



SOUTH CAROLINA
COMMISSION ON HIGHER EDUCATION

RUSTY MONHOLLON, Ph.D.
PRESIDENT & EXECUTIVE DIRECTOR

August 31, 2020

The Honorable Hugh K. Leatherman, Sr.
Chairman, Senate Finance Committee
South Carolina Senate
111 Gressette Building
Columbia, SC 29201

The Honorable G. Murrell Smith, Jr.
Chairman, House Ways and Means Committee
South Carolina House of Representatives
525 Blatt Building
Columbia, SC 29201

Dear Chairman Leatherman and Chairman White:

In anticipation of a proviso being included in the FY 2020-21 Appropriations Act similar to Proviso 117.73 of the FY 2019-20 Appropriations Act, the South Carolina Commission on Higher Education is submitting its annual fines and fees report for Fiscal Year 2019-20. Per anticipated proviso, the report will also be made available on the Commission's website at <http://www.che.sc.gov>.

Thank you for the work you do on behalf of the citizens of South Carolina and for higher education. Please do not hesitate to contact me should you have questions or if I may be of assistance to you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Rusty Monhollon".

Rusty Monhollon, Ph.D.
President and Executive Director

Enclosure

**South Carolina Commission on Higher Education
FY 2020-21
Proviso Fines and Fees Report**

Background

In anticipation of a proviso being included in the FY 2020-21 Appropriations Act similar to Proviso 117.73 of the FY 2019-20 Appropriations Act,, the S.C. Commission on Higher Education, along with all other state agencies, is required to produce a report showing the total of fines and fees that were charged and collected by the agency in the prior fiscal year.

Proviso Requiring Fines and Fees Report

[in absence of the FY2020-21 Appropriations Act, Proviso 117.73 from the FY2019-20 Appropriations Act is included below]

South Carolina General Assembly
123rd Session, 2019-2020

H. 4000
General Appropriations Bill for Fiscal Year 2019-20
Ratified Version

PART IB
OPERATION OF STATE GOVERNMENT

SECTION 117 - X900 - GENERAL PROVISIONS

117.73. (GP: Fines and Fees Report) In order to promote accountability and transparency, each state agency must provide and release to the public via the agency's website, a report of all aggregate amounts of fines and fees that were charged and collected by that state agency in the prior fiscal year. The report shall include, but not be limited to: (1) the code section, regulation, or proviso that authorized the fines and fees to be charged, collected, or received; (2) the amount of the fine or fee; (3) the amount received by source; (4) the purpose for which the funds were expended by the agency; (5) the amount of funds transferred to the general fund, if applicable, and the authority by which the transfer took place; and (6) the amount of funds transferred to another entity, if applicable, and the authority by which the transfer took place, as well as the name of the entity to which the funds were transferred. The report must be posted online by September first. Additionally, the report must be delivered to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee by September first. Funds appropriated to and/or authorized for use by each state agency shall be used to accomplish this directive.

Authorization of Fines and Fees

Title 59 - Education
CHAPTER 58
Nonpublic Post-Secondary Institution Licensing

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.

HISTORY: 1992 Act No. 497, Section 1; 2002 Act No. 284, Section 5.

Title 59 - Education
CHAPTER 103
State Commission on Higher Education
ARTICLE 1
General Provisions

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.

HISTORY: 2016 Act No. 146 (H.4639), Section 1, eff March 14, 2016.

Chapter 62
State Commission on Higher Education
Article I
Licensing Nonpublic Postsecondary Educational Institutions

62-23 Fees.

A. Initial and annual institutional license fees are one-half of one percent of the actual or expected gross income of the licensed program(s), but not less than one hundred fifteen dollars or more than five thousand dollars per location. Gross annual income is computed after a normal tax accounting year of an institution. Any tuition earned for licensed programs during that twelve-month period shall be included as the gross annual income. The only expense that can be deducted from gross tuition is refunds made to students. For out-of-state institutions licensed to offer their program(s) to residents of the State, gross income means that income generated from students enrolled in the State.

B. Late filing fees are as follows:

(1) An institution submitting its application for renewal or its annual periodic reports more than five business days after the due date shall be assessed an additional charge of ten percent of the institution's annual fee for each five business days the report is past due, but not less than fifty dollars for each five-day increment, not to exceed one-hundred percent of the annual fee. If the renewal or annual report is submitted by the due date but is incomplete, the Commission will notify the institution and establish a specific date by which the remainder of the report must be submitted. If the remainder of the report is not submitted by the established date, the Commission

may reactivate the late fee.

