

## **Statutory Authority of the Commission on Higher Education Divided into Coordination, Commentary and Financial Authority**

With the assistance of outside counsel, the Commission analyzed all current statutes that direct CHE to perform an action or activity. The statutes, going back as far as 1962, were organized in three categories: **Coordination** – Statutes that direct CHE to coordinate with different groups to respond or act; **Commentary** - Statutes that direct CHE to comment or provide input on an item; and **Financial** – Statutes that require CHE to approve the distribution of resources.

Following the 2016 legislative session, additional statutes and/or directives were added:

- 2-77-50 – Higher Education Excellence Program - Regulations
- 13-1-2030 – Coordinating Council of Workforce Development
- 59-101-210 – Tucker-Hipps Transparency Act
- 59-103-17 – Interstate Reciprocity for Postsecondary Distance Education
- S.1166 – SC State University Loan Repayment Agreement

Current year (FY 2016-17) provisos have been appended to the list of statutes to complete this analysis.

## **Statutory Authority of the Commission on Higher Education Divided into Coordination, Commentary and Financial Authority**

*This is similar to the other guide prepared at the request of the Commission, but the key difference is that the statutes, regulations and budgetary provisos have been categorized in three primary areas: Coordination, Commentary and Financial to distinguish the different purposes of the statutes, regulations and budgetary provisos. The term Coordination is used to represent statutes that require CHE to coordinate different groups to respond or act. The term Commentary is meant to refer to statutes that require CHE to comment or provide input on an item. Finally, the terms Financial refers to CHE's ability to approve the designation of resources.*

*The statutes and budgetary provisos have at times been rewritten, rearranged, or emphasis added in order to make their directives clearer. In addition, commentary has been added at times, which will appear in italics. Also, if a statute is lengthy and does not pertain in whole to CHE, the portion pertaining to CHE has been underlined to aid the reader or non-relevant portions of the statute may have been omitted, which is noted. Certain statutes and budgetary provisos that mention the CHE or are included in the CHE sections, but only provide definitions or do not specifically require action on the part of the Commission have not been included.*

*It is recommended that when referring to a particular statute, the reader should reference that statute as written in the Code.*

### **COORDINATION AUTHORITY**

#### **SECTION 59-103-15 Mission and Goals.**

The mission for higher education in South Carolina is to be a global leader in providing a coordinated, comprehensive system of excellence in education by providing instruction, research, and life-long learning opportunities which are focused on economic development and benefit the State of South Carolina.

The mission is to be achieved by reaching the following goals:

- 1) High academic quality;
- 2) Affordable and accessible education;
- 3) Instructional excellence;
- 4) Coordination and cooperation with public education;
- 5) cooperation among the General Assembly, Commission on Higher Education, Council of Presidents of State Institutions, institutions of higher learning, and the business community;
- 6) Economic growth;
- 7) Clearly defined mission.

#### **SECTION 59-103-17. Interstate reciprocity for postsecondary distance education.**

(A) The Commission on Higher Education may enter into interstate reciprocity agreements, including, but not limited to, the State Authorization Reciprocity Agreement, that authorize accredited degree-granting institutions of higher education that offer postsecondary distance education to do so through such reciprocity agreements. The commission shall administer these agreements and shall approve or disapprove participation in these agreements by accredited degree-granting institutions of

higher education in this State. The commission may assume and exercise all powers, duties, and responsibilities associated with and required under the terms of an interstate reciprocity agreement.

(B) The commission may develop policies, procedures, or regulations necessary for the implementation of this section, including the establishment of fees to be paid by participating institutions to cover direct and indirect administrative costs incurred by the commission. Participation in interstate reciprocity agreements shall be voluntary to eligible institutions of higher education in this State.

(C) Nothing in this section may be construed to prohibit institutions of higher education in this State that do not participate in any interstate reciprocity agreement entered into by the commission from offering postsecondary distance education.

(D) Nothing in this section may be construed to prohibit or reduce the commission's authority over institutions of higher education offering distance education in this State if the institution is not a participant in the interstate reciprocity agreement in which the commission participates.

**SECTION 59-103-20. Studies of institutions of higher learning.**

The commission shall meet regularly and shall have the authority and responsibility for a coordinated, efficient, and responsive higher education system in this State consistent with the missions of each type of institution as stipulated in Section 59-103-15. In meeting this responsibility and in performing its duties and functions, the commission shall coordinate and collaborate at a minimum with the Council of Presidents of State Institutions, the council of board chairs of the various public institutions of higher learning, and the business community. The commission also is charged with examining the state's institutions of higher learning relative to both short and long-range programs and missions which include:

(a) The role of state-supported higher education in serving the needs of the State and the roles and participation of the individual institutions in the statewide program;

(b) Enrollment trends, student costs, business management practices, accounting methods, operating results and needs, and capital fund requirements;

(c) The administrative setup and curriculum offerings of the several institutions and of the various departments, schools, institutes, and services within each institution and the respective relationships to the services and offerings of other institutions;

(d) Areas of state-level coordination and cooperation with the objective of reducing duplication, increasing effectiveness, and achieving economies and eliminating sources of friction and misunderstanding;

(e) Efforts to promote a clearer understanding and greater unity and good will among all institutions of higher learning, both public and private, in the interest of serving the educational needs of the people of South Carolina on a statewide level.

**SECTION 59-103-25. Publication of legislation; standing committees.**

The commission shall compile and publish legislation applicable to it so that the relationships among the commission, the governing bodies of public institutions of higher education, the General Assembly and the executive branches of government may be more clearly established and understood.

**SECTION 59-103-36. Military Students Included in Count of Full-Time Students.**

Military students in the senior colleges and universities of this State shall be included in the count of full-time equivalent students for the purpose of determining the appropriation of each institution. The Commission on Higher Education and the Revenue and Fiscal Affairs Office may make whatever audit adjustments are necessary to carry out this intent.

**SECTION 59-103-40. Council of Presidents of State Institutions of Higher Learning.**

The Commission shall establish a council of presidents consisting of the presidents of the State institutions of higher learning.

- The council of presidents shall appoint a chairman and such other officers and committees as it may see fit.
- It shall meet at least four times a year, of which two meetings will be held jointly with the Commission.
- The council of presidents shall establish committees consisting of qualified personnel representing the various State-supported institutions of higher learning, either upon request of the Commission or upon its own initiative, to investigate, study and report to the Commission on such subjects as:
  - (a) Academic planning
  - (b) Business and financial coordination
  - (c) Library utilization and coordination.

**SECTION 59-103-45. Additional duties and functions of commission regarding public institutions of higher learning.**

(1) Establish procedures for the transferability of courses at the undergraduate level between two-year and four-year institutions or schools;

(2) Coordinate with the State Board of Education in the approval of secondary education courses for the purpose of determining minimum college entrance requirements, and define minimum academic expectations for prospective post-secondary students, communicate these expectations to the State Board of Education, and work with the state board to ensure these expectations are met;

(3) Review minimum undergraduate admissions standards for in-state and out-of-state students;

(4)(a) Develop standards for determining how well an institution has met or achieved the performance indicators for quality academic success as enumerated in Section 59-103-30, and develop mechanisms for measuring the standards of achievement of particular institutions.

- These standards shall be developed in consultation and cooperation with, at a minimum but not limited to the Council of Presidents of State Institutions, the chairmen of the governing boards of the various institutions and the business community.

(b) Base the higher education funding formula in part on the achievement of the standards set for these performance indicators including base-line funding for institutions meeting the standards of achievement, incentive funding for institutions exceeding the standards of achievement, and reductions in funding for institutions which do not meet the standards of achievement,

(c) Promulgate regulations based on (a) and (b) above and submit to General Assembly for its review pursuant to the Administrative Procedures Act.

(d) Develop a higher education funding formula based entirely on an institution's achievement of the standards set for these performance indicators, this formula to be used beginning July 1, 1999. This new funding formula also must be contained in regulations promulgated by the commission and submitted to the General Assembly for its review in accordance with the Administrative Procedures Act;

*See **Budgetary Proviso 117.73.** Submission of the plans or reports required by Sections 59-101-350, 59-103-30, 59-103-45(4), and 59-103-160(D) shall be waived for the current fiscal year, except institutions of higher learning must continue to report student pass rates on professional examinations, and data elements otherwise required for the Commission on Higher Education Management Information System. The commission, in consultation with institutions, shall take further action to reduce data reporting burdens as possible.*

(5) **Reduce, expand, or consolidate** any institution of higher learning including those which do not meet the standards of achievement in regard to the performance indicators for quality academic success enumerated in Section 59-103-30, and ..., close any institution which does not meet the standards...enumerated in Section 59-103-30. The process to be followed for the closure, reduction, expansion, or consolidation of an institution under this item (5) shall be as promulgated in regulations of the commission which shall be submitted to and approved by the General Assembly;

(6) Review and approve each institutional mission statement to ensure it is within the overall mission of that particular type of institution as stipulated by Section 59-103-15 and is within the overall mission of the State;

(7) Ensure access and equity opportunities at each institution of higher learning for all citizens of this State regardless of race, gender, color, creed, or national origin within the parameters provided by law.

**SECTION 59-103-50. Advisory Council of Private College Presidents.**

There shall be established, under the auspices of the commission, an Advisory Council of Private College Presidents to counsel with and advise the commission with regard to matters concerning nonpublic colleges and their role in overall programs of higher education in the State. The council shall consist of eight members selected by the South Carolina College Council. Terms of members shall be for two years. A chairman shall be elected by the members. The council shall meet upon the call of the chairman and shall meet at least once annually with the commission. The members of the council serving on this section's effective date may continue to serve until the expiration of their terms.

**SECTION 59-103-55.** Representation of four-year colleges on commission councils, advisory groups, committees and task forces.

Each four-year campus of each state-supported public institution of higher learning, as defined in Section 59-103-5, shall have equal representation on all formal and informal councils, advisory groups, committees, and task forces of the commission. Independent four-year colleges shall have representation on all formal and informal committees and commissions dealing with higher education statewide issues.

**SECTION 59-103-90.** Professional staff.

An executive director must be appointed by the commission to manage and carry out the duties of the commission as prescribed by law and assigned by the commission.

A professional staff complement shall be established by the executive director who shall ensure that there are persons on the staff who have the professional competence and experience to carry out the duties assigned and to ensure that there are persons on the staff who are familiar with the problems and capabilities of all of the principal types of state-supported institutions in the State. Provision shall be made for persons of high competence and strong professional experience in the areas of academic affairs, public service and extension programs, business and financial affairs, institutional studies and long-range planning, student affairs, research and development, legal affairs, health affairs, institutional development, and for state and federal programs administered by the commission. The hiring of additional staff members to any position for which funds were not specifically appropriated by the General Assembly shall require prior approval by the General Assembly.

**SECTION 59-103-160.** English Fluency in Higher Learning Act.

This section may be cited as the English Fluency in Higher Learning Act. Each institution of higher learning must submit its policy or procedures required under (C)(1) and (C)(2), which should have been done within six months of the effective date of this section (1991). Thereafter, CHE must receive any amendments to those policies. This section also requires the institutions of higher learning to report annually to the CHE and the chairmen of the Senate and House of Representatives Education Committees grievances filed by student under the requirement of subsection (C)(2) and the disposition of those grievances. The (C)(2) requirement is below:

(C) Each public institution of higher learning shall establish policies to:

(1) Ensure that the instructional faculty whose second language is English possess adequate proficiency in both the written and spoken English language. Student and faculty input is required in establishing these policies.

(2) Provide students with a grievance procedure regarding an instructor who is not able to write or speak the English language.

*See **Budgetary Proviso 117.73.** Submission of the plans or reports required by Sections 59-101-350, 59-103-30, 59-103-45(4), and 59-103-160(D) shall be waived for the current fiscal year, except institutions of higher learning must continue to report student pass rates on professional examinations, and data elements otherwise required for the Commission on Higher Education*

*Management Information System. The commission, in consultation with institutions, shall take further action to reduce data reporting burdens as possible.*

**SECTION 59-103-165. Information packages for eighth-grade students regarding higher education; pilot programs.**

CHE is to work with the state's public institutions of higher education, and private institutions of higher education, which wish to participate, to develop information packages for eighth grade students and their parents on the options of post-secondary education available in South Carolina, the courses required to attend colleges and universities, and the financial requirements and assistance available for students pursuing additional education after high school.

During 1991-92, the commission shall develop the information packages, and to the extent that funds are appropriated by the General Assembly, pilot-test the program in a number of school districts. The commission shall report to the Senate Education Committee and the Education and Public Works Committee of the House on the pilot-testing.

**SECTION 59-103-170. Small group and one-on-one counseling sessions; Education Options Week.**

After pilot-testing, the Commission on Higher Education shall work with this state's public institutions of higher education and private higher education institutions wishing to participate, to provide annually for the state's eighth grade students and their parents or guardians small group and one-on-one counseling on required high school courses and post-secondary options, financial requirements, and assistance available for a post-secondary education. These sessions must be held at each of the state's public schools which house an eighth grade class. The counseling may be provided during a week declared to be "Education Options Week" or at another time convenient to the school and the cooperating institution of higher education.

**SECTION 59-103-180. Participation of State Board of Education, State Department of Education, and public schools and districts.**

The State Board of Education, the State Department of Education, and the state's public school districts and schools shall cooperate with the Commission on Higher Education and the institutions of higher education in providing the counseling and shall assist in any manner considered appropriate by them. The schools shall make special efforts to ensure that as many students and parents or guardians as possible are made aware of the opportunity, are urged to attend the sessions, and receive the information.

**SECTION 59-103-195. Regulation of culinary arts instruction requiring student under 21 to taste alcoholic beverage.**

The State Commission on Higher Education shall have review authority in order to determine the legitimacy and appropriateness of the tasting requirements pursuant to Sections 63-19-2440 and 63-19-2450. The commission shall also establish reasonable rules and restrictions through regulation, as appropriate, with regard to any proposed course of instruction in the culinary arts which any private or public institution desires to offer to students under twenty-one years of age in which the tasting of beer, ale, porter, wine, or other similar malt or fermented beverage or alcoholic liquor is required. Unless approved by the commission, no such course and no student under twenty-one years of age enrolled in

such course shall qualify for the exceptions provided under Sections 63-19-2440, 63-19-2450, 61-6-4070, or 61-4-90. A course of instruction on bartending or any similar curriculum does not qualify for exception or approval by the commission under this section.

**SECTION 59-104-10. Admission standards; adoption of admission policies.**

(A) In consultation and coordination with the public institutions of higher learning in this State, the State Commission on Higher Education shall ensure that minimal admissions standards are maintained by the institutions.

The commission, with the institutions, shall monitor the effect of compliance with admissions prerequisites that are effective at the institution.

(B) The boards of trustees of each public institution of higher learning, excluding the State Board for Technical and Comprehensive Education, shall adopt admission policies reflecting the desired mix of in-state and out-of-state enrollment must be approved by the board of trustees of the affected institutions. The boards shall submit the policies to the commission by July 1, 1989, and any subsequent changes to the policies must be submitted to the commission. These admission policies and standards shall be reviewed by the commission as provided in Section 59-103-45(3). For purposes of this section enrollment must be calculated on a full-time equivalency basis with the equivalent of one full time student being a student enrolled for thirty credit hours in an academic year. Out-of-state students mean students who are not eligible for in-state rates for tuition and fees under Chapter 112 of Title 59.

**SECTION 59-104-20. Palmetto Fellows Scholarship Program established; adjudication of delinquency; drug and alcohol offenses.**

(A) The Palmetto Fellows Scholarship Program is established to foster scholarship among the state's post-secondary students and retain outstanding South Carolina high school graduates in the State through awards based on scholarship and achievement. Measures must be taken to ensure equitable minority participation in this program. Recipients of these scholarships are designated Palmetto Fellows. Each Palmetto Fellow shall receive a scholarship in an amount not to exceed six thousand seven hundred dollars. These scholarships in combination with all other grants and scholarships shall not exceed the cost of attendance at the institution attended. The commission shall promulgate regulations and establish procedures to administer the program and request annual state appropriations for the program.

(B) Students, either new or continuing, must not have been adjudicated delinquent or been convicted or pled guilty or nolo contendere to any felonies or any second or subsequent alcohol or drug-related offenses under the laws of this or any other state or under the laws of the United States in order to be eligible for a Palmetto Fellows Scholarship, except that a high school or college student otherwise qualified who has been adjudicated delinquent or has been convicted or pled guilty or nolo contendere to a second or subsequent alcohol or drug-related misdemeanor offense nevertheless shall be eligible or continue to be eligible for such scholarships after the expiration of one academic year from the date of the adjudication, conviction, or plea.

(C) Of the funds made available for higher education Palmetto Fellows Scholarships for any year, a percentage thereof must be allocated for students attending South Carolina independent colleges of higher learning in this State. This percentage must be equivalent to the percentage of the independent colleges' share of the total South Carolina resident undergraduate full-time enrollment (FTE) of all public

and independent higher education institutions in South Carolina based on the previous year's data as determined by the Commission on Higher Education and the South Carolina Tuition Grants Commission.

(D) After expending funds appropriated for Palmetto Fellows Scholarships from all other sources, there is automatically appropriated from the general fund of the State whatever amount is necessary to provide Palmetto Fellows Scholarships to all persons meeting the requirements of this section.

(E) A Palmetto Fellows Scholarship is available to an eligible resident student who attends or will attend an eligible four-year public or independent institution.

(F) For purposes of subsection (E):

(1) "Public or independent institution" means a:

(a) South Carolina public institution defined in Section 59-103-5, excluding a public two-year or technical institution, and an independent institution as defined in Section 59-113-50, excluding an eleemosynary junior or independent two-year institution; or

(b) public or independent bachelor's level institution chartered before 1962 whose major campus and headquarters are located within South Carolina.

