

## Legislative Update, CHE 1/8/2015

General Assembly returns to Columbia next Tuesday for the 1<sup>st</sup> year of the 2 year continuing session. The Governor is preparing for her inaugural activities which will take place next week (January 14).

### *Prefiles:*

Preview of legislation with prefiled bills by the House and Senate in December – 177 bills were prefiled in the House and 267 bills were prefiled in the Senate. As you are aware, while there were a number of bills filed early, not all will be taken up and more will be filed throughout the session. As the session begins, we'll get a better sense of those that will receive some attention. A report on the prefiles as in past years has been pulled together that will be posted on our legislative section on CHE's website and a copy of the link will be sent to you for information. The report provides a list of bills from among the prefiles relating specifically to higher education and also some that are of general interest for agencies. A number of bills were filed relating to the Freedom of Information Act and ethics reform. We expect ethics reform to be a focus of attention this session along with other issues such as transportation infrastructure. As to higher education-specific bills, the prefiles were very few and those filed for the most part were items from past session. (For a report on the prefiled legislation for 2015, [Click Here](#))

In the House, higher education bills included: in-state rates for military to waive the physical presence requirement for those veterans stabling residency (Note: with the federal *Choice Act of 2014*, a change in SC law on this topic will be needed to prevent loss of payment of education benefits for veterans on education benefits under the post 9/11 GI Bill and Montgomery Bill benefits (Chapters 30 & 33); revisions to provisions for teaching of the Constitution (higher education and K-12); academic program approval authority of two-year degrees; SC State Board of Trustees make-up; Board of Regents; stipends for athletes (new); and creation of a lottery funded leadership scholarship (new).

In the Senate, bills on higher education included: creating Board of Regents; higher education funding model; allowance for concealed weapons on campus; removing the full-time employment restriction under existing provisions for free tuition for those 60 years and over; stipends for athletes (new); and amendments to the Higher Education Excellence Enhancement Program institutional eligibility (new).

### *House Organizational Session*

In December, the House met to organize. As a reminder of earlier reports, the House begins its session with newly elected Speaker of the House, Jay Lucas, and newly elected House Speaker Pro Tempore, Tommy Pope. The Majority Leader is Bruce Bannister and Minority Leader is Todd Rutherford. House committees were named and subsequently met in organizational sessions and to elected chairs. For the standing policy committees in the House, new chairs included Representative Rita Allison for House Education and Public Works and Representative David Hiott for Agriculture, Natural Resources and Environmental Affairs. Other chairs remained the same as in the past session. The House created two new standing committees this year including:

- Legislative Oversight Committee - Investigative committee to oversee for the House new provisions from the Department of Administration Bill establishing seven-year reviews of agencies. The Committee has held organizational meetings and Representative Weston Newton will chair the new committee. (The provisions for oversight are by both bodies. The Senate has approached the organization for the oversight differently by setting up a Legislative Oversight Office staffed by three and with responsibilities for reviews assigned to the existing Senate standing committees. Agencies as part of the legislative requirements must submit required reports next week relating to agency functions and programs. The institutions were not asked to submit the reports this year. We will be submitting a report for CHE and providing you with a copy once prepared. Next week, the House and Senate will announce a review schedule as

required in the legislation. The expectation this year is that there will be a few agencies reviewed as pilots as the new process is begun.

- Regulations and Administrative Procedures Committee – This committee, which has not yet met to organize or elect a chair, has been assigned responsibilities for overseeing reviews of regulations for the House. It is expected that this committee will review all submitted proposed regulations rather than the House standing policy committees which have done so in the past.

The Governor announced changes in her office staff recently. She'll start her second term with a new Chief of Staff, Mr. James Burns. He replaces Ted Pitts who will be the new Executive Director of the SC Chamber. Also announced recently, Mr. Christian Soura has left the Governor's office after being tapped as the director of the Department of Health and Human Services pending Senate confirmation.

### *Budget*

As the Session starts, we expect the Governor's Executive Budget recommendations to be released shortly.

To recap quickly the budget schedule –

- Governor releases recommendations in January, typically by the start of the Session.
- Appropriations bills start in the House with Ways and Means Committee. Work by Ways and Means begins in earnest at the start of the session with budget subcommittees meeting with agencies. Recommendations reach the full committee in mid-February and the full House by early March.
- The Senate begins its work with Senate Finance budget subcommittees meeting in March, recommendations reaching the full Senate Finance by mid-April, and reaching the full Senate by early May.
- Bills by House and Senate are reconciled, sent to the Governor before becoming final, hopefully by the end of the session and prior to the start of the new fiscal year.

Ways and Means, chaired by Representative Brian White, announced subcommittee assignments in December and some of the budget subcommittees have begun hearings. House Ways and Means budget subcommittee for higher education is restructured and with new members. The Higher Education budget subcommittee is chaired by Jim Merrill and includes Representatives Gilda Cobb Hunter, Garry Smith, and Phillip Lowe. All but Representative Smith are new to the higher education subcommittee this year. The subcommittee will be staffed by Ms. Kara Brurok. The subcommittee now includes the topical area of higher education and related agencies (CHE, State Technical College Board, SC Tuition Grants), the institutions, and SC Education Lottery Commission. Hearings will begin next Tuesday morning and are scheduled to continue through January 28. CHE will be the last to present to the subcommittee and will do so after Session on January 28.

Board of Economic Advisors (BEA): The revenue estimates appear to be on track for current year estimates with funds running slightly ahead. There have been no changes to the preliminary estimates for the upcoming year. As you'll recall, the first preliminary estimates for FY 2015-16 were made in November. The BEA's estimates for next year do reflect very modest growth so anticipated new funds continue to be limited. Based on the November estimates, it is anticipated that there will be about \$276M in new recurring base funds and another \$178M in nonrecurring funds including estimated surplus from current year and last year and Capital Reserve Funds.

With that, I'll conclude my remarks and welcome any questions you may have.