.

*Of note in regard to the temporary provisions or Part 1B provisos that are included in the recommended budget:*

The following provisos were deleted but are expected to be included in a codification bill ([S.530](#)) that is under consideration by the House. During the week, the bill was recalled by the House from the House Ways and Means Committee and is expected to be taken up by the House in the upcoming week.

**Update for May 19 – 23**

**Page 2 of 3**

6.10. (CHE: Furlough) relating to authority and procedures for voluntary furloughs in light of reductions in general fund appropriations for institutions of higher education

6.11. (CHE: Unspent Scholarship Grants) relating to any appropriations from any unspent balance in the Higher Education Scholarship Grants share of the Children's Education Endowment Fund

6.14. (CHE: Gifted Student Scholarship Criteria) relating to Palmetto Fellows scholarship eligibility for exceptionally gifted South Carolina resident students who are accepted into an institution of higher learning without having attended or graduated from high school

6.17. (CHE: International Exchange Program Abatement) relating to the allowance of a waiver of the out-of-state tuition differential for students from international institutions at public colleges and universities that have an established and ongoing exchange program approved by the Board of Trustees with the international institution

18.4. (TEC: NC/GA Reciprocal) relating to the allowance of a waiver of the out-of-state tuition differential at the South Carolina Technical Colleges for students from bordering North Carolina and Georgia communities when a negotiated reciprocal agreement is in place or when students from these out-of-state communities are employed by South Carolina employers who pay South Carolina taxes.

80A.14. (BCB: Higher Education Salary Limit Exemption) which exempts higher education institutions from the requirement that the salaries of employees shall not exceed ninety-five percent of the midpoint of the agency head salary range or the agency head actual salary, whichever is greater.

89.16 (GP: Residency Preference) which relates to an exemption for consideration of SC residency for higher education institutions in filling new positions where two candidates are equally qualified for the vacancy or new position.

The following provisos are new or amended provisos relating to higher education that are included in the recommended budget for FY 2008-09. The full text of the proviso is provided. New language is underlined and italicized. Strikethrough denotes deleted text. Provisos 6.26 and 6.28 were requested by CHE.

6.26.(CHE: Critical Needs Nursing Initiative) ~~The funds appropriated to the Commission on Higher Education for the Critical Needs Nursing Initiative shall be used for nursing faculty salary enhancements~~ *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.* ~~The commission, upon consultation with members of the Advisory Committee on Academic Programs (ACAP) from institutions with accredited nursing programs and the chairperson, or designee, of the South Carolina Council of Deans and Directors in Nursing Education, shall determine and distribute the funds~~ *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.

*6.28. (CHE: Need-Based Grant Allocation Methodology) Need-based grant funds for public institutions must be allocated using a methodology that considers state resident Pell Grant recipients such that each public institution shall receive an amount sufficient to provide a similar level of support per state resident Pell recipient when compared to tuition and required fees. However, no public institution shall receive less funding than would be provided under the methodology used in FY 2007-08.*

*6.29. (CHE: In-State Tuition) Beginning in Fiscal Year 2008-09, independent persons who reside in and have been domiciled in South Carolina for fewer than twelve months with an intention of making a permanent home therein pursuant to Title 59 and Chapter 112, and their dependents, may be considered eligible for in-state tuition and fees as long as such independent person is employed on a full-time basis within an adjoining county in North Carolina or Georgia. The Commission on Higher Education shall explore and establish, if possible, a reciprocal agreement for persons full-time employed in SC but domiciled in an adjoining county in North Carolina or Georgia and their dependents.*

6.30. (CHE: Tuition Age) For Fiscal Year 2008-2009, 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.

**Update for May 19 – 23**

**Page 3 of 3**

Three provisos relating to higher education were deleted including: **6.22.** (CHE: Out-Of-State Eligibility) relating to a provision for Palmetto Fellows and LIFE recipients who are SC residents but attended high school out-of-state, which was deleted because it had passed into permanent law earlier in the session; **6.25.** (CHE: Rural Ophthalmologists and Optometrists Program Study Committee) which was deleted because the required study had been completed as directed; and 89.97 (GP: Academic Center) which was deleted at the request of the affected institutions.

***As a reminder the above information on the budget recommendations is subject to change pending consideration of the Governor and final action of the General Assembly.***

***In the House –***

During the week, the House gave third reading to [S.75](#) relating to the closing of the state's tuition prepayment plan, and [S.1252](#) relating to the Research Centers of Economic Excellence. Both bills have been returned to the Senate with amendments and now await further Senate consideration. [S.991](#) which makes a technical correction to a code citation that had been inadvertently included in the chapter relating to CHE was ratified and awaits consideration by the Governor. The House also recalled [S.1115](#) relating to a residency exception for tuition and fee purposes for certain military and dependents from committee and placed the bill on the calendar for consideration.

For a look at upcoming House meetings, go to [http://www.scstatehouse.gov/sess117\\_2007-2008/blatmeet.htm](http://www.scstatehouse.gov/sess117_2007-2008/blatmeet.htm)

***In the Senate –***

On Wednesday, the Higher Education Subcommittee of the Education Committee held its last meeting of the session. The subcommittee considered [H.4372](#), State Board for Technical and Comprehensive Education Enterprise Campus Authority Act, [H.4451](#) relating to citizenship provisions for state aid for education, and [H.4953](#) relating to the SC LightRail Consortium. The subcommittee voted to advance the bills with amendments or with further consideration of amendments discussed to the full Education Committee which is scheduled to meet next Wednesday.

For a look at upcoming Senate meetings, go to [http://www.scstatehouse.gov/sess117\\_2007-2008/gresmeet.htm](http://www.scstatehouse.gov/sess117_2007-2008/gresmeet.htm)

***Other –***

On Thursday, [H.4408](#) relating to the course eligibility requirements for science and math enhancements for LIFE and Palmetto Fellows became law without the Governor's signature. Also during the week, the Senate and the House overrode the Governor's veto of [H.4520](#) relating to the authority and process by which USC could issue revenue bonds to provide funds for a new business school facility and renovation of the Close-Hipp building. A joint session was held on Wednesday for the purpose of electing judges and also successors to Boards of Trustees of State Colleges and Universities. The results may be reviewed in the House or Senate Journal dated May 21, 2008 (See [http://www.scstatehouse.net/sess117\\_2007-2008/sj08/20080521.htm](http://www.scstatehouse.net/sess117_2007-2008/sj08/20080521.htm) link to Senate Journal)

*Reminder: The above report is not intended to be all inclusive. Bill numbers are linked to the SC General Assembly page. The link should go to the most recent version of the bill. For additional information on legislation referenced above and other legislation relating to higher education, see [http://www.che.sc.gov/CHE\\_Docs/InfoCntr/Legisl/HigherEd\\_Legis\\_List.xls](http://www.che.sc.gov/CHE_Docs/InfoCntr/Legisl/HigherEd_Legis_List.xls) . Detailed information on the 2008 Session of the General Assembly may be access at [www.scstatehouse.net](http://www.scstatehouse.net) or from links included on CHE's website at <http://www.che.sc.gov/Home/CHELegislativeUpdates/LegislativeSession2008.aspx> .*