(2) "Resident student" means a:

(a) student who is either a member of a class graduating from a high school located in this State, a home school student who has successfully completed a high school home school program in this State in the manner required by law, or a student graduating from a preparatory high school outside this State, while a dependent of a parent or guardian who is a legal resident of this State and has custody of the dependent; and

(b) student classified as a resident of South Carolina for in-state tuition purposes under Chapter 112 of this title at the time of enrollment at the institution.

(G) In addition to qualifications established by regulation, to qualify for a Palmetto Fellows Scholarship, a student shall:

(1) meet the following three criteria:

(a) a minimum score of 1200 on the Scholastic Aptitude Test (SAT) or an equivalent ACT score;

(b) a cumulative 3.5 grade point ratio on the Uniform Grading Scale at the end of the junior or senior year; and

(c) rank in the top six percent of the class at the end of the sophomore, junior, or senior year.

When calculating eligibility for Palmetto Fellows Scholarships in schools where the top six percent of the graduating class is two students or less, the top two students must be considered for the scholarship regardless of class rank. The top six percent of the graduating class must meet all Palmetto Fellows Scholarship eligibility requirements in order to receive a scholarship. If the top six percent of the class is not a whole number of students, the Commission on Higher Education shall round up to the next whole number of students eligible; or

(2) meet the following two criteria:

(a) a minimum score of 1400 on the Scholastic Aptitude Test (SAT) or an equivalent ACT score;

and

(b) a cumulative 4.0 grade point ratio on the Uniform Grading Scale at the end of the junior or senior year.

Qualifying scores must be certified by the high school on the Palmetto Fellows Scholarship application by the scholarship application deadline. For the purposes of meeting the rank criteria pursuant to this subsection, the existing high school rank of a South Carolina resident attending an out-of-state high school may be used provided it is calculated pursuant to a state-approved, standardized grading scale at

the respective out-of-state high school. If the Commission on Higher Education determines that a state-approved standardized grading scale substantially deviates from the South Carolina Uniform Grading Scale, the state-approved standardized grading scale shall not be used to meet the eligibility requirements for the Palmetto Fellows Scholarship.

(H) Notwithstanding another provision of law, a student who met the initial eligibility requirements to receive a Palmetto Fellows Scholarship Award as a senior in high school and has met the continuing eligibility requirements shall receive the award. A student who received a Palmetto Fellows Scholarship Award as a senior in high school but declined the award is eligible to reapply for the annual scholarship, providing he meets all of the initial and continuing academic eligibility requirements of the Palmetto Fellows program, if he transfers to a qualifying South Carolina institution of higher learning. The number of semesters or academic years a student attended an out-of-state institution are to be deducted from the number of semesters or academic years a student is eligible for the scholarship. All funding provided for Palmetto Fellows Scholarships regardless of its source or allocation must be used to implement the provisions of this subsection.

(I) The Commission on Higher Education shall, by regulation, define alternative qualifications for an exceptionally gifted student who is a resident of South Carolina and is accepted into an institution of higher learning without having attended or graduated from high school.

**SECTION 59-104-25. Additional Palmetto Fellows Scholarship stipend.**

(A) A resident student who is at least a sophomore attending a four-year public or private institution of higher learning in this State, who is majoring in science or mathematics as defined below, and who is receiving a Palmetto Fellows Scholarship for the current year, shall receive an additional Palmetto Fellows Scholarship stipend equal to the cost of attendance after applying all other scholarships or grants, not to exceed three thousand three hundred dollars each year for no more than three additional years of instruction, including his sophomore year, if the student enrolled in a four-year degree program, or for not more than four additional years of instruction, including his sophomore year, if enrolled in a five-year degree program or a 3 plus 2 program. A year is defined as thirty credit hours of instruction or its equivalent each year. To receive the additional Palmetto Fellows Scholarship stipend each year, the student must receive the underlying Palmetto Fellows Scholarship for that year and must be making acceptable progress each year toward receiving a degree in his science or mathematics major. In addition, during his freshman year, the student must have successfully completed a total of at least fourteen credit hours of instruction in mathematics courses, or life and physical science courses, or a combination of both. For purposes of meeting the required minimum level of instruction in mathematics and life and physical science courses during a student's freshman year, advanced placement courses in mathematics and life and physical sciences taken in high school on which the student scored high enough on the advanced placement test to receive credit at his institution and for which he received credit, count toward the fulfillment of this minimum requirement.

(B) The Commission on Higher Education by regulation shall define what constitutes a science or mathematics major but at a minimum shall include majors in science or mathematics disciplines, computer science or informational technology, engineering, science education, math education, and health care and related disciplines including medicine and dentistry; provided, that nothing herein prevents a student from changing majors within acceptable science or mathematics disciplines. Additionally, the Commission on Higher Education annually shall communicate with high school guidance counselors regarding the list of qualifying majors.

(C) If the additional Palmetto Fellows Scholarship stipend is lost, it may be regained in the same manner the underlying Palmetto Fellows Scholarship is regained if lost.

(D) In addition, the amount of the Palmetto Fellows Scholarship for a recipient who does not receive the enhanced stipend provided by this section, beginning with the 2007 academic year, shall be increased to an amount equal to that received by a LIFE Scholarship recipient also receiving the enhanced stipend provided by Section 59-149-15.

**SECTION 59-104-30. Developmental education plans, studies, and programs.**

Each public institution of higher learning in this State shall develop a plan for developmental education in accord with provisions, procedures, and requirements developed by the Commission on Higher Education. The commission shall conduct a study as well as evaluations and reviews of developmental education in this State. The commission shall develop appropriate methods of funding developmental education programs and courses.

**SECTION 59-104-40. Technical education system shall convert to semester calendar; limitation on offering of certain courses.**

(A) The technical education system in this State shall convert from the quarter calendar to the semester calendar, if funds are appropriated for this purpose. The Commission on Higher Education shall request state appropriations for the conversion to be funded and completed over a two-year period.

(B) The State Board for Technical and Comprehensive Education, in consultation with the commission, shall limit the offering of courses designed for college transfer in those technical colleges that do not have approved college transfer programs. The offering of 'college parallel' general education courses in institutions not authorized to award the associate in arts or associate in science degree is limited to those necessary to support approved non-transfer programs. The commission, after consultation with the State Board for Technical and Comprehensive Education and with public senior colleges and universities, shall establish rules and procedures by which this limitation must be regulated. The commission shall establish procedures concerning courses acceptable for transfer as provided in Section 59-103-45(1).

**SECTION 59-104-220. Governor's Professor of the Year Award established.**

The Governor's Professor of the Year Award is established as follows:

(1) Each public or private institution of higher learning in this State is eligible to nominate one faculty member for this award who has demonstrated exceptional teaching performance.

(2) The Governor's office in conjunction with the Commission on Higher Education shall establish a committee to choose the Professor of the Year from a senior institution and a Professor of the Year from an institution offering no degree above the associate's degree. The committee must consist of representatives of the Governor's office, the commission, and appropriate civic, business, government, and academic organizations.

(3) Each award must include a citation and a payment of five thousand dollars. Up to ten finalists may be awarded five hundred dollars each by the Commission on Higher Education. The Governor's office shall host an appropriate ceremony at which the awards must be presented.

(4) The commission shall request annual state appropriations for the award.

**SECTION 59-104-260.** Commission shall encourage development of joint programs.

The Commission on Higher Education shall encourage the development of joint programs that take advantage of the strengths of the public colleges and universities and discourage the development of independent competitive programs. The programs must be developed through planning and cooperation among the institutions in both academic and nonacademic areas.

**SECTION 59-104-610.** Statewide planning system.

The State Commission on Higher Education shall maintain a statewide planning system to address strategic issues in public and private higher education. The system must focus upon the following goals to:

- (1) identify future directions for higher education in South Carolina and recommend appropriate methods for meeting the resultant challenges;
- (2) review major goals identified by the public and private institutions of higher learning in this State and ascertain their relationship to higher education in South Carolina;
- (3) assure the maintenance and continued development of the quality of higher education in South Carolina;
- (4) assure the maintenance and continued provision of access to and equality of educational opportunity in higher education in South Carolina;
- (5) measure and monitor an institution's standard of achievement in regard to the performance indicators for quality academic success as contained in Section 59-103-30.

**SECTION 59-104-620.** Advisory Council on Planning.

(A) The Commission on Higher Education shall establish an Advisory Council on Planning to assist the commission and the institutions of higher learning in maintaining planning as a high priority.

(B) The advisory council shall report to the executive committee of the commission, which shall serve as the standing committee on planning for the commission.

(C) The advisory council shall submit to the executive committee of the commission its advice, reports, and draft plans.

**SECTION 59-104-630.** Individual planning process.

The Commission on Higher Education shall ensure that each public institution of higher learning in this State maintains its individual planning process.

**SECTION 59-104-640.** Prospectus for planning; statewide planning document; revisions.

(A) The chief executive officer of the Commission on Higher Education shall develop a prospectus for planning each year.

(B) In the initial year, the Advisory Council on Planning is responsible for developing a statewide planning document for submission to the commission.

(C) After the initial year and annually thereafter, the advisory council shall prepare revisions of the planning document for consideration by the commission. The revisions must conform to, but need not be limited to, the prospectus provided by the commission.

**SECTION 59-104-650.** Institutional effectiveness program.

(A) The goals for maintaining an effective system of quality assessment by institutions of higher learning in South Carolina are to:

(1) assure that a system for measuring institutional achievement in regard to the performance indicators for quality academic success as contained in Section 59-103-30 is in effect on every public college and university campus in this State;

(2) provide a vehicle for disseminating the results of these measurements to the constituents within the State;

(3) provide data relative to the effectiveness of each institution that can be used to initiate curriculum, programmatic, or policy changes within the institution necessary to meet the standards for these performance indicators.

(B) The process by which these goals must be attained is as follows:

(1) Each institution of higher learning is responsible for maintaining a system to measure institutional achievement in regard to the performance indicators for quality academic success in accord with provisions, procedures, and requirements developed by the Commission on Higher Education. The system for measuring such institutional achievement must include, but is not limited to, a description of criteria by which such institutional achievement is being assessed.

(2) As a part of South Carolina's statewide planning process, each institution shall provide the commission with an annual report on the results of its institutional achievement program.

(3) The commission shall prepare a report that must include results of institutional achievement, including student assessment programs. Information from private colleges and universities must be included for those institutions that voluntarily provide the information to the commission.

**SECTION 59-104-660.** State-supported institutions to establish procedures and programs to measure student achievement.

(A) All state-supported institutions of higher learning shall establish their own procedures and programs to measure student achievement which must include, but are not limited to, the performance indicators contained in Section 59-103-30(B)(6) and (7). The procedures and programs must be submitted to the Commission on Higher Education as part of the plan for measuring institutional achievement and must:

(1) derive from institutional initiatives, recognizing the diversity of South Carolina public colleges and universities, the tradition of institutional autonomy, and the capacity of faculty and administrators to identify their own problems and solve them creatively;

(2) be consistent with each institution's mission and educational objectives;

- (3) involve faculty in setting the standards of achievement, selecting the measurement instruments, and analyzing the results;
- (4) follow student progress through the curriculum, as appropriate;
- (5) include follow-up of graduates.

(B) As part of their annual report on institutional achievement, all state-supported colleges and universities shall describe their progress in developing assessment programs and submit information on student achievement to the commission.

**SECTION 59-114-30. College assistance program grants; restrictions.**

Qualifying members of the National Guard may receive college assistance program grants up to an amount equal to one hundred percent of college tuition and fees, provided, however, the total of all grants received may not exceed eighteen thousand dollars. A member may not qualify for college assistance program grants for more than one hundred thirty semester hours or related quarter hours. Grants are not to be awarded for graduate degree courses. A new application must be submitted for each separate academic year prior to the beginning of the academic year. The annual maximum grant must be determined for each academic year based on the amount of available program funds.

**SECTION 59-114-40. Qualification requirements.**

(A) Members of the National Guard enrolled or planning to enroll in an eligible institution may apply to the commission for a college assistance program grant. To qualify, an applicant must:

(1) be in good standing with the active National Guard at the beginning of each academic year and remain a member in good standing with the active National Guard throughout the entire academic year for which benefits are payable;

(2) have valid tuition and fee expenses from an eligible institution;

(3) maintain a cumulative grade point average that the institution requires to remain as a student;

and

(4) satisfy additional eligibility requirements as may be promulgated by the commission.

(B) Individuals joining the National Guard become eligible for college assistance program grants upon completion of basic training and Advanced Individual Training (AIT). Enlisted personnel shall continue their service in the National Guard during the term of the courses covered by the grant received.

Officers shall continue their service with the National Guard for at least four years after completion of the most recent grant awarded or degree completion.

(C) National Guard members receiving a full Reserve Officer's Training Corps (ROTC) scholarship are not eligible for college assistance program grants.

**SECTION 59-114-65. Grants dependent on availability of funds; administration costs.**

Grants provided pursuant to this chapter are subject to the availability of funds appropriated by the General Assembly. Funds appropriated for the college assistance program may be carried forward and expended for the same purpose. If a midyear budget reduction is imposed by the General Assembly or the State Budget and Control Board, the appropriations for the college assistance program are exempt.

Up to five percent of the amount appropriated to the college assistance program may be used to defray administrative costs incurred by the commission associated with the implementation of this chapter.

**SECTION 59-114-75. Grants to institutions; recovery of funds upon withdrawal of student; promulgation of regulations.**

The commission shall disburse grants awarded pursuant to this chapter to the eligible institutions to be placed in an account established for each eligible student. In the event that a student who has received a grant withdraws, is suspended, or otherwise becomes ineligible, the institution must reimburse the college assistance program for the amount of the grant for the applicable term pursuant to the refund policies of the institution. The institution is responsible for collecting any amount due to the institution from the student. The commission shall administer the provisions of this chapter and shall promulgate regulations necessary to implement the provisions of this chapter.

**SECTION 59-142-20. Promulgation of regulations.**

Consistent with this section, the Commissioner of Higher Education shall be responsible for making guidelines available for FY 96-97 and shall promulgate regulations necessary to administer the need-based grants program in accordance with the Administrative Procedures Act for years after 1996-97. The need-based grants program must be administered at the campus level.

Pursuant to Section 59-103-165, the commission shall incorporate information pertaining to the need-based grant program in the information packets concerning post-secondary education for eighth grade students and their parents or guardians.

**SECTION 59-58-30. Exclusions from definition of "nonpublic educational institution."**

The definition of "nonpublic educational institution" does **not** include:

- (1) Any degree-granting school, institute, college, junior college, university, or entity chartered by the Secretary of State before 1953;
- (2) Institutions that:
  - a. Are independent or church-related,
  - b. Are two or four-year degree granting,
  - c. Have their primary emphasis on liberal arts,
  - d. Are accredited by the Southern Association of Colleges and Schools,
  - e. Are nonprofit, and
  - f. Have their primary place of business in South Carolina.
- (3) Institutions offering courses of instruction only at the kindergarten through high school level;
- (4) Institutions whose sole purpose is religious or theological training;
- (5) Institutions offering noncredit bearing courses exclusively for avocational purposes, as determined by the commissioner;
- (6) Institutions directly supported, entirely or partly, by the State of South Carolina;
- (7) Aviation institutions or instructors that offer flight training with the statement or implication that their primary objective is to train persons for personal or recreational purposes and not for gainful employment;

- (8) Courses or programs regulated and licensed or approved under an occupational licensing law of the State of South Carolina;
- (9) Noncredit bearing courses or programs sponsored by employers solely for the training of their employees if:
  - a. The training is conducted by an employee of the sponsoring employer or if the sponsoring employer contracts with a provider to conduct the training;
  - b. The sponsoring employer bears the expense of providing the training by paying the training provider directly, and this provision does not mean paying the employee after the employee pays; and
  - c. The sponsoring employer allows employees to attend the training on company time if the training takes place during regular work hours.
- (10) Noncredit bearing courses or programs that do not prepare or qualify individuals for employment in any occupation or trade sponsored by recognized trade, business, or professional organizations solely for the instruction of their members;
- (11) Institutions that offer only noncredit bearing intensive review courses such as those designed to prepare students for certified public accountancy tests, law school aptitude tests, bar examinations, medical college admissions tests, and other license preparation tests;
- (12) Out-of-state institutions that formally collaborate with public South Carolina institutions in offering distance education coursework in this State and where the South Carolina institution offers the degree;
- (13) Institutions that offer programs and courses on federal military installations; and
- (14) Degree-granting institutions accredited by an accrediting agency recognized by the United States Department of Education that conduct occasional or incidental recruiting activities to include activities at high school recruiting fairs or through seasonal recruitment advertising rather than continuing and regular activities that would otherwise establish an actual presence in South Carolina as defined in this chapter.

**SECTION 59-58-40. Authority and powers of commission; promulgation of rules and regulations.**

The commission is the sole authority for licensing nonpublic educational institutions established in South Carolina and for those established elsewhere which want to operate in or confer degrees in this State. The commission may promulgate those regulations as may be necessary for the administration and enforcement of this chapter.

(1) The commission may license nonpublic educational institutions meeting the necessary standards and shall administer and enforce the provisions of this chapter. These standards must include, but are not limited to, course or program offerings, adequate facilities, financial stability, competent personnel, educational resources, refund policies, and legitimate operating practices.

(2) The commission shall formulate the criteria and standards for the approval of nonpublic educational institutions. Only those institutions meeting such standards may be licensed. The commissioner shall maintain a list of institutions that have been licensed according to this chapter.

(3) The commission shall formulate the standards for the approval of salesmen, agents, or representatives of institutions and issue permits to those applicants meeting such standards.

(4) The commissioner shall enforce all regulations for licensing nonpublic educational institutions. The commissioner may place an institution on probation. The commission shall revoke or suspend the license of any institution failing to comply with the minimum requirements for licensure.

**SECTION 59-58-50.** Licenses required; effect of changes in licensed institution; applications; term of license.

(A) No nonpublic educational institution established in South Carolina or offering a course or program in South Carolina has the authority to operate, to solicit students for enrollment, or to confer degrees or other educational credentials unless a license is first secured from the commission. The commission shall approve through licensure the location of and programs offered by the institution. The commission shall promulgate regulations to amend a license for and changes in location and for additional or amended courses or programs. The commission shall not license any institution to offer a degree if the commission determines that the degree adversely affects the goals of the commission's plan to improve access and equity minority affairs programs in public institutions of higher education. The commission shall promulgate regulations to make the determination.

