

SC COMMISSION ON HIGHER EDUCATION - FY 2017-18 BUDGET PRIORITIES

SUPPORT OF CHE AGENCY NEEDS IN MEETING LEGISLATIVE MANDATES

AGENCY OPERATING SUPPORT NEEDED TO MEET OUR LEGISLATIVE MANDATES **\$1,852,700 Recurring Increase**

CHE is requesting an increase in operating funds needed to address and/or fully support each of our legislative mandates:

1) Agency Staffing Needs - Increase CHE State-funded FTEs by 12 from 29.7 to 41.7 **\$1,186,220**

- Salaries for 12 new FTEs to support financial and academic activities relating to budget, capital project, and academic program review **\$844,947**
- Employer Contributions for 12 new FTEs **\$274,781**
- Operational Support for 12 new FTEs **\$66,492**

2) Agency-wide Operational Support **\$86,480**

CHE currently operates with discretionary general fund operating support of less than \$157,000 per year. This significantly limits our ability to address far too many state mandates. Carryover funds are being used to shore up operating needs, but these funds are depleting as positions are filled and efforts to address as many mandates as possible grow. The current reliance on carryover is unsustainable.

3) Agency Technology Needs **\$330,000**

Requested funds will support needed security initiatives to comply with State IT security mandates, upgrades to CHE's database and end-user capabilities, and continued improvements to the agency's website to improve accessibility and facilitate more efficient data processing. In addition, the requested funds will enable CHE to upgrade and operate its conference room technology to enhance digital meeting capabilities and will support technology needs to migrate the phone system to voice-over IP as the legacy PBX system State contract ends in 2018.

4) Agency Legal Staffing Support **\$250,000**

CHE does not have general counsel on staff and has recently contracted for assistance. CHE anticipates the continued need for such legal assistance and is requesting recurring funds to support the anticipated need on an on-going basis.

LICENSING, OTHER OPERATING SUPPORT **\$50,000 Recurring Other Funds Increase**

Requested authorization increase will support additional activities associated with managing potential school closings like ITT and the implementation of SARA (State Authorization Reciprocity Agreement) which is the voluntary, interstate reciprocity agreement that establishes comparable standards for interstate offering of postsecondary distance education. Participating

OTHER TECHNICAL CHE AGENCY BUDGET REQUESTS **\$69,199 Recurring Increase**

Annualization of \$55,009 for FY17 Pay Plan Allocation, \$7,045 for the SCRS Allocation, and \$7,145 for the Health & Dental Plan Allocation.

SUPPORT OF STUDENT FINANCIAL AID AND OTHER HIGHER EDUCATION PROGRAMS

SOUTHERN REGIONAL EDUCATION BOARD (SREB) PROGRAMS AND SERVICES **\$36,150 Recurring Increase**

SREB contract programs offer students pursuing professional health degrees in Optometry and Veterinary Medicine admission to schools in other states for the price of in-state tuition and fees. Our state participates by contracting through SREB for 24 student slots in optometry and 104 slots in veterinary medicine. The requested increase results from a structured increase in SREB contract prices for FY18.

NEED-BASED GRANTS **\$1,057,427 Recurring Increase**

Need-based aid is a critical element for any state seeking to enhance participation in and completion of degree programs. Tuition and fees at public colleges and universities increased on average 3.58% in FY16. The requested increase provides an additional increase of \$1,057,427 to compensate for average tuition and fee increases over the previous year.

OTHER STATE-SUPPORTED STUDENT FINANCIAL AID PROGRAMS: \$TBD

Continuation of full support for anticipated growth of merit-based financial aid (Palmetto Fellows, LIFE, & HOPE) and continued level support for Lottery Tuition Assistance at two-year institutions (\$51.1 million) and the SC National Guard College Assistance Program (\$4,545,000 Lottery & \$89,968 General Fund) is requested.

STATE ELECTRONIC LIBRARY, PASCAL \$1,500,000 Recurring (Annualization)

PASCAL, Partnership Among SC Academic Libraries (www.pascalsc.org), is a government best practice, providing cooperative sharing at greatly reduced rates of physical and electronic resources among the state's public and private academic institutions. The state began investing in PASCAL in FY05 at \$2M annually, but funding has been provided in recent years primarily from lottery funds that have not been predictable or fully available. On-going support of \$1.5M is requested.

GOVERNOR'S PROFESSOR OF THE YEAR PROGRAM \$15,000 Recurring Increase

Established in 1988, SC Code of Laws, §59-104-220 provides for the Governor's Office, in conjunction with CHE, to select two Professors of the Year, one chosen from the public and independent 4-year sector and one from the 2-year sector. The legislation requires an award of \$5,000 for each and allows the option of an award of \$500 each for up to ten finalists. This line item was cut in FY09. The program continued with support from the SC Higher Education Foundation until FY13, was funded by agency carry-over in FY14, and was suspended in FY15.

MAINTENANCE, EQUIPMENT, AND OTHER FACILITIES' NEEDS \$19,900,000

Capital investment is a normal business operating cost—not an exceptional or unusual one. The lack of a statewide bond bill since 2000, as well as the lack of a predictable source of funding educational and general (E&G) facilities for our public colleges and universities has created pressure to rely on tuition and fees, local funds, and benefactor support as institutions maintain and develop needed infrastructure. We greatly appreciate the General Assembly's support in recent years toward maintenance, equipment and other facilities' needs and encourage continued support of these much needed resources.