(2) The Commission may waive or reduce the late fee in case of mitigating circumstances as determined by the Commission.

C. Amendment of license to move an existing location or site: \$60

D. Amendment of license for each additional program or site: one-half of one percent of the projected additional gross tuition income for the first year, but not less than fifty dollars or more than two-thousand five hundred dollars per program. For out-of-state institutions licensed to offer their program(s) to residents of the State, gross income means that income generated from students enrolled in the State.

E. Re-issuance of license for program name change or institution name change: \$30.

F. Initial and renewal of agent permit: \$30.

G. Re-issuance of agent permit: \$10.

H. All fees shall be submitted at the time of application and are nonrefundable.

I. The Commission may assess a fine for failure to respond in a timely manner to a request from the Commission for information or for repeat violations involving deceptive trade or sales practices or advertising. In assessing a fine, the Commission must consider the nature of the violation and whether the institution has a history of infractions. A fine may not exceed one thousand dollars per year, and if the institution does not pay the fine within 30 days of written notification by the Commission, late fees may be assessed as described in this section, or the Commission may proceed with revocation of the license.

J. All fees shall be paid by check or money order payable to the “South Carolina Commission on Higher Education.”

K. The Commission may periodically adjust fees based on the consumer price index or other appropriate indicator.

HISTORY: Added by State Register Volume 17, Issue No. 7, eff July 23, 1993. Amended by State Register Volume 20, Issue No. 2, eff February 23, 1996; State Register Volume 26, Issue No. 5, eff May 24, 2002; State Register Volume 27, Issue No. 3, eff March 28, 2003.

Schedule of Fines and Fees, FY 2020

Nonpublic Postsecondary Educational Institutional Licensing Fee Schedule, FY 2019-20		
Licensing Fee Description		Amount
Initial: One-half of one percent expected gross tuition income	Minimum	\$ 150.00
	Maximum	\$5,500.00
Annual: One-half of one percent last year’s gross tuition income	Minimum	\$ 115.00
	Maximum	\$3,750.00
Late filing fees: More than five business days after the due date ten percent of the annual fee for each five business days the report is past due	Minimum for each five-day increment	\$ 50.00
Move an existing location or site		\$ 75.00
Additional program or site: One-half of one percent of the projected additional gross tuition income for the first year.	Minimum	\$ 75.00
	Maximum	\$2,750.00
Program or institution name change		\$ 30.00
Initial and renewal of agent permit		\$ 30.00
Re-issuance of agent permit		\$ 10.00
Transcript		\$ 10.00

The fee schedule for institutions applying to participate in the State Authorization Reciprocity Agreement (SARA) follows the schedule established by the National Council for State Authorization Reciprocity Agreements (NC-SARA). The annual fee to participate varies by an institution’s full-time equivalent (FTE) enrollment.

SARA Fee Schedule, –FY 2019-20		
Annual Fee	Less than 2,500 FTE Students	\$ 2,000.00
	2,500-9,999 FTE Students	\$ 4,000.00
	10,000 or More FTE Students	\$ 6,000.00

Fines and Fees Received by CHE by Source, FY 2019-20

Licensing Fine Description	Amount
Initial	\$ 18,116.47
Annual	\$ 151,484.15
Late Fee	\$ 1,779.38
Move Site	\$ 225.00
Additional program or site	\$ 5,769.86
Name Change	\$ 360.00
Agent Permit	\$ 1,980.00
Other	\$ 0.00
Transcript	\$ 780.00
SARA	\$ 128,000.00
Total	\$ 308,494.86

These funds are restricted to carrying out the functions of the licensing program and administering the SARA program.

Purpose for Which Funds Were Expended by Agency

The South Carolina Nonpublic Post-Secondary Institution License Act authorizes the Commission to be 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. It also permits the Commission to set reasonable fees for the administration of these activities. In addition, the licensing unit within the Academic Affairs division administers the State Authorization Reciprocity Agreements (SARA), which is the voluntary, interstate reciprocity agreement that establishes comparable standards for interstate offering of postsecondary distance education. The Commission approves or disapproves participation in these agreements by accredited degree-granting institutions of higher education in this State, and is authorized to establish fees to be paid by participating institutions to cover direct and indirect administrative costs incurred by the Commission.

Amount of Funds Transferred to the General Fund or to Another Entity

Licensing fees are not transferred to the General Fund or to any other entities.

Link to Report on Commission on Higher Education’s Website

http://www.che.sc.gov/CHE_Docs/AcademicAffairs/License/FeesandFinesReport2020-21.pdf