(B) After a license is issued, it is the institution's responsibility to notify immediately the commissioner of significant changes in either the course or program offerings, facilities, finances, or personnel.

(C) In the event of the sale of an institution, the license is not transferable. The new owner must comply with all the requirements of this chapter.

(D) Applications for licenses must be filed in the manner prescribed by the commission. The applications must be signed by the applicants and must contain that information as may be required.

(E) Licenses are restricted to the courses or programs of instruction specifically indicated on the license. Additional courses or programs of instruction may be approved during the effective period of the license if a supplementary approval application is submitted and the license is amended.

(F) Licenses for non-degree-granting institutions shall normally be granted for twelve months, renewable annually from date of issue, or other date in excess of twelve months set by the commission to stagger the renewal dates of all institutions. The commission may issue licenses to non-degree-granting institutions for less than twelve months as circumstances justify. Licenses and renewal of licenses for degree-granting institutions may be granted for periods not to exceed five years. Renewal is contingent upon filing appropriate applications for renewal with the commissioner. The institution and its courses or programs, facilities, faculty, and all other operations must meet the requirements for an original license at the effective date of the renewal.

**SECTION 59-58-60.** Use of "college" or "university" in name.

No individual, school, board, association, corporation, business, institution, or other entity may use the term "college" or "university" or use any other name, title, literature, catalogs, pamphlets, or descriptive matter which implies that it is an institution of higher learning or that it may grant educational credentials or credit or academic or professional degrees, except as follows:

(A) An institution the commission licenses may use the term "college" in its name only if it offers at least one program leading to an associate or higher degree.

(B) An institution may use the term "university" in its name if the institution is:

1. Operating and licensed in South Carolina and using the term "university" in its name before the effective date of this chapter, or

2. An out-of-state institution that is chartered or licensed in its home state using the term “university” in its name.  
Any other institution must petition the commission for approval to use the term “university” in its name.

**SECTION 2-77-20.** Establishment of program; purpose; funding.

(A) There is hereby established the **South Carolina Higher Education Excellence Enhancement Program** for the general purpose of enhancing the educational opportunities of low-income and educationally disadvantaged students. The program must be administered by the Commission on Higher Education. The commission must enter into annual contracts with eligible institutions to accomplish the purposes of this program.

(B) The program must be funded by appropriations from the Education Lottery Account in an amount provided by the General Assembly.

(C) An institution seeking to qualify as an eligible institution must submit an annual application to the commission. The commission must certify the eligibility of institutions seeking contracts pursuant to this section. The funds appropriated for this program must be allocated equally among the eligible institutions.

(C)(1) An institution seeking to qualify as an eligible institution must submit an annual application to the commission. The commission must certify the eligibility of institutions seeking contracts pursuant to this section. Subject to the provisions of item (2), and less any allocations made pursuant to item (2), the funds appropriated for this program must be allocated equally among the eligible institutions.

(2) The Commission on Higher Education, or its successor, annually shall review and determine if funds allocated to a school pursuant to item (1) have been properly used by the school pursuant to Section 2-77-30. If the Commission on Higher Education, or its successor, determines these funds were used inappropriately by a school, the funds must be returned, and the following year that school’s allocation must be reduced by fifty percent of the amount appropriated to each eligible institution pursuant to item (1). The balance remaining from a school’s reduced allocation must be distributed equally among the remaining eligible institutions.

(D) From the amounts allocated on an equal basis, an institution receiving an allocation of funds must first use the funds as the nonfederal match required by a federal funding program that provides funding for historic preservation or for capital improvements. In awarding funds based on merit, the commission shall give priority to those proposals that can be matched with funds from a federal funding program.

**SECTION 2-77-50.** Regulations.

The commission must promulgate regulations and establish procedures to administer the provisions of this chapter including, but not limited to, audits of contracting institutions.

**SECTION 8-17-380.** Grievance and performance appraisal procedure for academic employees.

With respect to the teaching and research faculty, professional librarians, academic administrators, and all other persons holding faculty appointments at any post-secondary educational institutions described in item (10) of § 8-17-370, each such institution, subject to the approval of the Director of the

Department of Administration or its designee and the **Commission on Higher Education**, shall establish in writing:

(a) A performance appraisal procedure which shall assure:

(1) annual review and evaluation of such employees;

(2) written findings;

(3) review of evaluations with each covered employee;

(4) retention of performance appraisals and written comments of such employee, if any, in a permanent file with right of full disclosure to the employee.

(b) A grievance procedure which shall at an appropriate stage provide a hearing for such employees before an individual or committee designated for such purposes, at which the employee shall have the right to representation by counsel and the opportunity to present evidence in his behalf. Any such procedure shall include the right of the employee to appeal the post-hearing decision to the governing board of the institution, or a committee designated by the board for this purpose, such appeal to be limited to the record of the hearing. Discrimination in compensation, promotion, and work assignment shall be subjects for consideration by such grievance procedure. Dismissal of tenured or other permanent employees and dismissal prior to the end of an employment contract term shall be only for cause, and shall be subject for consideration by such grievance procedure. The granting or the failure to grant tenured status to such employees or nonrenewal of employment contracts at the end of the contract term shall not be subjects for consideration by such grievance procedure.

The grievance and performance appraisal procedure provided for herein shall be submitted to the Department of Administration or its designee and the **Commission on Higher Education** for approval within six months after the establishment of any new institution.

**SECTION 11-51-190. Exemption from state procurement process; alternative procurement procedures.**

The research universities while engaging in projects related to this act shall be exempt from the state procurement process, except that the research universities must work in conjunction with the State Fiscal Accountability Authority's Chief Procurement Officer to establish alternate procurement procedures, and must submit a procurement process to the State **Commission on Higher Education** to be forwarded to the State Fiscal Accountability Authority for approval. These processes shall include provisions for audit and recertification.

**SECTION 59-101-350. Commission on Higher Education annual report; submission of information by educational institutions for inclusion in report; alumni surveys.**

(A) The Commission on Higher Education shall submit an annual report to the Governor and to the General Assembly. The annual report must be published before January fifteenth of each year and presented in a readable format so as to easily compare with peer institutions in South Carolina and other Southern Regional Education Board states the state's public, post-secondary institutions. Prior to publication, the Commission on Higher Education shall distribute a draft of the report to all public, post-secondary institutions and shall allow comment upon the draft report. The Commission on Higher Education shall develop and adopt a format for the report and shall ensure consistent reporting and collecting of the data in the report by the institutions.

(B) Each four-year, post-secondary institution shall submit to the commission the following information for inclusion in the report, with the South Carolina Department of Corrections' students identified and reported separately:

- (1) the number and percentage of accredited programs and the number and percentage of programs eligible for accreditation;
- (2) the number and percentage of undergraduate and graduate students who completed their degree program;
- (3) the percent of lower division instructional courses taught by full-time faculty, part-time faculty, and graduate assistants;
- (4) the percent and number of students enrolled in remedial courses and the number of students exiting remedial courses and successfully completing entry-level curriculum courses;
- (5) the percent of graduate and upper division undergraduate students participating in sponsored research programs;
- (6) placement data on graduates;
- (7) the percent change in the enrollment rate of students from minority groups and the change in the total number of minority students enrolled over the past five years;
- (8) the percent of graduate students who received undergraduate degrees at the institution, within the State, within the United States, and from other nations;
- (9) the number of full-time students who have transferred from a two-year, post-secondary institution and the number of full-time students who have transferred to two-year, post-secondary institutions;
- (10) student scores on professional examinations with detailed information on state and national means, passing scores, and pass rates, as available, and with information on such scores over time, and the number of students taking each exam;
- (11) assessment information for the institution's Title II of the federal Higher Education Act of 1998 report that collects and analyzes data on applicant qualifications and the performance of the candidates and graduates;
- (12) appropriate information relating to each institution's role and mission to include policies and procedures to ensure that academic programs support the economic development needs in the State by providing a technologically skilled workforce;
- (13) any information required by the commission in order for it to measure and determine the institution's standard of achievement in regard to the performance indicators for quality academic success enumerated in Section 59-103-30.

(C) Each two-year, post-secondary institution shall submit to the commission the following information for inclusion in the report:

- (1) the number and percentage of accredited programs and the number and percentage of programs eligible for accreditation;
- (2) the number and percentage of undergraduate students who completed their degree program;
- (3) the percent of courses taught by full-time faculty members, part-time faculty, and graduate assistants;
- (4) placement rate on graduates;
- (5) the percent change in the enrollment rate of students from minority groups, the number of minority students enrolled, and the change in the total number of minority students enrolled over the past five years;
- (6) the number of students who have transferred into a four-year, post-secondary institution and the number of students who have transferred from four-year, post-secondary institutions;

(7) appropriate information relating to the institution's role and mission to include policies and procedures to ensure that academic programs support the economic development needs in the State by providing a technologically skilled workforce;

(8) any information required by the commission in order for it to measure and determine the institution's standard of achievement in regard to the performance indicators for quality academic success enumerated in Section 59-103-30.

(D) The commission also shall develop with the cooperation of the public, post-secondary institutions, a uniform set of questions to be included in surveys to be used by each public, post-secondary institution in determining alumni satisfaction. The survey instruments must address the issues of overall satisfaction, satisfaction with major instruction, impact of general education, and current societal participation of alumni. Every two years the graduating class of three years prior must be surveyed by each institution using appropriate statistical techniques. Information from these surveys must be included every two years in the annual report as required herein.

(E) The commission shall make no funding decision, capital outlay decision, distribution or certification on behalf of any public, post-secondary institution that has not submitted the information required pursuant to this section.

(F) After discussions with the institutions, the Commission on Higher Education in consultation with the House Education and Public Works Committee and the Senate Education Committee shall develop the format for the higher education report as required herein.

(G) The Commission on Higher Education also is required in the annual report to report on the progress of institutions of higher education in implementing assessment programs, in their achievement of effectiveness goals, and on each institution's standard of achievement in regard to the performance indicators for academic success established in Section 59-103-30.

(H) The report required by this section must be filed in magnetic media form if the information is available in that form.

**SECTION 59-112-100. Regulations.**

The Commission on Higher Education may prescribe uniform regulations for application of the provisions of this chapter and may provide for annual review of such regulations.

**SECTION 59-118-90. Procedures for submission and documentation of requests.**

The Commission on Higher Education shall specify by regulation the procedures for submission and documentation of requests for matching state funds.

**SECTION 59-149-140. Enrollment reports.**

All institutions participating in the LIFE Scholarship Program must report their enrollment and other relevant data as solicited by the **Commission on Higher Education** which may audit these institutions to ensure compliance with this provision.

*See also §59-149-160, which allows two additional staff members to administer the LIFE Scholarship Program.*

**SECTION 59-59-190. Assistance in planning and promoting career information and employment options.**

(A) The South Carolina Department of Employment and Workforce, in collaboration with the State Board for Technical and Comprehensive Education and the Commission on Higher Education, shall assist the Department of Education, in planning and promoting the career information and employment options and preparation programs provided for in this chapter by:

- (1) identifying potential employers to participate in the career-oriented learning programs;
- (2) serving as a contact point for employees seeking career information and training;
- (3) providing labor market information including, but not limited to, supply and demand;
- (4) promoting increased career awareness and career counseling through the management and promotion of the South Carolina Occupational Information System;
- (5) collaborating with local agencies and businesses to stimulate funds; and
- (6) cooperating in the creation and coordination of workforce education programs.

(B) The South Carolina Department of Employment and Workforce shall assist in providing a link between employers in South Carolina and youth seeking employment.

**SECTION 59-59-210. Review of articulation agreements between school districts and institutions of higher learning.**

(A) By September 2005, the Commission on Higher Education shall convene the Advisory Committee on Academic Programs to address articulation agreements between school districts and public institutions of higher education in South Carolina to provide seamless pathways for adequately prepared students to move from high school directly into institutions of higher education. The committee shall review, revise, and recommend secondary to postsecondary articulation agreements and promote the development of measures to certify equivalency in content and rigor for all courses included in articulation agreements. The advisory committee shall include representatives from the research institutions, four-year comprehensive teaching institutions, two-year regional campuses, and technical colleges. The committee, for purposes pursuant to this chapter, shall include representation from the State Department of Education, and school district administrators, to include curriculum coordinators and guidance personnel.

(B) By July 2006, the Advisory Committee on Academic Programs shall make recommendations to the Commission on Higher Education regarding coursework that is acceptable statewide for dual enrollment to be accepted in transfer within a related course of study. Dual enrollment college courses offered to high school students by two-year and four-year colleges and universities must be equivalent in content and rigor to the equivalent college courses offered to college students and taught by appropriately credentialed faculty. Related policies and procedures established by the Commission on Higher Education for dual enrollment and guidelines for offering dual enrollment coursework and articulation to two-year and four-year colleges and universities for awarding of credit must be followed.

(C) The advisory committee, in collaboration with the Department of Education, shall coordinate work to study the content and rigor of high school courses in order to provide a seamless pathway to postsecondary education.

(D) The Commission on Higher Education shall report annually to the Education and Economic Development Coordinating Council regarding the committee's progress.

**SECTION 59-26-20. Duties of State Board of Education and Commission on Higher Education.**

The State Board of Education, through the State Department of Education, and the Commission on Higher Education shall:

(a) develop and implement a plan for the continuous evaluation and upgrading of standards for program approval of undergraduate and graduate education training programs of colleges and universities in this State;

(b) adopt policies and procedures which result in visiting teams with a balanced composition of teachers, administrators, and higher education faculties;

(c) establish program approval procedures which shall assure that all members of visiting teams which review and approve undergraduate and graduate education programs have attended training programs in program approval procedures within two years prior to service on such teams;

(d) render advice and aid to departments and colleges of education concerning their curricula, program approval standards, and results on the examinations provided for in this chapter;

(e) adopt program approval standards so that all colleges and universities in this State that offer undergraduate degrees in education shall require that students successfully complete the basic skills examination that is developed in compliance with this chapter before final admittance into the undergraduate teacher education program. These program approval standards shall include, but not be limited to, the following:

(1) A student initially may take the basic skills examination during his first or second year in college.

(2) Students may be allowed to take the examination no more than four times.

(3) If a student has not passed the examination, he may not be conditionally admitted to a teacher education program after December 1, 1996. After December 1, 1996, any person who has failed to achieve a passing score on all sections of the examination after two attempts may retake for a third time any test section not passed in the manner allowed by this section. The person shall first complete a remedial or developmental course from a post-secondary institution in the subject area of any test section not passed and provide satisfactory evidence of completion of this required remedial or developmental course to the State Superintendent of Education. A third administration of the examination then may be given to this person. If the person fails to pass the examination after the third attempt, after a period of three years, he may take the examination or any sections not passed for a fourth time under the same terms and conditions provided by this section of persons desiring to take the examination for a third time.

Provided, that in addition to the above approval standards, beginning in 1984-85, additional and upgraded approval standards must be developed, in consultation with the Commission on Higher Education, and promulgated by the State Board of Education for these teacher education programs.

(f) administer the basic skills examination provided for in this section three times a year;

(g) report the results of the examination to the colleges, universities, and student in such form that he will be provided specific information about his strengths and weaknesses and given consultation to assist in improving his performance;

(h) adopt program approval standards so that all colleges and universities in this State that offer undergraduate degrees in education shall require that students pursuing courses leading to teacher certification successfully complete one semester of student teaching and other field experiences and teacher development techniques directly related to practical classroom situations;

(i) adopt program approval standards whereby each student teacher must be evaluated and assisted by a representative or representatives of the college or university in which the student teacher is

enrolled. Evaluation and assistance processes shall be locally developed or selected by colleges or universities in accordance with State Board of Education regulations. Processes shall evaluate and assist student teachers based on the criteria for teaching effectiveness developed in accordance with this chapter. All college and university representatives who are involved in the evaluation and assistance process shall receive appropriate training as defined by State Board of Education regulations. The college or university in which the student teacher is enrolled shall make available assistance, training, and counseling to the student teacher to overcome any identified deficiencies;

(j) the Commission on Higher Education, in consultation with the State Department of Education and the staff of the South Carolina Student Loan Corporation, shall develop a loan program in which talented and qualified state residents may be provided loans to attend public or private colleges and universities for the sole purpose and intent of becoming certified teachers employed in the State in areas of critical need. Areas of critical need shall include both geographic areas and areas of teacher certification and must be defined annually for that purpose by the State Board of Education. The definitions used in the federal Perkins Loan Program shall serve as the basis for defining "critical geographical areas", which shall include special schools, alternative schools, and correctional centers as identified by the State Board of Education. The recipient of a loan is entitled to have up to one hundred percent of the amount of the loan plus the interest canceled if he becomes certified and teaches in an area of critical need. Should the area of critical need in which the loan recipient is teaching be reclassified during the time of cancellation, the cancellation shall continue as though the critical need area had not changed. Additionally, beginning with the 2000-2001 school year, a teacher with a teacher loan through the South Carolina Student Loan Corporation shall qualify, if the teacher is teaching in an area newly designated as a critical needs area (geographic or subject, or both). Previous loan payments will not be reimbursed. The Department of Education and the local school district are responsible for annual distribution of the critical needs list. It is the responsibility of the teacher to request loan cancellation through service in a critical needs area to the Student Loan Corporation by November first.

Beginning July 1, 2000, the loan must be canceled at the rate of twenty percent or three thousand dollars, whichever is greater, of the total principal amount of the loan plus interest on the unpaid balance for each complete year of teaching service in either an academic critical need area or in a geographic need area. The loan must be canceled at the rate of thirty-three and one-third percent, or five thousand dollars, whichever is greater, of the total principal amount of the loan plus interest on the unpaid balance for each complete year of teaching service in both an academic critical need area and a geographic need area. Beginning July 1, 2000, all loan recipients teaching in the public schools of South Carolina but not in an academic or geographic critical need area are to be charged an interest rate below that charged to loan recipients who do not teach in South Carolina.

Additional loans to assist with college and living expenses must be made available for talented and qualified state residents attending public or private colleges and universities in this State for the sole purpose and intent of changing careers in order to become certified teachers employed in the State in areas of critical need. These loan funds also may be used for the cost of participation in the critical needs certification program pursuant to Section 59-26-30(A)(8). Such loans must be cancelled under the same conditions and at the same rates as other critical need loans.

In case of failure to make a scheduled repayment of an installment, failure to apply for cancellation or deferment of the loan on time, or noncompliance by a borrower with the intent of the loan, the entire unpaid indebtedness including accrued interest, at the option of the commission, shall become immediately due and payable. The recipient shall execute the necessary legal documents to reflect his obligation and the terms and conditions of the loan. The loan program, if implemented, pursuant to the

South Carolina Education Improvement Act, is to be administered by the South Carolina Student Loan Corporation. Funds generated from repayments to the loan program must be retained in a separate account and utilized as a revolving account for the purpose that the funds were originally appropriated. Appropriations for loans and administrative costs incurred by the corporation are to be provided in annual amounts, recommended by the Commission on Higher Education, to the State Treasurer for use by the corporation. The Education Oversight Committee shall review the loan program annually and report to the General Assembly.

Notwithstanding another provision of this item:

(1) For a student seeking loan forgiveness pursuant to the Teacher Loan Program after July 1, 2004, "critical geographic area" is defined as a school that:

- (a) has an absolute rating of below average or unsatisfactory;
- (b) has an average teacher turnover rate for the past three years that is twenty percent or higher;

or

- (c) meets the poverty index criteria at the seventy percent level or higher.

(2) After July 1, 2004, a student shall have his loan forgiven based on those schools or districts designated as critical geographic areas at the time of employment.

(3) The definition of critical geographic area must not change for a student who has a loan, or who is in the process of having a loan forgiven before July 1, 2004.

(k) for special education in the area of vision, adopt program approval standards for initial certification and amend the approved program of specific course requirements for adding certification so that students receive appropriate training and can demonstrate competence in reading and writing braille;

(l) adopt program approval standards so that students who are pursuing a program in a college or university in this State which leads to certification as instructional or administrative personnel shall complete successfully training and teacher development experiences in teaching higher order thinking skills;

(m) adopt program approval standards so that programs in a college or university in this State which lead to certification as administrative personnel must include training in methods of making school improvement councils an active and effective force in improving schools;

(n) the Commission on Higher Education in consultation with the State Department of Education and the staff of the South Carolina Student Loan Corporation, shall develop a Governor's Teaching Scholarship Loan Program to provide talented and qualified state residents loans not to exceed five thousand dollars a year to attend public or private colleges and universities for the purpose of becoming certified teachers employed in the public schools of this State. The recipient of a loan is entitled to have up to one hundred percent of the amount of the loan plus the interest on the loan canceled if he becomes certified and teaches in the public schools of this State for at least five years. The loan is canceled at the rate of twenty percent of the total principal amount of the loan plus interest on the unpaid balance for each complete year of teaching service in a public school. However, beginning July 1, 1990, the loan is canceled at the rate of thirty-three and one-third percent of the total principal amount of the loan plus interest on the unpaid balance for each complete year of teaching service in both an academic critical need area and a geographic need area as defined annually by the State Board of Education. In case of failure to make a scheduled repayment of any installment, failure to apply for cancellation or deferment of the loan on time, or noncompliance by a borrower with the purpose of the loan, the entire unpaid indebtedness plus interest is, at the option of the commission, immediately due and payable. The recipient shall execute the necessary legal documents to reflect his obligation and the terms and conditions of the loan. The loan program must be administered by the South Carolina Student Loan Corporation. Funds generated from repayments to the loan program must be retained in a separate account and utilized as a revolving account for the purpose of making additional loans.

Appropriations for loans and administrative costs must come from the Education Improvement Act of 1984 Fund, on the recommendation of the Commission on Higher Education to the State Treasurer, for use by the corporation. The Education Oversight Committee shall review this scholarship loan program annually and report its findings and recommendations to the General Assembly. For purposes of this item, a 'talented and qualified state resident' includes freshmen students who graduate in the top ten percentile of their high school class, or who receive a combined verbal plus mathematics Scholastic Aptitude Test score of at least eleven hundred and enrolled students who have completed one year (two semesters or the equivalent) of collegiate work and who have earned a cumulative grade point average of at least 3.5 on a 4.0 scale. To remain eligible for the loan while in college, the student must maintain at least a 3.0 grade point average on a 4.0 scale.

### **COMMENTARY AUTHORITY**

#### **SECTION 59-103-30. Critical success factors and performance indicators.**

This section lists critical success factors that should be measured in priority order. From a practical standpoint, CHE would use this list as a guide to review institutions of higher learning in South Carolina. These critical success factors should be measured with objective, measurable criteria when used for the purpose of funding recommendations. § 59-103-30(C). Further, the critical success factors developed and used for funding recommendations shall be those which are directly related to the missions of the particular type of institution as outlines in §59-103-15(B). The list of critical success factors is as follows in priority order:

1. Mission Focus;
2. Quality of Faculty;
3. Classroom Quality;
4. Institutional Cooperation and Collaboration;
5. Administrative Efficiency;
6. Entrance Requirements;
7. Graduates' Achievements;
8. User-Friendliness of the Institution;
9. Research Funding.

The Section also sets forth a list of performance indicators that CHE can use to measure the nine critical success factors listed above.

1. Mission Focus;
  - a. Expenditure of funds to achieve institutional mission;
  - b. Curricula offered to achieve mission;
  - c. Approval of a mission statement;
  - d. Adoption of a strategic plan to support the mission statement;
  - e. Attainment of goals of the strategic plan.
2. Quality of Faculty;
  - a. Academic and other credentials of professors and instructors;
  - b. Performance review system for faculty to include student and peer evaluations;
  - c. Post-tenure review for tenured faculty;
  - d. Compensation of faculty;

- e. Availability of faculty to students outside the classroom;
  - f. Community and public service activities of faculty for which no extra compensation is paid.
3. Instructional quality (*This appears to be the same as Classroom Quality*)
    - a. Class size and student/teacher ratios;
    - b. Number of credit hours taught by faculty;
    - c. Ratio of full-time faculty as compared to other full-time employees;
    - d. Accreditation of degree-granting programs;
    - e. Institutional emphasis on quality teacher education and reform.
  4. Institutional Cooperation and Collaboration;
    - a. Sharing and use of technology, programs, equipment, supplies, and source matter experts within the institution, with other institutions, and with the business community;
    - b. Cooperation and collaboration with private industry.
  5. Administrative Efficiency;
    - a. Percentage of administrative costs as compared to academic costs;
    - b. Use of best management practices;
    - c. Elimination of unjustified duplication of and waste in administrative and academic programs;
    - d. Amount of general overhead costs.
  6. Entrance Requirements;
    - a. SAT and ACT scores of student body;
    - b. High school class standing, grade point averages, and activities of student body;
    - c. Post-secondary nonacademic achievements of student body;
    - d. Priority on enrolling in-state residents.
  7. Graduates' Achievements;
    - a. Graduation rate;
    - b. Employment rate for graduates;
    - c. Employer feedback on graduates who were employed or not employed;
    - d. Scores of graduates on post-undergraduate professional, graduate, or employment-related examinations and certification tests;
    - e. Number of graduates who continued their education;
    - f. Credit hours earned of graduates.
  8. User-Friendliness of the Institution;
    - a. Transferability of credits to and from the institution;
    - b. Continuing education programs for graduates and others;
    - c. Accessibility to the institutions for all citizens of the State.
  9. Research Funding.
    - a. Financial support for reform in teacher education;
    - b. Amount of public and private sector grants.

See **Budgetary Proviso 117.73**. *Submission of the plans or reports required by Sections 59-101-350, 59-103-30, 59-103-45(4), and 59-103-160(D) shall be waived for the current fiscal year, except*

*institutions of higher learning must continue to report student pass rates on professional examinations, and data elements otherwise required for the Commission on Higher Education Management Information System. The commission, in consultation with institutions, shall take further action to reduce data reporting burdens as possible.*

**SECTION 59-103-35. Submission of budget, new and existing programs.**

All public institutions of higher learning shall submit annual budget requests to the commission in the manner set forth in this section.

The State Board for Technical and Comprehensive Education shall submit an annual budget request to the Commission representing the total requests of all area-wide technical and comprehensive educational institutions.

The budget submitted by each institution and the State Board for Technical and Comprehensive Education must include all state funds, federal grants, tuition, and fees other than funds derived wholly from athletic or other student contests, from the activities of student organizations, from approved private practice plans, and from the operation of canteens and bookstores which may be retained by the institutions and be used as determined by the respective governing boards, subject to annual audit by the State.

Fees established by the respective governing boards for programs, activities, and projects not covered by appropriations or other revenues may be retained and used by each institution as previously determined by the respective governing boards, subject to annual audit by the State.

The budget request for the public higher education system shall be submitted by the commission to the Governor and appropriate standing committees of the General Assembly in conjunction with the preparation of the annual general appropriations act for the applicable year.

Supplemental appropriations requests from any public institution of higher education must be submitted first to the commission.

- If the commission does not concur in the requests, the affected institution may request a hearing on the requests before the appropriate committee of the General Assembly. The commission may appear at the hearing and present its own recommendations and findings to the same committee.

No new program may be undertaken by any public institution of higher education without the approval of the commission.

The provisions of this chapter apply to all college parallel, transferable, and associate degree programs of technical and comprehensive education institutions. All other programs and offerings of technical and comprehensive education institutions are excluded from this chapter.

**SECTION 59-103-60. Recommendations to Governor's Office and General Assembly.**

The commission shall make such recommendations to the Governor's Office and the General Assembly as to policies, programs, curricula, facilities, administration, and financing of all state-supported institutions of higher learning as may be considered desirable. The General Assembly... may refer to the

commission for investigation, study, and report any requests of institutions of higher learning for new or additional appropriations for operating and for other purposes and for the establishment of new or expanded programs.

**SECTION 59-103-70. Reports.**

The Commission shall make reports to the Governor and the General Assembly at least annually on the status and progress of higher education in the State, with such recommendations as may be appropriate.

**SECTION 59-103-130. Colleges and universities to emphasize teaching as career opportunity.**

The Commission on Higher Education shall adopt guidelines whereby the publicly supported colleges and universities of this State shall emphasize teaching as a career opportunity and provide students interested in a teaching career with opportunities to tutor other students.

**SECTION 59-101-150. Approval of new programs.**

No new program shall be undertaken by any State-supported institution of higher learning without the approval of the Commission or the General Assembly.

**SECTION 59-101-190. Deans' Committee on Medical Education.**

There is created a Deans' Committee on Medical Education consisting of nine members as follows:

- (1) President, University of South Carolina or his designee;
- (2) President, Medical University of South Carolina or his designee;
- (3) Dean or acting dean, School of Medicine, University of South Carolina;
- (4) Dean or acting dean, School of Medicine, Medical University of South Carolina;
- (5) two members appointed by the Commission on Higher Education, one of whom must be a physician with experience in medical education and one of whom must be a representative of the business community;
- (6) three members of the Area Health Education Consortium medical education director's committee, who shall represent graduate medical education, to be appointed by the Commission on Higher Education.

The terms of the members selected under items (5) and (6) above shall be for four years and until their successors are appointed and qualify. In making these appointments, the Commission on Higher Education, to the extent possible, shall ensure geographic representation of all regions of the State. Vacancies shall be filled in the manner of original appointment.

The Deans' Committee on Medical Education may also contain nonvoting members invited to attend meetings by the committee on an ad hoc basis. The chairmanship of the deans' committee shall alternate between the Dean of the School of Medicine of the University of South Carolina and the Dean of the College of Medicine of the Medical University of South Carolina. The term of the chairman shall be two years, and the committee at its first meeting after the effective date of this provision shall determine by majority vote the person who will first serve as chairman. Meetings shall be held at least quarterly during each year.

The purpose of the committee is to ensure and coordinate the development and implementation of a strategic plan for effective and efficient medical education, research, and related clinical service programs to best meet the needs of the State of South Carolina. Adoption of the strategic plan shall require at least one vote of a member representing USC and MUSC and a total of at least seven votes of the entire committee. Any strategic plan approved by the deans' committee also must be approved by the Commission on Higher Education if it contains any proposal for the consolidation, elimination, or change of medical education programs.

The committee shall report to the Commission on Higher Education through the commission's Committee on Academic Affairs. The deans' committee shall provide oversight of the Area Health Education Consortium and the consortium of teaching hospitals by reviewing and approving its strategic plan and budget. The Commission on Higher Education shall furnish adequate meeting space and professional and secretarial assistance for the committee.

**SECTION 2-47-40. Information to be furnished by agencies and institutions.**

(A) To assist the authority and the Joint Bond Review Committee in carrying out their respective responsibilities, any agency or institution requesting or receiving funds from any source for use in the financing of any permanent improvement project, as a minimum, shall provide to the authority, in such form and at such times as the authority, after review by the committee, may prescribe:

- (1) a complete description of the proposed project;
- (2) a statement of justification for the proposed project;
- (3) a statement of the purposes and intended uses of the proposed project;
- (4) the estimated total cost of the proposed project;
- (5) an estimate of the additional future annual operating costs associated with the proposed project;
- (6) a statement of the expected impact of the proposed project on the five-year operating plan of the agency or institution proposing the project;
- (7) a proposed plan of financing the project, specifically identifying funds proposed from sources other than capital improvement bond authorizations; and
- (8) the specification of the priority of each project among those proposed.

(B) All institutions of higher learning shall submit permanent improvement project proposal and justification statements to the authority, through the **Commission on Higher Education**, which shall forward all such statements and all supporting documentation received to the authority together with its comments and recommendations. The recommendations of the **Commission on Higher Education**, among other things, shall include all of the permanent improvement projects requested by the several institutions listed in the order of priority deemed appropriate by the **Commission on Higher Education** without regard to the sources of funds proposed for the financing of the projects requested. The authority shall forward a copy of each project proposal and justification statement and supporting documentation received together with the authority's recommendations on such projects to the committee for its review and action. The recommendations of the **Commission on Higher Education** shall be included in the materials forwarded to the committee by the authority.

**SECTION 2-47-55. Comprehensive Permanent Improvement Plan.**

(A) All state agencies responsible for providing and maintaining physical facilities are required to submit a Comprehensive Permanent Improvement Plan (CPIP) to the Joint Bond Review Committee and the authority. The CPIP must include all of the agency's permanent improvement projects anticipated and

proposed over the next five years beginning with the fiscal year starting July first after submission. The purpose of the CPIP process is to provide the authority and the committee with an outline of each agency's permanent improvement activities for the next five years. Agencies must submit a CPIP to the committee and the authority on or before a date to be determined by the committee and the authority. **The CPIP for each higher education agency, including the technical colleges, must be submitted through the Commission on Higher Education which must review the CPIP and provide its recommendations to the authority and the committee.** The authority and the committee must approve the CPIP after submission and may develop policies and procedures to implement and accomplish the purposes of this section.

**SECTION 59-54-20. State Occupational Training Advisory Committee; duties and recommendations.**

(A) ....

(B) The **Commission on Higher Education** shall serve as the State Occupational Training Advisory Committee and in this regard shall make recommendations to the State Board of Education, the State Board for Technical and Comprehensive Education, the Governor's Office, and the public for:

(1) improving the coordination among the state's plans and programs for adult career and technology education, adult basic and adult secondary education, post-secondary technical education, and secondary career and technology education;

(2) assuring the compatibility of these educational plans and programs with the state's economic development strategies;

(3) improving the articulation between secondary career and technology education and post-secondary technical education and between post-secondary technical education and four-year degree programs;

(4) improving service to groups or communities in the State which are unserved or underserved and need additional training and education to be employed or to move into the work force and off of public assistance;

(5) improving the accountability systems and effectiveness of the adult career and technology education, adult basic and adult secondary education, post-secondary technical education, and secondary career and technology education programs;

(6) improving the implementation of the South Carolina Employment Revitalization Act of 1986.

**SECTION 59-105-60. Model sexual assault policy.**

The **Commission on Higher Education** shall develop, print, and distribute a model sexual assault policy for institutions of higher learning, which complies with the requirements herein. The model policy shall be distributed to all institutions of higher learning in the State for their use as a reference in formulating their sexual assault policy.

**SECTION 59-111-330. Rules and regulations.**

*This section pertains to Free Tuition for Residents Sixty Years of Age or older.*

The State **Commission on Higher Education** shall promulgate rules and regulations necessary for the implementation of the provisions of this article.

**SECTION 59-150-325. Education Lottery Oversight Committee; powers; duties; report of minority participation; demographic analysis.**

(A)(1) There is created as a committee, the South Carolina Education Lottery Oversight Committee, to be composed of twelve members. The members of the committee must be appointed as follows: the Speaker of the House of Representatives appoints three members, one of whom must be the Chairman of the House Education and Public Works Committee; the President Pro Tempore of the Senate appoints three members, one of whom must be the Chairman of the Senate Education Committee; the Chairman of the South Carolina Commission on Higher Education appoints three members; and the Chairman of the South Carolina Education Oversight Committee appoints three members. The Speaker of the House of Representatives and the President Pro Tempore of the Senate must each appoint one co-chairman from the membership of the South Carolina Education Lottery Oversight Committee. The oversight committee must periodically, but at least annually, inquire into and review the operations of the commission and review and evaluate the success with which the commission is accomplishing its statutory duties and functions as provided in this chapter. The oversight committee must also hold an annual public hearing and may conduct an independent audit or investigation of the commission as necessary. *(The remainder of the statute was omitted)*

**SECTION 59-113-10. Higher Education Tuition Grant Commission.**

There is created a Higher Education Tuition Grant Commission consisting of eight representatives of the independent institutions of higher learning in the State who choose to come under the provisions of this chapter. In addition, the membership of the commission includes one ex officio member who must be the chief executive officer of the State Commission on Higher Education or his designee. The terms of the representatives of the institutions are for three years and until their successors are selected and qualify. The membership of the commission must be rotated among the participating institutions. The commission shall administer the provisions of this chapter and shall make those regulations as may be necessary in order to carry out the intent of this chapter. The commission is responsible solely to the General Assembly and shall report to that body at least annually.

**SECTION 13-1-2030. Coordinating Council for Workforce Development created; membership; duties.**

(A) There is established the "Coordinating Council for Workforce Development" which is created to engage in discussions, collaboration, and information sharing concerning the state's ability to prepare and train workers to meet current and future workforce needs. The coordinating council shall be comprised of the following members:

- (1) the Secretary of the Department of Commerce or his designee;
- (2) the State Superintendent of Education or his designee;
- (3) the Executive Director of the State Board for Technical and Comprehensive Education or his designee;
- (4) the Executive Director of the Department of Employment and Workforce or his designee;
- (5) the Executive Director of the Commission on Higher Education or his designee;
- (6) the president or provost of a research university who shall be selected by the presidents of the research universities;
- (7) the president or provost of a four-year college or university who shall be selected by the presidents of the four-year universities;

(8) the president of a technical college who shall be appointed by the Chairman of the State Board for Technical and Comprehensive Education;

(9) a person appointed by the Superintendent of Education who has particularized expertise regarding Chapter 59, Title 59, the South Carolina Education and Economic Development Act; and

(10) a representative from the business community appointed by the President of the South Carolina Chamber of Commerce.

(B)(1) The coordinating council shall:

(a) develop and implement procedures for sharing information and coordinating efforts among stakeholders to prepare the state's current and emerging workforce to meet the needs of the state's economy. The primary workforce focus of the council shall be on persons over age twenty-one;

(b) make recommendations to the General Assembly concerning matters related to workforce development that exceed the council members' agencies' scope of authority to implement and legislation is required;

(c) recommend, to the General Assembly, programs intended to increase student access to and incentivize workforce training within state training programs or through programs offered by businesses through scholarships, grants, loans, tax credits, or other programs documented to be effective in addressing current and future workforce needs;

(d) develop a method for identifying and addressing long-term workforce needs;

(e) conduct an ongoing inventory of existing workforce programs to identify duplications among and within the programs and identify ineffective programs. The council may make recommendations concerning the appropriate actions necessary to eliminate duplication, improvements to ineffective programs so that the programs can achieve the desired result, or the elimination of programs that no longer meet workforce needs; and

(f) submit an annual progress report to the Governor and the General Assembly, by July first of each fiscal year, concerning the actions taken by the council during the previous fiscal year, and any recommendations for legislation or agency action. The council may submit additional reports on an ongoing basis as deemed necessary by the council chairman.

(2) The coordinating council may create subcommittees or advisory groups comprised of community or state or local government stakeholders to assist the council in carrying out the council's duties as contained in item (1).

(C) The Secretary of the Department of Commerce or his designee to the coordinating council shall be the coordinating council's chairman. (D) The Commission on Higher Education, the Department of Commerce, and the State Board for Technical and Comprehensive Education shall provide staff for the coordinating council.

**SECTION 13-17-40. Members of board; terms; vacancies; compensation; annual reports; meetings.**

(A)(1) The SCRA shall consist of a board of twenty-four trustees that includes the following ex officio members: President of the Council of Private Colleges of South Carolina, Chairman of the South Carolina Commission on Higher Education, President of Clemson University, President of the Medical University of South Carolina, President of South Carolina State College, President of the University of South Carolina, Director of Savannah River National Laboratory, President of Francis Marion University, Chairman of the State Board for Technical and Comprehensive Education, Governor of South Carolina or his designee, Chairman of the House Ways and Means Committee or his designee, Chairman of the Senate Finance Committee or his designee, and the Secretary of Commerce or his designee.

(2) The Governor shall name the chairman who must not be a public official and who serves at the pleasure of the Governor. The remaining ten trustees must be elected by the board of trustees from a list of nominees submitted by an ad hoc committee named by the chairman and composed of the members serving as elected trustees. Each of the Congressional Districts of South Carolina must have at least one of the ten trustees.

(3) Terms of elected trustees are for four years, and half expire every two years. An elected trustee may not serve more than two consecutive four-year elected terms. Vacancies must be filled for the unexpired term in the manner of original appointment. A vacancy occurs upon the expiration of the term of service, death, resignation, disqualification, or removal of a trustee.

(B)(1) The President of Clemson University, President of the Medical University of South Carolina, President of the University of South Carolina at Columbia, the Governor or his designee, the Chairman of the House Ways and Means Committee or his designee, the Chairman of the Senate Finance Committee or his designee, and the Chairman of the Board of Trustees shall serve on the executive committee of the board of trustees. The executive committee shall elect two additional members of the executive committee, who shall be trustees at the time of their election, by the affirmative vote of a majority of the members of the executive committee then serving. Each of the three university presidents, with respect to no more than two executive committee meetings each calendar year, may designate in his place that university's chief research officer, as determined in the sole discretion of the designating president, to participate in and vote at executive committee meetings specified in the designation. The executive committee has all powers and authority of the board of trustees. The board shall have an advisory role only and shall advise the executive committee of the actions recommended by the board.

(2) Terms of elected executive committee members are for four years, and half expire every two years. An elected executive committee member may not serve more than two consecutive four-year elected terms. A vacancy must be filled for the unexpired term in the manner of original election, and occurs upon the expiration of the term of service, death, resignation, disqualification, or removal of an elected executive committee member. An elected executive committee member need not continue to be a trustee in order to complete his term as an executive committee member. An elected executive committee member may be removed from office by the affirmative vote of two-thirds of the executive committee members serving.

(3) The executive committee shall appoint a business and science advisory board to include representatives from each research university, the venture capital industry, relevant industry leaders, and the Department of Commerce. The purpose of the advisory board is to advise the board of trustees when requested by it. The advisory board shall ensure that the authority has the input of the research and business communities in implementing its programs and services.

(C) A trustee may not receive a salary for his services as a trustee; however, a trustee must be reimbursed for actual expenses incurred in service to the authority.

(D) The board annually shall submit a report to the General Assembly including information on all acts of the board of trustees together with a financial statement and full information as to the work of the authority.

(E) The board shall hire an executive director of the SCRA who has administrative responsibility for the SCRA. The executive director shall maintain, through a designated agent, accurate and complete books and records of account, custody, and responsibility for the property and funds of the authority and control over the authority bank account. The executive director, with the approval of the board, has the power to appoint officers and employees, to prescribe their duties, and to fix their compensation. The

board of trustees shall select a reputable certified public accountant to audit the books of account at least once each year.

(F) Regular meetings of the board of trustees must be held at a time and place the chairman may determine. Special meetings of the board of trustees may be called by the chairman when reasonable notice is given.

**SECTION 59-50-20.** Board of directors.

The school is governed by a board of directors composed of seventeen members, as follows:

- (1) one member from each congressional district, appointed by the Governor;
- (2) six members from the State at large, appointed by the Governor;
- (3) the Chairman of the Education Oversight Committee or his designee who serves ex officio;
- (4) the State Superintendent of Education or his designee who serves ex officio;
- (5) the Executive Director of the Commission on Higher Education or his designee who serves ex officio; and
- (6) the chairman of the school's foundation board or his designee who serves ex officio.

Members appointed by the Governor serve for terms of four years and until their successors are appointed and qualify. Members receive mileage, subsistence, and per diem allowed by law for members of state boards, committees, and commissions.

In making the appointments, the Governor shall seek to obtain the most qualified persons from business, industry, and the educational and arts communities.

**SECTION 59-48-20.** Board of trustees; appointment; term of office; compensation.

(A)(1) The school is under the management and control of a board of trustees consisting of eleven members, as follows:

- (a) one member from each congressional district appointed by the Governor;
  - (b) two members from this State at large appointed by the Governor;
  - (c) the State Superintendent of Education, ex officio, or his designee; and
  - (d) the Executive Director of the Commission on Higher Education, ex officio, or his designee.
- (2) Members appointed by the Governor shall serve for four years and until their successors are appointed and qualify. Members shall receive mileage, subsistence, and per diem allowed by law for members of state boards, committees, and commissions.
- (3) In his appointments, the Governor shall seek to obtain the best qualified persons from the business, industrial, and educational communities, including mathematicians and scientists.

(B) The board of trustees also shall include the following six members:

- (1) the President of the South Carolina Governor's School of Science and Mathematics Foundation, Inc., ex officio;
- (2) the provost or vice president for academic affairs from each of the following higher education research institutions, ex officio, or his designee:
  - (a) Clemson University;
  - (b) the University of South Carolina; and
  - (c) the Medical University of South Carolina; and

(3) two members from the State at large appointed by the Governor to serve for terms of four years each and until their successors are appointed and qualify. Vacancies must be filled by appointment in the manner of original appointment for the remainder of the unexpired term.

(C) An ex officio member who is authorized to designate a person to serve on the board in his stead only may make the designation if he intends for the designee to serve continuously instead of intermittently with himself or another designee.

**SECTION 59-53-40.** Coordination with Commission on Higher Education and others; budget; college parallel courses and associate degree programs.

The Board and local area commissions shall insure effective coordination with the public schools, other state agencies, literary councils, and private and nonprofit training organizations to maximize opportunities to best meet local education and training needs. The Board shall maintain effective coordination with the Commission on Higher Education and other educational boards and state agencies.

The Board is required to submit to the Commission on Higher Education a budget and enrollment documentation for all existing and proposed college parallel courses or associate degree programs with college transfer credit by institutional location for review and comment prior to submission of the Board's total state budget request to the Governor.

All college parallel courses or associate degree programs are subject to the approval or termination by the Commission on Higher Education.

**SECTION 59-101-210.** Institutional reports of certain violations; contents; availability; redress for violations.

(A)(1) Beginning with the 2016-2017 academic year, a public institution of higher learning, excluding technical colleges, shall maintain a report of actual findings of violations of the institution's Conduct of Student Organizations by fraternity and sorority organizations formally affiliated with the institution.

(2) The report of actual findings of violations of the Conduct of Student Organizations is required for offenses involving:

- (a) alcohol;
- (b) drugs;
- (c) sexual assault;
- (d) physical assault; and
- (e) hazing.

(3) The report of actual findings of violations must contain:

- (a) the name of the organization;
- (b) when the organization was charged with misconduct;
- (c) the dates on which the citation was issued or the event occurred;
- (d) the date the investigation was initiated;
- (e) a general description of the incident, the charges, findings, and sanctions placed on the organization; and
- (f) the date on which the matter was resolved.

(4) The report must include no personal identifying information of the individual members and shall

be subject to the requirements of the Family Education Rights and Privacy Act (FERPA), 20 U.S.C. 1232g.

(5) The institution shall update this report at least forty-five calendar days before the start of the fall and spring academic semesters.

(6) The institution shall provide reports required under this section on its Internet website in a prominent location. The webpage that contains this report must include a statement notifying the public:

(a) of the availability of additional information related to findings, sanctions, and organizational sanction completion;

(b) where a member of the public may obtain the additional information that is not protected under the Family Education Rights and Privacy Act (FERPA), 20 U.S.C. 1232g; and

(c) that the institution is required to provide this additional information pursuant to the South Carolina Freedom of Information Act.

(7) The institution shall furnish a printed notice of the nature and availability of this report and the website address where it can be found to attendees at student orientation.

(8) The institution shall maintain reports as they are updated for four years. Information that is four years old may be removed from the record by the institution as it updates its records.

(B) A public institution of higher learning shall submit to the Commission on Higher Education a statement within fourteen calendar days that the reports have been updated as required in subsection (A)(4). The commission shall publish on their webpage a link to the institution's updated reports.

(C) A member of the public who believes that an institution is not complying with the information disclosure required under this section may seek relief as provided for under the South Carolina Freedom of Information Act.

**SECTION 12-6-3385. Income tax credit for tuition; definitions.**

(A)(1) A student is allowed a refundable individual income tax credit equal to twenty-five percent, not to exceed eight hundred fifty dollars in the case of four-year institutions and twenty-five percent, not to exceed three hundred fifty dollars in the case of two-year institutions for tuition paid an institution of higher learning or a designated institution as provided in this section during a taxable year. The amount of the tax credit claimed up to the limits authorized in this section for any taxable year may not exceed the amount of tuition paid during that taxable year.

(2)(a) Tuition credits may not be claimed for more than four consecutive years after the student enrolls in an eligible institution.

(b) The credit period is suspended for a qualifying student required to withdraw from an institution of higher learning to serve on active military duty if the service member re-enrolls in an eligible institution within twelve months upon demobilization and provides official documentation from the Armed Forces to verify the dates of active duty military service.

(c) An extension of the credit period may be granted due to medical necessity as defined by the Commission on Higher Education.

(3) The credit may be claimed by the student or by an individual eligible to claim the student as a dependent on his federal income tax return, whoever actually paid the tuition. The department shall prescribe a form for claiming the credit.

(B) As used in this section:

(1) "Institution of higher learning" means a South Carolina public institution defined in Section 59-103-5 and an independent institution as defined in Section 59-113-50.

(2) A “designated institution” means a public or independent bachelor’s level institution chartered before 1962 whose major campus and headquarters are located within South Carolina; or an independent bachelor’s level institution which has attained 501(c)(3) tax status and is accredited by the Southern Association of Colleges and Secondary Schools or the New England Association of Colleges and Schools; or a public or independent two-year institution which has attained 501(c)(3) tax status. Institutions whose sole purpose is religious or theological training, or the granting of professional degrees do not meet the definition of “institution of higher learning” or “designated institution” as defined in this section.

(3) “Student” means an individual enrolled in an institution of higher learning:

(a) eligible for in-state tuition and fees as determined pursuant to Chapter 112 of Title 59 and applicable regulations;

(b) who at the end of the taxable year for which the credit is claimed has completed at least thirty credit hours each year, or its equivalent, as determined by the Commission on Higher Education, and who is admitted, enrolled, and classified as a degree seeking undergraduate or enrolled in a certificate or diploma program of at least one year;

(c) who, within twelve months before enrolling:

(i) graduated from a high school in this State;

(ii) successfully completed a high school home school program in this State in the manner required by law; or

(iii) graduated from a preparatory high school outside this State while a dependent of a parent or guardian who is a legal resident of this State and has custody of the dependent;

(d) not in default on a Federal Title IV or State of South Carolina educational loan, nor who owes a refund on a Federal Title IV or a State of South Carolina student financial aid program;

(e) who has not been adjudicated delinquent or been convicted or pled guilty or nolo contendere to any felonies or any alcohol or drug related offenses under the laws of this State, any other state or comparable jurisdiction, or the United States; except that a student who has been adjudicated delinquent or has been convicted or pled guilty or nolo contendere to an alcohol or drug related misdemeanor offense is ineligible only for the taxable year in which the adjudication, conviction, or plea occurred;

(f) who is in good standing at the institution attended;

(g) who is not a Palmetto Fellowship recipient;

(h) who is not a LIFE Scholarship recipient.

(4) “Tuition” means the amount charged, including required fees, necessary for enrollment. Higher education tuition at an independent institution means the average tuition at the four-year public institutions of higher learning as defined in Section 59-103-15(B)(2), but not more than the actual tuition charged. Before calculating the credit, there must be deducted from tuition any amounts received toward its payment by any other scholarship grants.

## **FINANCIAL AUTHORITY**

### **SECTION 59-103-35. Submission of budget, new and existing programs.**

All public institutions of higher learning shall submit annual budget requests to the commission in the manner set forth in this section.

The State Board for Technical and Comprehensive Education shall submit an annual budget request to the Commission representing the total requests of all area-wide technical and comprehensive educational institutions.

The budget submitted by each institution and the State Board for Technical and Comprehensive Education must include all state funds, federal grants, tuition, and fees other than funds derived wholly from athletic or other student contests, from the activities of student organizations, from approved private practice plans, and from the operation of canteens and bookstores which may be retained by the institutions and be used as determined by the respective governing boards, subject to annual audit by the State.

Fees established by the respective governing boards for programs, activities, and projects not covered by appropriations or other revenues may be retained and used by each institution as previously determined by the respective governing boards, subject to annual audit by the State.

The budget request for the public higher education system shall be submitted by the commission to the Governor and appropriate standing committees of the General Assembly in conjunction with the preparation of the annual general appropriations act for the applicable year.

Supplemental appropriations requests from any public institution of higher education must be submitted first to the commission.

- If the commission does not concur in the requests, the affected institution may request a hearing on the requests before the appropriate committee of the General Assembly. The commission may appear at the hearing and present its own recommendations and findings to the same committee.

**No new program may be undertaken by any public institution of higher education without the approval of the commission.**

The provisions of this chapter apply to all college parallel, transferable, and associate degree programs of technical and comprehensive education institutions. All other programs and offerings of technical and comprehensive education institutions are excluded from this chapter.

**SECTION 59-103-45. Additional duties and functions of commission regarding public institutions of higher learning.**

1) Establish procedures for the transferability of courses at the undergraduate level between two-year and four-year institutions or schools;

(2) Coordinate with the State Board of Education in the approval of secondary education courses for the purpose of determining minimum college entrance requirements, and define minimum academic expectations for prospective post-secondary students, communicate these expectations to the State Board of Education, and work with the state board to ensure these expectations are met;

(3) Review minimum undergraduate admissions standards for in-state and out-of-state students;

(4)(a) Develop standards for determining how well an institution has met or achieved the performance indicators for quality academic success as enumerated in Section 59-103-30, and develop mechanisms for measuring the standards of achievement of particular institutions.

- These standards shall be developed in consultation and cooperation with, at a minimum but not limited to the Council of Presidents of State Institutions, the chairmen of the governing boards of the various institutions and the business community.

(b) Base the higher education funding formula in part on the achievement of the standards set for these performance indicators including base-line funding for institutions meeting the standards of achievement, incentive funding for institutions exceeding the standards of achievement, and reductions in funding for institutions which do not meet the standards of achievement,

(c) Promulgate regulations based on (a) and (b) above and submit to General Assembly for its review pursuant to the Administrative Procedures Act.

(d) Develop a higher education funding formula based entirely on an institution's achievement of the standards set for these performance indicators, this formula to be used beginning July 1, 1999. This new funding formula also must be contained in regulations promulgated by the commission and submitted to the General Assembly for its review in accordance with the Administrative Procedures Act;

*See **Budgetary Proviso 117.73.** Submission of the plans or reports required by Sections 59-101-350, 59-103-30, 59-103-45(4), and 59-103-160(D) shall be waived for the current fiscal year, except institutions of higher learning must continue to report student pass rates on professional examinations, and data elements otherwise required for the Commission on Higher Education Management Information System. The commission, in consultation with institutions, shall take further action to reduce data reporting burdens as possible.*

(5) **Reduce, expand, or consolidate** any institution of higher learning including those which do not meet the standards of achievement in regard to the performance indicators for quality academic success enumerated in Section 59-103-30, and ..., close any institution which does not meet the standards...enumerated in Section 59-103-30. The process to be followed for the closure, reduction, expansion, or consolidation of an institution under this item (5) shall be as promulgated in regulations of the commission which shall be submitted to and approved by the General Assembly;

(6) Review and approve each institutional mission statement to ensure it is within the overall mission of that particular type of institution as stipulated by Section 59-103-15 and is within the overall mission of the State;

(7) Ensure access and equity opportunities at each institution of higher learning for all citizens of this State regardless of race, gender, color, creed, or national origin within the parameters provided by law.

**SECTION 59-103-65. Close of institution; reallocation of funds.**

If an institution beginning July 1, 1999, is closed by the commission, the institution shall be treated as a terminated agency under Section 1-20-30 and as such terminated in the manner provided therein. However, any remaining funds shall not revert to the general fund as provided in Section 1-20-30 but instead shall be reallocated to higher education funding through use of the higher education funding formula in the manner the commission shall provide.

**SECTION 59-103-80. Expenses; compensation of Commission members.**

Funds for the necessary technical, administrative and clerical assistance and other expenses of the Commission, including stationery, shall be carried in the annual appropriation act for the State. The members of the Commission shall be allowed such per diem and mileage as authorized by law for members of boards, commissions and committees. The sum appropriated for the use of the Commission shall be expended upon warrants signed by the chairman.

**SECTION 59-103-110. Approval for new construction; exemptions.**

No public institution of higher learning shall be authorized to construct or purchase any new permanent facility at any location other than on a currently approved campus or on property immediately contiguous thereto unless such new location or purchase of improved or unimproved real property has been approved by the commission.

*See: **Budgetary Proviso 117.73.** (GP: Printed Report Requirements) (A) For Fiscal Year 2015-16, state supported institutions of higher learning shall not be required to submit printed reports mandated by Sections 2-47-40, 2-47-50, and 59-103-110 of the 1976 Code, and shall instead only submit the documents electronically.*

**SECTION 59-103-120. Accreditation and chartering of chiropractic colleges.**

One hundred and eighty days from the effective date of this act, the State Commission on Higher Education shall publish a list of the accrediting agency or agencies, which may include itself, approved by it for accreditation of chiropractic colleges or schools doing business in this State. Any chiropractic college or school doing business in this State shall, upon publication of said list of such accrediting agency or agencies, forthwith apply for such accreditation or candidate status and furnish the State Commission on Higher Education documented evidence of such application....

Provided, further, any college of chiropractic applying for a South Carolina charter must furnish the Commission on Higher Education with sufficient evidence that such school will qualify for required accreditation. Upon certification by the Commission on Higher Education to the Secretary of State, the

Secretary of State may issue a charter; provided, further, however, that any college now chartered must attain required licensure before one hundred eighty days after the effective date of this act or have its charter revoked upon a finding by the Attorney General that such licensure has not been attained by such date. In addition to other existing criteria, licensure of all chiropractic colleges shall be renewable annually contingent upon supplying semiannual reports as to the progress of accreditation to the Commission on Higher Education and the Commission shall make a determination if such progress is satisfactory.

**SECTION 59-103-140. Contracts with colleges and universities for provision of teacher training programs.**

The Commission on Higher Education, in consultation with the State Board of Education, may contract with selected public or private colleges and universities, or groupings of such institutions, to provide centers of excellence in programs designed to train teachers.

The Commission shall devise guidelines and procedures by which institutions, or groups of institutions, may apply for such contracts by the Commission. Such guidelines and procedures shall include participation by local schools or school districts in such programs as may be appropriate.

Funds for implementing this activity shall be appropriated annually to the Commission on Higher Education which, in consultation with the State Board of Education, shall monitor the performance of participating institutions and may or may not elect to renew such contracts to any original college or university.

**SECTION 59-103-162. South Carolina Manufacturing Extension Partnership; review of activities and board membership; budget recommendations.**

The South Carolina Commission on Higher Education shall review annually the activities of the South Carolina Manufacturing Extension Partnership, make a budget recommendation to the General Assembly, and coordinate the allocation of funds among each participating institution.

The funds appropriated to the University of South Carolina - Columbia for the South Carolina Manufacturing Extension Partnership may not be used for any other purpose.

The Commission shall review the membership of the South Carolina Manufacturing Extension Partnership board to insure appropriate representation of each participating institution.

**SECTION 59-104-210. Competitive grants program established.**

A competitive grants program is established to improve undergraduate education in South Carolina. The State **Commission on Higher Education** shall administer the program, promulgate appropriate regulations, and request annual state appropriations for this purpose. All public and private nonproprietary post-secondary institutions accredited by the Commission on Colleges of the Southern Association of Colleges and Schools are eligible to participate in this program.

**SECTION 59-104-220. Governor's Professor of the Year Award established.**

The Governor's Professor of the Year Award is established as follows:

(1) Each public or private institution of higher learning in this State is eligible to nominate one faculty member for this award who has demonstrated exceptional teaching performance.

(2) The Governor's office in conjunction with the Commission on Higher Education shall establish a committee to choose the Professor of the Year from a senior institution and a Professor of the Year from an institution offering no degree above the associate's degree. The committee must consist of representatives of the Governor's office, the commission, and appropriate civic, business, government, and academic organizations.

(3) Each award must include a citation and a payment of five thousand dollars. Up to ten finalists may be awarded five hundred dollars each by the Commission on Higher Education. The Governor's office shall host an appropriate ceremony at which the awards must be presented.

(4) The commission shall request annual state appropriations for the award.

**SECTION 59-104-230. Endowed professorships program.**

The Commission on Higher Education shall request state funds and establish procedures to implement a program of endowed professorships at senior public institutions of higher learning to enable the institutions to attract or retain productive faculty scholars who are making or show promise of making substantial contributions to the intellectual life of the State.

Each professorship must be supported by the income from an endowment fund created especially for that purpose. Half of the corpus of each fund must be provided by the commission through this program, and half must be provided by the institution from private funds specifically donated for this purpose.

The State Treasurer shall establish a separate fund consisting of any funds appropriated for all endowed professorships plus accrued interest received. Any amount remaining in the established fund at the end of any fiscal year must be carried forward to the next fiscal year to be used for endowed professorships. Funds in the specified amounts to support each endowment may be transferred by the commission to each eligible institution.

**SECTION 59-104-240. Salary enhancement program for technical colleges and two-year campuses.**

(A) The Commission on Higher Education shall request state funds to implement a program to endow salary enhancements for outstanding faculty in technical colleges and two-year campuses of the University of South Carolina. The purpose of the program is to enable the state's two-year college systems to retain and reward outstanding instructional personnel.

(B) The commission, in collaboration with the State Board for Technical and Comprehensive Education and the University of South Carolina, shall establish procedures to implement the program. Each salary enhancement must be supported by an endowment fund created especially for that purpose. Half of the corpus of each fund must be provided by the commission through this program, and half must be provided by the institution from private sources specifically donated for this purpose.

(C) The State Treasurer shall establish a separate fund consisting of any funds appropriated for all salary enhancements plus accrued interest received. Any amount remaining in the established fund at the end of any fiscal year must be carried forward to the next fiscal year to be used for salary enhancements. Funds in the specified amounts to support each salary enhancement may be transferred by the commission to each eligible institution.

**SECTION 59-104-250.** Technical college libraries shall convert to computer-based automated system compatible with State library systems.

All libraries in the technical colleges in this State shall convert to a computer-based automated system that is compatible with existing state library systems and allows for appropriate networking with public colleges and universities if funds are appropriated for this purpose. The Commission on Higher Education shall request special appropriations to accomplish the conversion.

*The next three sections 59-104-410 through 59-104-440 is entitled "Excellence in Research For Economic Development."*

**SECTION 59-104-410.** Research Investment Fund created.

A Research Investment Fund is created to establish or expand research programs in public institutions of higher learning in this State which are related to the continued economic development of South Carolina. The fund must consist of appropriations to the State Commission on Higher Education which it allocates to the institutions for research. The funds must be apportioned among the three senior universities and the four-year colleges in a manner that takes into account the previous year's expenditures of externally generated funds for research by the institutions as reported to the commission. However, the commission may make exceptions to accommodate economic development opportunities in any area of the State.

**SECTION 59-104-420.** Criteria for use of fund.

(A) The fund must be used for research which:

- (1) has a direct, positive impact on economic development, education, health, or welfare in this State;
- (2) has an existing base in faculty expertise, resources, and facilities;
- (3) serves to improve the quality of undergraduate and graduate education for South Carolina citizens in accordance with the institutions' stated missions as given in the commission's master plan and as developed by the institution and approved by the commission as provided in Section 59-103-45(5).

(B) The fund must not be used for capital construction projects.

**SECTION 59-104-430.** Comprehensive reports to be made at the end of fiscal year.

At the end of each fiscal year, comprehensive reports must be made to the Commission on Higher Education on the expenditures of funds and the results realized from the research programs. At the end of two fiscal years and each fiscal year after that, the commission shall reexamine the process of appropriating funds for research and the results obtained from the expenditures and recommend changes and alterations in the funding of research by the State if the changes are considered advisable by the commission.

**SECTION 59-104-440.** Allocation of funds.

(A) With the exception of the University of South Carolina, Clemson University, and the Medical University of South Carolina, institutions seeking financial support from the fund for research projects shall submit proposals to the commission for its review and approval.

(B) The portion of the fund allocated to the three senior universities excepted in subsection (A) must be distributed in a manner that takes into account the previous year's expenditures of externally generated funds for research which each university reported to the commission.

(C) No funds allocated under the provisions of this chapter nor matching funds received pursuant to terms of this chapter may be used to increase an institution's future years' formula funding as computed by the Commission on Higher Education.

**SECTION 59-101-150.** Approval of new programs.

No new program shall be undertaken by any State-supported institution of higher learning without the approval of the Commission or the General Assembly.

**SECTION 59-101-340.** Allocation of funds appropriated for the "Cutting Edge: Research Investment Initiative".

Twenty-five percent of funds appropriated by the General Assembly for the "Cutting Edge: Research Investment Initiative" must be allocated to the state's senior public colleges. If the number of quality proposals for funding submitted by the senior colleges does not require the full allocation, the balance of the allocation must be distributed by the Commission on Higher Education to the state's public universities.

**SECTION 59-101-345.** Authority to reallocate funds between Palmetto Fellows Program and need-based grants; priority to students in custody of Department of Social Services.

In instances where the equal division of the appropriated funds between need-based grants and the Palmetto Fellows Program exceeds the capacity to make awards in either program, the Commission on Higher Education has the authority to reallocate the remaining funds between the two programs. Public and independent higher education institutions must give first priority for need-based grants to children and young adults in the custody of the State Department of Social Services. Institutions and the Commission on Higher Education shall accept written verification from the Department of Social Services that the child or young adult is in the custody of the Department of Social Services, and must provide the maximum amount allowed by law for that need-based grant.

**SECTION 59-101-360.** Certain revenue from tax on catalog sales creditable to Mail Order Sales Tax Fund; disposition.

(A) Sales tax revenue derived pursuant to Section 12-36-2620 from the tax on catalog sales which exceeds the total of revenue from such sales in fiscal year 1991-92 must be credited by the State Treasurer to the Mail Order Sales Tax Fund, which is separate and distinct from the general fund of the State. Revenues in this fund may not be used to supplant general fund appropriations for higher education, and must be appropriated according to the distribution formulas provided in subsections (B), (C), and (D).

(B) The first one hundred million dollars credited to the Mail Order Sales Tax Fund must be distributed as follows:

- (1) sixty-five percent for higher education formula funding;

(2) five percent to public higher education institutions with teacher education programs according to a formula developed by the Commission on Higher Education;

(3) twenty percent to the Education Improvement Act Fund;

(4) ten percent for tuition grants as provided pursuant to Chapter 113 of this title.

(C) Amounts in excess of one hundred million dollars credited to the Mail Order Sales Tax Fund must be distributed as provided in subsection (B) with the exception of item (4) thereof, in which case the ten percent distribution must be for K-12 public school construction.

(D) At any time the higher education funding formula is fully funded, further distribution of that sixty-five percent share must be distributed as follows:

(1) sixty-five percent for K-12 public school construction;

(2) thirty-three and one-third percent for public higher education dedicated to academic equipment;

(3) one and two-thirds percent to the higher education tuition grants program under Chapter 113 of this title.

**SECTION 59-58-40. Authority and powers of commission; promulgation of rules and regulations.**

The commission is the sole authority for licensing nonpublic educational institutions established in South Carolina and for those established elsewhere which want to operate in or confer degrees in this State. The commission may promulgate those regulations as may be necessary for the administration and enforcement of this chapter.

(1) The commission may license nonpublic educational institutions meeting the necessary standards and shall administer and enforce the provisions of this chapter. These standards must include, but are not limited to, course or program offerings, adequate facilities, financial stability, competent personnel, educational resources, refund policies, and legitimate operating practices.

(2) The commission shall formulate the criteria and standards for the approval of nonpublic educational institutions. Only those institutions meeting such standards may be licensed. The commissioner shall maintain a list of institutions that have been licensed according to this chapter.

(3) The commission shall formulate the standards for the approval of salesmen, agents, or representatives of institutions and issue permits to those applicants meeting such standards.

(4) The commissioner shall enforce all regulations for licensing nonpublic educational institutions. The commissioner may place an institution on probation. The commission shall revoke or suspend the license of any institution failing to comply with the minimum requirements for licensure.

**SECTION 59-58-50. Licenses required; effect of changes in licensed institution; applications; term of license.**

(A) No nonpublic educational institution established in South Carolina or offering a course or program in South Carolina has the authority to operate, to solicit students for enrollment, or to confer degrees or other educational credentials unless a license is first secured from the commission. The commission shall approve through licensure the location of and programs offered by the institution. The commission shall promulgate regulations to amend a license for and changes in location and for additional or amended courses or programs. The commission shall not license any institution to offer a degree if the commission determines that the degree adversely affects the goals of the commission's plan to improve access and equity minority affairs programs in public institutions of higher education. The commission shall promulgate regulations to make the determination.

(B) After a license is issued, it is the institution's responsibility to notify immediately the commissioner of significant changes in either the course or program offerings, facilities, finances, or personnel.

(C) In the event of the sale of an institution, the license is not transferable. The new owner must comply with all the requirements of this chapter.

(D) Applications for licenses must be filed in the manner prescribed by the commission. The applications must be signed by the applicants and must contain that information as may be required.

(E) Licenses are restricted to the courses or programs of instruction specifically indicated on the license. Additional courses or programs of instruction may be approved during the effective period of the license if a supplementary approval application is submitted and the license is amended.

(F) Licenses for non-degree-granting institutions shall normally be granted for twelve months, renewable annually from date of issue, or other date in excess of twelve months set by the commission to stagger the renewal dates of all institutions. The commission may issue licenses to non-degree-granting institutions for less than twelve months as circumstances justify. Licenses and renewal of licenses for degree-granting institutions may be granted for periods not to exceed five years. Renewal is contingent upon filing appropriate applications for renewal with the commissioner. The institution and its courses or programs, facilities, faculty, and all other operations must meet the requirements for an original license at the effective date of the renewal.

#### **SECTION 59-58-70. Fees.**

The commission may set reasonable fees for administration of this chapter including, but not limited to, licenses, agent permits, renewals, penalties for late renewals, penalties for failure to provide information as required, penalties for repeat violations, consultants, complaint investigations, and supplementary applications for amendments of the license.

#### **SECTION 59-58-80. Student tuition recovery fund; surety bonds by licensed institutions; use of funds for benefit of students.**

(A) Before an institution is licensed under this chapter, the commission may require that a surety bond be provided by the institution in an amount in compliance with the regulations prescribed by the commission.

- The obligation of the bond is that the institution, its officers, agents, and employees shall faithfully perform the terms and conditions of contracts for tuition and other instructional fees entered into between the institution and persons enrolling as students.
- The bond must be issued by a company authorized to do business in the State of South Carolina. The bond must be to the commission, in that form as approved by the commission, and is to be used for the benefit of students who suffer financial losses of tuition and fees prepaid to an institution as a result of the closing of the institution.
- The commission may use the funds for these purposes to pay refunds to these students for unearned tuition and fees, to pay for or subsidize the cost of providing facilities and instruction for these students to complete their programs, or to pay expenses to store and maintain student records of these students.

(B) The bond company may not be relieved of liability on the bond unless it gives the institution and the commission ninety days' written notice of the company's intent to cancel the bond.

- If at any time the company that issued the bond cancels or discontinues the coverage, the institution's license is revoked as a matter of law on the effective date of the cancellation or discontinuance of bond coverage, unless a replacement bond is obtained and provided to the commissioner.

(C) Instead of the surety bond required in subsection (A), the institution may pledge other means of collateral acceptable to the State Treasurer, in an aggregate market value of the required bond. The commission shall deliver a safekeeping receipt of collateral to the State Treasurer to be held until the commission serves notice for its release to the commission.

(D) The commission may promulgate regulations establishing a student recovery fund for nonpublic educational institutions.

- The fund must be used to benefit students because an institution has failed to perform faithfully its contractual obligations for tuition and instructional fees in the event of an institution's closing.
- The commission may use the funds for these purposes to pay refunds to these students for unearned tuition and prepaid fees, to pay for or subsidize the cost of providing facilities and instruction for these students to complete their programs, or to pay expenses to store and maintain student records of these students.

**SECTION 59-58-90. Permit required to solicit or sell courses.**

(A) No person representing a nonpublic educational institution shall solicit students or sell any course or program of instruction unless he first secures a permit from the commission. The application for a permit must be accompanied by a nonrefundable fee as determined by the commission.

(B) The permit is valid for one year, and may be renewed by filing an application for renewal accompanied by a nonrefundable fee as determined by the commission.

(C) The commission may refuse to issue a permit to the applicant if he has pleaded guilty to or been convicted of a felony or a crime of moral turpitude under the laws of this or any other state.

**SECTION 59-58-100. Contracts and notes void without license and permit.**

All enrollment agreements, contracts, and promissory notes or other evidence of indebtedness entered into by nonpublic educational institutions with students or prospective students are void unless the institution holds a valid license, and the agent enrolling the student holds a valid permit as required by this chapter.

**SECTION 59-58-110. Procedure for denial, revocation, or suspension of license; notice; probation.**

(A) Before a final proceeding to deny, revoke, or suspend a license or permit, the commission shall give to the person to be affected by the decision notice of facts and conduct which warrant the intended action and an opportunity to show compliance with the minimum requirements for a license or permit.

If the commission determines that the violations are habitual, wilful, and therefore likely to reoccur, the commission may proceed with denial or revocation though the institution complies or agrees to comply with the standards for licensure.

(B) In any final agency proceeding to deny a license or permit to any person properly applying for one, or to revoke or suspend the license or permit of any licensee or permit holder, the commission shall give the person to be affected by the intended action notice an **opportunity for a hearing** as provided in the Administrative Procedures Act.

(C) The commission may give the institution a period of probation if in its judgment any unsatisfactory condition can reasonably be corrected within such time. The commission may also require that an institution delay a new class term.

**SECTION 59-58-120. Appeal of denial, revocation, or suspension of license.**

A person aggrieved by the final decision of the commission in refusing to issue a license or permit, or revoking or suspending a license or permit previously granted, is entitled to appeal the commission's order to the Administrative Law Court in accordance with its appellate rules of procedure.

**SECTION 59-58-130. Restraining violations of chapter or rules and regulations; civil penalties.**

(A) Whenever it appears to the commission that any person is or has been violating any provisions of this chapter or the regulations promulgated hereunder, the commission shall request the Attorney General, the solicitor, or any appropriate official having jurisdiction in the county in which the nonpublic educational institution or its agent is located, to bring a civil action to restrain that person from the violation, and for other appropriate relief. The action may be brought in the court of common pleas in the county in which the person resides, has his principal place of business, or conducts or transacts business. The courts may issue orders and injunctions to restrain and prevent violations of this chapter, and these orders and injunctions must be issued without bond.

(B) If a court finds that any person is willfully violating or has willfully violated this chapter, the commission, upon petitioning the court, may recover a civil penalty not exceeding five thousand dollars for each violation.

Each degree, diploma, or certificate granted by an institution without the required license is a separate violation and each student enrolled by an agent is a separate violation for purposes of this section.

(C) The commission may bring a civil action against a person who violates the terms of an injunction issued under this section for a civil penalty of not more than fifteen thousand dollars. For purposes of this section, the court of common pleas issuing an injunction shall retain jurisdiction, and the cause may be continued and in these cases the commission may petition for recovery of civil penalties.

**SECTION 59-143-30. Allocation for students attending independent colleges.**

(1) Of the funds made available for higher education scholarship grants from the higher education scholarship grant allocation under Section 59-143-10 of the 1976 Code for any year, a percentage thereof must be allocated for higher education scholarships and grants for students attending South

Carolina independent colleges of higher learning in this State. This percentage shall be equivalent to the percentage of the independent colleges' share of the total South Carolina resident undergraduate full-time (FTE) enrollment of all public and independent higher education institutions in South Carolina based on the previous year's data as determined by the Commission on Higher Education and the South Carolina Tuition Grants Commission.

(2) The allocation each year to students at the South Carolina independent colleges under item (1) above shall be used to provide tuition grants under Chapter 113 of Title 59 of the 1976 Code, and Palmetto Fellows Scholarships under Section 59-104-20 of the 1976 Code in the manner the General Assembly shall provide in the annual general appropriations act. Of the funds allocated to independent college students, fifty percent shall be awarded for South Carolina Tuition Grants and fifty percent shall be awarded under the Palmetto Fellows Program. The funds allocated for South Carolina Tuition Grants to South Carolina independent colleges students under this subsection shall be included in the annual appropriation to the Commission on Higher Education and transferred annually into the budget of the South Carolina Tuition Grants Commission in the amount prescribed in item (1) above. The funds allocated for Palmetto Fellows Scholarships to South Carolina independent college students under this subsection shall be included in the annual appropriation to the Commission on Higher Education and may only be awarded to eligible students attending South Carolina independent colleges.

(3) Independent colleges for purposes of this subsection means those institutions eligible to participate in the South Carolina Tuition Grants Program as defined by Section 59-113-50.

(4) Public institutions shall receive the remaining allocation each year of the funds made available for higher education scholarship grants under Section 59-143-10. One-half shall be used to provide higher education need-based grants as provided for in this act or otherwise provided for in state law, and one-half shall be used to provide Palmetto Fellows Scholarships under Section 59-104-20 of the 1976 Code in the manner the General Assembly shall provide in the annual general appropriations act.

(5) The maximum amount of funding provided for awards to students attending South Carolina independent colleges from the Children's Education Endowment Fund for South Carolina Tuition Grants and Palmetto Fellows scholarships shall not exceed the percentage funding calculation described under item (1) above.

**SECTION 2-77-20.** Establishment of program; purpose; funding.

(A) There is hereby established the **South Carolina Higher Education Excellence Enhancement Program** for the general purpose of enhancing the educational opportunities of low-income and educationally disadvantaged students. The program must be administered by the **Commission on Higher Education**. The commission must enter into annual contracts with eligible institutions to accomplish the purposes of this program.

(B) The program must be funded by appropriations from the Education Lottery Account in an amount provided by the General Assembly.

(C) An institution seeking to qualify as an eligible institution must submit an annual application to the commission. The commission must certify the eligibility of institutions seeking contracts pursuant to this section. The funds appropriated for this program must be allocated equally among the eligible institutions.

**SECTION 2-75-10. Research Centers of Excellence Review Board; appointment of members; terms; responsibilities and duties.**

There is created the Research Centers of Excellence Review Board. ...The review board shall be responsible for providing annually to the **Commission on Higher Education** a schedule by which applications for funding are received and awarded on a competitive basis, the awarding of matching funds as provided in Section 2-75-60, and for oversight and operation of the fund created by Section 2-75-30. Members of the review board shall serve without compensation and must provide an annual report by November thirtieth of each calendar year to the General Assembly as well as the State Fiscal Accountability Authority, Revenue and Fiscal Affairs Office, and Executive Budget Office, which shall include an audit performed by an independent auditor. This annual report must include, but not be limited to, a complete accounting for total state appropriations to the endowment and total proposals awarded up to the previous fiscal year.

**SECTION 2-75-70. Staff and support for operations of board and panels; reimbursement of expenses.**

Staff and support for the operations of the board and the panels must be provided by the **Commission on Higher Education**. The **Commission on Higher Education** shall approve all necessary funds for the prudent operation of the board, including per diem, subsistence, and mileage expenses of board members as provided by law for members of state boards, committees, and commissions, and for the costs and expenses of the panel members. The expenditures authorized by this section must be provided from the fund created by [Section 2-75-30](#) upon approval by the commission.

**SECTION 11-51-125. Allocation and use of funds; authorization for additional bonds; project approval.**

(A) Of the funds authorized pursuant to this act, public institutions of higher learning as defined in [Section 59-103-5](#), not including research universities, are authorized twelve percent of the total amount authorized under [Section 11-51-40](#). The eligible institutions may only use the funds authorized under this subsection for deferred maintenance projects. The twelve percent authorized for the institutions, not including research universities, must be allocated by the Commission of Higher Education to eligible institutions as follows:

- (1) sixty-five percent of the total twelve percent must be allocated based on a reported deferred maintenance needs list from each eligible institutions; and
- (2) thirty-five percent of the total twelve percent must be allocated by FTE student enrollment from the prior academic year at each eligible institution.

The Research Centers of Excellence Review Board has no jurisdiction over these projects and no matching requirement is imposed for these projects. The Joint Bond Review Committee must review and the State Fiscal Accountability Authority must approve all projects.

(B)(1) After the aggregate total of bonds issued pursuant to this chapter equals two hundred and fifty million dollars, all further proceeds of bonds authorized pursuant to this chapter must be authorized as follows:

- (a) eighty-eight percent for the research universities in the manner and for the purposes provided pursuant to this chapter;
- (b) twelve percent to public institutions of higher learning as defined in [Section 59-103-5](#), not including the research universities, for deferred maintenance projects allocated as follows:
  - (i) one-half for the state's ten comprehensive teaching universities distributed among them as provided in item (2) of this subsection; and

(ii) one-half for the state's two-year and technical colleges distributed among them as provided in item (2) of this subsection.

(2) The **Commission on Higher Education** shall distribute amounts allocated pursuant to item (1)(b)(i) and (ii) of this subsection among the two categories of eligible institutions as follows:

(a) thirty-five percent in equal shares to each eligible institution; and

(b) sixty-five percent based on FTE student enrollment from the prior academic year at eligible institutions.

(3) The Research Centers of Excellence Review Board has no jurisdiction over projects funded by bonds issued pursuant to item (1)(b) of this subsection and no matching requirement is imposed for these projects. All projects must be approved by the Joint Bond Review Committee and the State Budget and Control Board.

**SECTION 59-110-20. Administration of fund; consultation.**

(A) The **Commission on Higher Education** shall administer the provisions of this chapter and the funding provided to the Critical Needs Nursing Initiative Fund to implement the initiatives provided in this chapter. The commission shall make disbursements from the Critical Needs Nursing Initiative Fund to the institutions or students in the manner and for the purposes provided by this chapter.

(B) To assist the commission in performing its duties related to this fund, the commission shall consult 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.

**SECTION 59-150-375. Scholarships for visual or hearing impaired or multi-handicapped students.**

A visual or hearing impaired or multi-handicapped student who qualifies for state scholarship funds pursuant to Chapter 149 of Title 59, Section 59-104-20, [Section 59-150-360](#), or [Section 59-150-370](#) may receive state scholarship funds to attend an out-of-state institution that specializes in educating visual or hearing impaired or multi-handicapped students if the **Commission on Higher Education** certifies the student's impairment or multi-handicap and that no in-state institution exists to specifically meet the student's need.

**SECTION 59-118-100. Proportionate shares; undistributed funds.**

The **Commission on Higher Education** shall ensure that each qualifying college or university receives its proportionate share of the State Higher Education Matching Gift Fund based on the ratio of disbursements. Any monies in the State Higher Education Matching Gift Fund not distributed in any year shall be carried forward for the same purposes in future years and all earnings on monies in the State Higher Education Matching Gift Fund must be retained in the fund and used for its stated purposes.

**SECTION 59-150-380. Educational Lottery Teaching Scholarship Grants Program.**

The **Commission on Higher Education**, in consultation with the State Department of Education, must develop an Education Lottery Teaching Scholarship Grants Program to provide certified teachers in the public schools of this State grants not to exceed one thousand dollars per year to attend public or private colleges and universities for the purposes of upgrading existing content area skills or obtaining a Master's Degree in the teacher's content area. If there are insufficient funds in the Education Lottery

Account to provide the grant to each eligible recipient for a particular year, priority must be given to those teachers whose subject areas are critical subject needs as determined by the State Department of Education.

**Proviso 1.17.** (SDE: Teacher Data Collection)

Of the non-program funds appropriated to the Department of Education, it and the Commission on Higher Education shall share data about the teaching profession in South Carolina. The data sharing should ensure (1) a systematic report on teacher supply and demand information and (2) data to determine classes being taught by public school teachers out of field of their preparation. The data collection should include but not be limited to: classes/subjects taught, number of students taught, percentage of teacher education graduates from South Carolina colleges/universities who go into teaching, percentage of teacher education graduates who teach in public schools in South Carolina, percentage of new teachers who leave the South Carolina teaching profession in the first three years of public school teaching due to unsuccessful evaluations, percentage of new teachers who leave the profession in the first three years of public school teaching in South Carolina who have successful evaluations, turnover rate of teachers and certification areas with highest vacancies. All database items should be set up so that it can be disaggregated by ethnicity, gender, geographic location, etc.

**Proviso 1A.6.** (SDE-EIA: XII.F.2-CHE/Teacher Recruitment)

Of the funds appropriated in Part IA, Section 1, XII.F.2. for the Teacher Recruitment Program, the South Carolina Commission on Higher Education shall distribute a total of ninety-two percent to the Center for Educator Recruitment, Retention, and Advancement (CERRA-South Carolina) for a state teacher recruitment program, of which at least seventy-eight percent must be used for the Teaching Fellows Program specifically to provide scholarships for future teachers, and of which twenty-two percent must be used for other aspects of the state teacher recruitment program, including the Teacher Cadet Program and \$166,302 which must be used for specific programs to recruit minority teachers: and shall distribute eight percent to South Carolina State University to be used only for the operation of a minority teacher recruitment program and therefore shall not be used for the operation of their established general education programs. Working with districts with an absolute rating of At-Risk or Below Average, CERRA will provide shared initiatives to recruit and retain teachers to schools in these districts. CERRA will report annually by October first to the Education Oversight Committee and the Department of Education on the success of the recruitment and retention efforts in these schools. The South Carolina Commission on Higher Education shall ensure that all funds are used to promote teacher recruitment on a statewide basis, shall ensure the continued coordination of efforts among the three teacher recruitment projects, shall review the use of funds and shall have prior program and budget approval. The South Carolina State University program, in consultation with the Commission on Higher Education, shall extend beyond the geographic area it currently serves. Annually, the Commission on Higher Education shall evaluate the effectiveness of each of the teacher recruitment projects and shall report its findings and its program and budget recommendations to the House and Senate Education Committees, the State Board of Education and the Education Oversight Committee by October first annually, in a format agreed upon by the Education Oversight Committee and the Department of Education.

With the funds appropriated CERRA shall also appoint and maintain the South Carolina Teacher Loan Advisory Committee. The Committee shall be composed of one member representing each of the following: (1) Commission on Higher Education; (2) State Board of Education; (3) Education Oversight

Committee; (4) Center for Educator Recruitment, Retention, and Advancement; (5) South Carolina Student Loan Corporation; (6) South Carolina Association of Student Financial Aid Administrators; (7) a local school district human resources officer; (8) a public higher education institution with an approved teacher education program; and (9) a private higher education institution with an approved teacher education program. The members of the committee representing the public and private higher education institutions shall rotate among those institutions and shall serve a two-year term on the committee. The committee must be staffed by CERRA, and shall meet at least twice annually. The committee's responsibilities are limited to: (1) establishing goals for the Teacher Loan Program; (2) facilitating communication among the cooperating agencies; (3) advocating for program participants; and (4) recommending policies and procedures necessary to promote and maintain the program.

**Proviso 1A.51.** (SDE-EIA: XII.F.2 - CHE/CERRA)

The Center for Educator Recruitment, Retention and Advancement (CERRA) must complete periodic evaluations of the institutions currently hosting a Teaching Fellows (TF) program and ensure that the TF programs at the current host institutions continue to meet the requirements for a TF program as set forth by the CERRA Board of Directors. Further, CERRA will continue implementing a long-range plan for approving additional TF programs at other public, four-year institutions who wish to be considered to host a TF program, provided the proposed programs meet the requirements set forth by the CERRA Board of Directors. CERRA will publish TF program criteria and requirements prominently on its website. Any institution who applies but is not selected to host a TF program will be informed in writing of the basis for the selection decision and be offered technical support if the institution elects to reapply. Any institution that applies but is not selected to host a TF program may appeal to the Commission on Higher Education.

**Proviso 1A.69.** (SDE-EIA: Teacher Supply Study)

With funds appropriated to the Center for Educator Recruitment, Retention, and Advancement (CERRA), in concert with the Commission on Higher Education, the Department of Education, and the Education Oversight Committee, CERRA shall initiate and conduct a study to identify and project the number of additional teachers needed annually in public school classrooms for grades K5 through 12, for school years beginning 2017 through 2027. The purpose of the study shall be to: (1) provide specific data and projections on the number of teachers expected to be needed as compared to the number available, by Subject Areas Taught as indicated in CERRA's annual Supply and Demand Report, and with a focus on critical need subject areas; (2) determine whether, individually and collectively, teaching programs at applicable institutions of higher learning in South Carolina have the capacity and infrastructure to fulfill projected needs in item (1); and (3) provide data for general use in estimating the fiscal impact of any new or revised programs being considered to incent more talented individuals to enter teacher training programs and more highly qualified teachers to remain in the profession for longer periods of time.

**Proviso 3.1.** (LEA: Audit)

Each state agency receiving lottery funds shall develop and implement procedures to monitor the expenditures of lottery funds in order to ensure that lottery funds are expended in accordance with applicable state laws, rules, and regulations.

For institutions of higher learning, adopted procedures to monitor expenditures of lottery funds shall be reported to the Commission on Higher Education and the Executive Budget Office by October, 1, 2016,

and these expenditures are subject to annual verification and audit by the Commission on Higher Education on a rotational schedule not to exceed three years. The annual verification and audit shall be funded from the funds appropriated to or authorized for the Commission on Higher Education and the commission shall not assess a fee or charge institutions of higher learning for performing this function. In addition, the Commission on Higher Education shall provide a report to the Executive Budget Office, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee by October 1 each year summarizing, by institution, how lottery funds were expended in the prior fiscal year, issues and concerns as well as institution responses to those issues and concerns discovered as a result of the commission's verification and/or audit activity during the prior fiscal year, if any.

For the Department of Education, adopted procedures to monitor expenditures of lottery funds that are allocated to the South Carolina school districts and other recipient institutions according to law and Department of Education guidelines shall be reported to the Executive Budget Office by October 1, 2016. In addition, the Department of Education shall provide a report to the Executive Budget Office, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee on the amount of lottery funds the department distributed to each entity in the prior fiscal year.

All other state agencies must submit their adopted procedures to monitor expenditures of lottery funds to the Executive Budget Office by October 1, 2016.

The Executive Budget Office shall ensure that state agencies receiving lottery funds have procedures in place to monitor expenditures of lottery funds and that the monitoring procedures are operating effectively.

**Proviso 3.6.** (LEA: FY 2015-16 Lottery Funding)

There is appropriated from the Education Lottery Account for the following education purposes and programs and funds for these programs and purposes shall be transferred by the Executive Budget Office as directed below. These appropriations must be used to supplement and not supplant existing funds for education.

The Executive Budget Office is directed to prepare the subsequent Lottery Expenditure Account detail budget to reflect the appropriations of the Education Lottery Account as provided in this section. All Education Lottery Account revenue shall be carried forward from the prior fiscal year into the current fiscal year including any interest earnings, which shall be used to support the appropriations contained below.

Certified net lottery proceeds and investment earnings for Fiscal Year 2016-17 are appropriated as follows:

- (1) Commission on Higher Education--LIFE Scholarships as provided in Chapter 149, Title 59 \$199,754,741;
- (2) Commission on Higher Education--HOPE Scholarships as provided in Section 59-150-370 \$9,552,955;
- (3) Commission on Higher Education--Palmetto Fellows Scholarships as provided in Section 59-104-20 \$49,274,030;
- (4) Commission on Higher Education and State Board for Technical and Comprehensive Education Tuition Assistance \$51,100,000; (5) Commission on Higher Education--Need-Based Grants \$17,537,078;

Fiscal Year 2015-16 surplus net lottery proceeds and investment earnings certified for Fiscal Year 2016-17 are appropriated as follows:

(2) Commission on Higher Education—Technology-Public four-year institutions, two-year institutions, and State Technical Colleges \$2,242,212;

For Fiscal Year 2016-17, net lottery proceeds and investment earnings above the Fiscal Year 2015-16 certified surplus are appropriated pro-rata as follows:

(2) Commission on Higher Education—Higher Education Excellence Enhancement Program \$567,475;

(7) Commission on Higher Education—Technology-Public four-year institutions, two-year institutions, and State Technical Colleges \$5,000,000;

For Fiscal Year 2016-17, funds certified from unclaimed prizes are appropriated as follows:

(4) Commission on Higher Education—Higher Education Excellence Enhancement Program \$5,504,999;

(5) Commission on Higher education—National Guard Tuition Repayment Program as provided in Section 59-111-75 \$4,545,000;

Any unclaimed prize funds available in excess of the Board of Economic Advisors estimate shall be appropriated as follows:

(1) Commission on Higher Education—PASCAL Program \$1,412,514;

(4) Commission on Higher Education—Higher Education Excellence Enhancement Program \$2,631,137;

(5) Commission on Higher Education—Need-based Grants \$3,000,000.

Fiscal Year 2016-17 funds appropriated to the Commission on Higher Education and the State Board for Technical and Comprehensive Education for Tuition Assistance must be distributed to the technical colleges and two-year institutions as provided in Section 59-150-360. Annually, the State Board for Technical and Comprehensive Education and the Commission on Higher Education shall develop the Tuition Assistance distribution of funds.

In accordance with Section 59-150-356 of the 1976 Code, each institution shall use the amount appropriated on for technology repair and related The provisions of Section 2-75-30 of the 1976 Code regarding the aggregate amount of funding provided for the Centers of Excellence Matching Endowment are suspended for the current fiscal year.

The Commission on Higher Education is authorized to temporarily transfer funds between appropriated line items in order to ensure the timely receipt of scholarships and tuition assistance. It is the goal of the General Assembly to fund the Tuition Assistance program at such a level to support at least \$996 per student per term for full time students.

Fiscal Year 2016-17 net lottery proceeds and investment earnings in excess of the certified net lottery proceeds and investment earnings for this period are appropriated and must be used to ensure that all LIFE, HOPE, and Palmetto Fellows Scholarships for Fiscal Year 2016-17 are fully funded.

If the lottery revenue received for Fiscal Year 2016-17 is less than the amounts appropriated, the projects and programs receiving appropriations for any such year shall have their appropriations

reduced on a pro rata basis, except that a reduction must not be applied to the funding of LIFE, HOPE, and Palmetto Fellows Scholarships.

The Commission on Higher Education is authorized to use up to \$345,000 of the funds appropriated in this provision for LIFE, HOPE, and Palmetto Fellows scholarships to provide the necessary level of program support for the scholarship award process and to provide for a Scholarship Compliance Auditor.

Of the funds appropriated to the Commission on Higher education for institutions of higher learning entitled "Technology-Public Four-year institutions, Two-year institutions, and State Technical Colleges", the commission shall allocate the realized funds on a proportional basis as follows:

(1) The Citadel	\$307,628
(2) University of Charleston	\$643,395
(3) Coastal Carolina University	\$573,411
(4) Francis Marian University	\$293,497
(5) Lander University	\$301,439
(6) South Carolina State University	\$276,399
(7) USC – Aiken	\$269,987
(8) USC – Upstate	\$366,549
(9) USC – Beaufort	\$200,669
(10) USC – Lancaster	\$75,440
(11) USC – Salkehatchie	\$75,440
(12) USC – Sumter	\$75,440
(13) USC – Union	\$75,440
(14) Winthrop	\$388,130
(15) State Technical Colleges and State Board for Technical and Comprehensive Education	\$3,319,348

In accordance with Section 59-150-356 of the 1976 Code, each institution shall use the amount appropriated on for technology repair and related technology maintenance and/or upgrades that are necessary to support an institution's educational purpose.

Prior to utilization of these funds, institutions must certify to the Commission on Higher education, in a manner it prescribes, the extent to which they have met this requirement.

Not later than one hundred twenty days after the close of the fiscal year, the Commission on Higher Education shall report to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee regarding the utilization of this provision.

Funds not expended in the prior fiscal year may be carried forward into the current fiscal year and utilized for the same purpose, subject to the matching requirement.

On or before December 31, 2016, the Department of Education, in cooperation with the Commission on Higher Education, shall provide a report to the Governor, the Chairman of the Senate Education Committee, the Chairman of the House Education and Public Works Committee, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee regarding the costs and opportunities of the change to the State's Uniform Grading Policy from a 7-point scale to a 10-

point scale. The report shall include, but not necessarily be limited to, the projected impact, if any, that the change may have on the State's merit based scholarship programs, recommendations on how to fund the projected impact, if any, to the State's merit based scholarship programs, and suggested alternatives to mitigate the projected impact, if any, to the State's merit based scholarship programs. Alternatives, if any, may include potential changes to the State's merit based scholarship criteria including GPA or testing requirements.

**Proviso 11.1.** (CHE: Contract for Services Program Fees)

The amounts appropriated in this section for "Southern Regional Education Board Contract Programs" and "Southern Regional Education Board Dues" are to be used by the commission to pay to the Southern Regional Education Board the required contract fees for South Carolina students enrolled under the Contract for Services program of the Southern Regional Education Board, in specific degree programs in specified institutions and the Southern Regional Education Board membership dues. The funds appropriated may not be reduced to cover any budget reductions or be transferred for other purposes.

**Proviso 11.2.** (CHE: African-American Loan Program)

Of the funds appropriated to the Commission on Higher Education for the African-American Loan Program, 73.7 percent shall be distributed to South Carolina State University and 26.3 percent shall be distributed to Benedict College, and must be used for a loan program with the major focus of attracting African-American males to the teaching profession. The Commission of Higher Education shall act as the monitoring and reporting agency for the African-American Loan Program. Of the funds allocated according to this proviso, no more than ten percent shall be used for administrative purposes.

**Proviso 11.3.** (CHE: GEAR-UP)

Funds appropriated for GEAR-UP shall be used for state grants programs to reach disadvantaged middle school students to improve their preparation for college. Eligible South Carolina public schools and public institutions of higher education shall cooperate with the Commission on Higher Education in the provision of services under the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP) grant.

**Proviso 11.4.** (CHE: EPSCoR Committee Representation)

With the intent that the four-year teaching institutions receive a portion of EPSCoR funding, the State EPSCoR Committee shall have an executive committee consisting of one representative from each of the research institutions and one representative from the four-year teaching university sector.

**Proviso 11.5.** (CHE: SREB Funds Exempt from Budget Cut)

In the calculation of any across the board cut mandated by the Executive Budget Office or the General Assembly, the amount which the Commission on Higher Education is appropriated for Southern Regional Education Board (SREB) Professional Scholarship Programs and Fees, Dues and Assessments shall be excluded from the Commission on Higher Education's base budget. Funds appropriated for SREB programs may be carried forward into the current fiscal year and expended for the same purpose by the Commission on Higher Education.

**Proviso 11.6.** (CHE: Performance Improvement Pool Allocation)

Of the funds appropriated to the Commission on Higher Education under Section III. Other Agencies & Entities: Special Items: Performance Funding, eighty percent will be allocated to the EPSCoR program under the Commission on Higher Education to improve South Carolina's research capabilities and twenty percent will be allocated to support the management education programs of the School of Business at South Carolina State University.

**Proviso 11.7.** CHE: Troops to Teachers)

Members of the Armed Forces either active-duty, retired, or separated who are admitted to and enrolled in the South Carolina Troop-to-Teachers Alternative Route to Certification program are entitled to pay in-state rates at participating state institutions for requisite program work.

**Proviso 11.8.** (CHE: Need-Based Grants for Foster Youth)

For the current academic year, youth in the custody of the Department of Social Services and attending a higher education institution in South Carolina are eligible for additional need-based grants funding of up to \$2,000 above the \$2,500 maximum. Foster youth must apply for these funds no later than May first, of the preceding year. All other grants, both state and federal, for which these foster youth are eligible must be applied first to the cost of attendance prior to using the additional need-based grant funding. If the cost of attendance for a foster youth is met with other grants and scholarships, then no additional need-based grant may be used. The Department of Social Services, in cooperation with the Commission on Higher Education, will track the numbers of recipients of this additional need-based grant to determine its effectiveness in encouraging more foster youth to pursue a secondary education. No more than \$100,000 may be expended from currently appropriated need-based grants funding for this additional assistance.

**Proviso 11.9.** (CHE: Tuition Age)

For the current fiscal year, 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.

**Proviso 11.10.** (CHE: LIFE and Palmetto Fellows Enhancement Stipends)

In the current fiscal year before fall awards are made, to continue eligibility for LIFE and Palmetto Fellows Enhancement Stipends, students shall certify and the institutions shall verify that the student is meeting all requirements as stipulated by the policies established by the institution and the academic department to be enrolled as a declared major in an eligible program and is making academic progress toward completion of the student's declared eligible major. These determinations are subject to the verification and audit of the Commission on Higher Education. Institutions shall return funds determined to have been awarded to ineligible students.

**Proviso 11.11.** (CHE: Smart State)

The Commission on Higher Education is prohibited from expending any source of funds on the marketing of the Smart State Program.

**Proviso 11.12.** (CHE: College Transition Need-Based Grants)

Of the currently appropriated need-based grants funding, no more than \$179,178 shall be used to provide need-based grants to South Carolina resident students enrolled at a public institution of higher education in an established college transition program that serves students with intellectual disabilities. The Commission on Higher Education shall allocate the available funds to eligible institutions on the basis of student need and enrollment in the established college transition programs. All other grants and gift aid for which these students are eligible must be applied first to the cost of attendance prior to using the need-based grant funding. If the cost of attendance for an eligible student is met with all other grants and gift aid, the need-based grant shall not be used. The participating institutions, in cooperation with the Commission on Higher Education, shall track the number of grant recipients and other information determined necessary to evaluate the effectiveness of these grants in assisting students with intellectual disabilities in college transition programs.

**Proviso 11.13.** (CHE: Scholarship Awards)

A student may receive a Palmetto Fellows or LIFE scholarship award during the summer, in addition to fall and spring semesters of an academic year, provided continued eligibility requirements are met as of the end of the spring semester. Students must enroll full-time, which for purposes of the summer award will require enrollment in at least twelve hours over the course of the summer. The summer is defined as the period between the end of the spring term and prior to the opening of the fall term. The total summer award per student may not exceed half of the allowable academic year award up to the cost of attendance and must be reimbursed if less than twelve hours for academic credit are not attempted by the student during summer sessions. If awarded in the summer, a student's total award during his or her enrollment may not exceed the amount that would otherwise be provided under current semester limits applied for the scholarship awards. The Commission on Higher Education may provide additional guidelines necessary to ensure uniform implementation.

**Proviso 11.14.** (CHE: Other Funded FTE Revenue)

Each institution of higher learning, when requesting additional other funded full-time equivalent positions shall ensure to the Commission on Higher Education, or its successor entity, that sufficient revenues exist to fund the salary and fringe benefits for the positions. In addition, the institution shall also ensure that in the calculation of the revenue required for the positions, future pay increases and future health insurance adjustments as may be mandated by the General Assembly are taken into consideration.

**Proviso 11.15.** (CHE: Abatements)

By October 1st of each year, state supported institutions of higher learning must submit to the Commission on Higher Education, or its successor entity, the number of out-of-state students during the prior fiscal year that received abatement of rates pursuant to Section 59-112-70 of the 1976 Code.

The report must include the geo-origin of the student, class of the student, comprehensive listing of all financial awards received by the student, number of semesters the student has received the abated rate, as well as the athletic status of the student. The report must also include the calculation method used to determine the abatement amount awarded to students as well as the number of students that received educational fee waivers pursuant to Section 59-101-620.

**Proviso 11.16.** (CHE: Outstanding Institutional Debt)

By November first, institutions of higher learning must submit to the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, and the Commission on Higher Education, or its successor entity, data on all outstanding institutional debt for their respective institution. Data shall include, but not be limited to, the amount of the initial debt, year in which the debt was incurred, the year in which the debt will be satisfied, the repayment schedule, and the purpose for which the debt was incurred.

**Proviso 20.4.** (USC: Palmetto College - Operating)

The University of South Carolina is directed to allocate additional, recurring state appropriations totaling \$373,010 to the USC campuses at Lancaster, Salkehatchie, Sumter and Union in order to reduce the per-student funding disparity that exists between each of these campuses. The university shall determine the appropriate enrollment measure to guide the distribution of these additional, recurring state appropriations. The allocation of state funds shall be reported to the Commission on Higher Education, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways & Means Committee.

**Proviso 117.63.** (GP: Prosecutors and Defenders Public Service Incentive Program)

The Office of Attorney General, the Prosecution Coordination Commission, and the Commission on Indigent Defense, in consultation with the South Carolina Student Loan Corporation and the Commission on Higher Education, shall develop and implement a Prosecutors and Defenders Public Service Incentive Program for attorneys employed by the Office of Attorney General, the Prosecution Coordination Commission, the Commission on Indigent Defense, a Circuit Solicitor's Office or a county Public Defender's Office.

After more than three years of continuous service as a full-time attorney with any of these entities, qualifying attorneys may be reimbursed up to \$1,000 for payments made in the prior calendar year on outstanding law school loans. Reimbursements for law school loan payments may be increased by up to \$1,000 for each additional year of continuous service; however, such reimbursements shall not exceed \$5,000 in any year. The amount of law school loan payment reimbursement in any calendar year shall not exceed the amount of principal and interest paid on the loan in the prior calendar year. Reimbursements under the program may continue until all outstanding law school loans are satisfied; however, such reimbursements shall not exceed \$40,000 per qualifying attorney.

Reimbursements shall be adjusted if necessary so as not to exceed appropriations for the program.

The Prosecutors and Defenders Public Service Incentive Program must be administered by the South Carolina Student Loan Corporation, which shall pay for the cost of administration within the funds appropriated.

(omitted portion not relevant to CHE)

**Proviso 117.72.** (GP: Printed Report Requirements)

(A) For Fiscal Year 2015-16, state supported institutions of higher learning shall not be required to submit printed reports mandated by Sections 2-47-40, 2-47-50, and 59-103-110 of the 1976 Code, and shall instead only submit the documents electronically.

Submission of the plans or reports required by Sections 59-101-350, 59-103-30, 59-103-45(4), and 59-103-160(D) shall be waived for the current fiscal year, except institutions of higher learning must continue to report student pass rates on professional examinations, and data elements otherwise required for the Commission on Higher Education Management Information System. The commission, in consultation with institutions, shall take further action to reduce data reporting burdens as possible. (Omitted portions B, C, D)

**S.1166** Joint Resolution SC State University Loan Repayment Agreement

(D)(1) South Carolina State University must provide a report on a quarterly basis to the House Ways and Means Higher Education and Technical Schools Subcommittee and the Senate Finance Committee that includes, but is not limited to, the status of their fiscal affairs and enrollment growth. The format and contents of this report shall be developed in consultation with and approved by the Commission on Higher Education, which shall cooperatively develop with South Carolina State University reasonable metrics, benchmarks, and the process for measuring such metrics to be included in the quarterly report.

(2) The Commission on Higher Education, by November first of each year, shall certify to the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, and the Executive Budget Office that the university has met and maintained the required benchmarks each fiscal year.