

## 2014 Session Legislative Wrap-Up – Higher Education

(Report prepared as of 7/15/2014, and 8/28/2014 correction as noted on p.15)

*Blue, underlined text is linked to the General Assembly's website, [www.scstatehouse.gov](http://www.scstatehouse.gov)*

The 2014 session (2nd regular session) of the 120<sup>th</sup> South Carolina General Assembly adjourned on Thursday, June 5, under the provisions of the *Sine Die* Resolution, [H.5282](#). The 2014 session marks the end of the two-year continuing session. Legislation that was not enacted as of the end of the session is not carried over and must be re-introduced. The General Assembly convenes for the upcoming 2015 session January 13, 2015.

The following provides summary information on the FY 2014-15 budget, Appropriations Act ([H.4701](#)) and Capital Reserve Fund Bill ([H.4702](#)), and on legislation relating to higher education considered or passed during 2014.

**Please note that the information in this summary provides highlights for higher education and is not intended to be complete. Bills and other information may be accessed directly at <http://www.scstatehouse.gov/legislation.php>.**

### FY 2014-15 APPROPRIATIONS

#### *Higher Education appropriations in the Appropriations Act and the Capital Reserve Fund Bill*

The General Assembly submitted the FY 2014-15 Appropriations Act and Capital Reserve Fund Bill (CRF), to the Governor on June 5, 2014. On June 11, the Governor issued her veto message on the Appropriations Act and signed the CRF into law. For copies of the Governor's veto message, [Click Here](#). Vetoes were taken up by the House and Senate on June 17 and 18. Of the 76 total items vetoed, 53 were overridden, four of which (#'s 27-29 and 30) related to higher education funding. (See bill history at [http://www.scstatehouse.gov/sess120\\_2013-2014/bills/4701.htm](http://www.scstatehouse.gov/sess120_2013-2014/bills/4701.htm)).

The report below provides a summary overview of the FY 2014-15 budget for higher education as of the conclusion of the House and Senate consideration of vetoes.

- For a copy of the Appropriations Act as ratified and with vetoes marked is available at [http://www.scstatehouse.gov/sess120\\_2013-2014/appropriations2014/gab4701.php](http://www.scstatehouse.gov/sess120_2013-2014/appropriations2014/gab4701.php).
- For the CRF allocations (non-recurring appropriations from the state's Capital Reserve Fund), see [http://www.scstatehouse.gov/sess120\\_2013-2014/bills/4702.htm](http://www.scstatehouse.gov/sess120_2013-2014/bills/4702.htm).

Overall, the FY 2014-15 budget includes for higher education just over \$937 million in General Funds, non-recurring, Lottery, and CRF funds. The total includes CHE (including scholarship and grant programs and funds that flow through to higher education entities), State Technical College System Office, the 33 public colleges and universities, AHEC, and Tuition Grants. The total will be adjusted slightly upwards as it does not reflect funds to be received by state agencies and colleges and universities from the Budget & Control Board for pay/health plan allocations. A 2% pay raise effective July 1, 2014 is provided for state employees.

As illustrated below, total funds for higher education (excluding pay/health plan increases for comparability across years) increased by just over 5%. The change is attributable primarily to increased funding for merit scholarship programs and in non-recurring funds relative to last year. Recurring (base) General Fund support remained essentially level as a very modest increase in operating support for colleges and universities (\$7.9M) was offset by a reduction of almost \$11M in General Fund support of scholarships. While reducing General Fund support for higher education, these funds were picked up in the lottery instead.

A summary comparison to FY 2013-14 and additional details on FY 2014-15 appropriations follow. Appendix A, includes summary details by entity and for SC Education Lottery allocations.

#### Higher Education Funding, <sup>(1)</sup> FY 2014-15 compared to prior year

	FY 2013-14	FY 2014-15	Difference FY 14 - FY 13	% change
<sup>(2)</sup> Recurring Base	\$ 593,321,607	\$ 595,908,266	\$ 2,586,659	0.4%
Nonrecurring Proviso & CRF Total	\$ 33,016,444	\$ 51,884,588	\$ 18,868,144	57.1%
<sup>(3)</sup> SC Education Lottery	\$ 262,998,202	\$ 289,586,902	\$ 26,588,700	10.1%
<b>Total</b>	<b>\$ 889,336,253</b>	<b>\$ 937,379,756</b>	<b>\$ 48,043,503</b>	<b>5.4%</b>

<sup>(1)</sup> Higher Education total includes CHE, funding that flows through CHE to higher education entities and for scholarships and grants, Public Institutions, State Technical College System, AHEC, and Tuition Grants. Funds directed to Clemson PSA, SC State PSA, and MUSC Hospital Authority are not included.

<sup>(2)</sup> FY15 Part 1A recurring funds do not include funds to be allocated for pay/health plan adjustments and as a result the funds will be increased once the allocations are made. For FY14, Part 1A recurring funds are the yearend (beginning base for FY15), and for comparison to FY15 exclude allocations of \$5,426,000 provided through the Budget and Control Board in FY 14 for health plan increases. A pay raise was not provided for state employees in FY14. A 2% increase effective July 1, 2014 was provided for state employees in FY15.

<sup>(3)</sup> SC Education Lottery is beginning year appropriations. Total includes uncertified excess unclaimed prize funds and includes funds appropriated for excess FY 2013-14 proceeds above \$45.5 million which are contingent funds dependent on final collections.

**SC Public Colleges and Universities****Colleges & Universities  
Part 1A  
Recurring  
Funds**

Of the available \$284 million in new recurring state allocations in the FY 2014-15 Appropriations Act, colleges and universities received \$7,900,454, including AHEC and the Technical College System. The new funding was provided for various initiatives as listed below.

	<u>FY 2014-15 Part 1A</u> <u>Increases or New Items</u>
Clemson	
Student Career Opportunity Program (2 FTE)	\$1,000,000
Focus on Student Success	\$200,000
<u>USC Columbia - On Your Time (Annualize)</u>	<u>\$1,200,000</u>
<u>MUSC - E&amp;G* Operating</u>	<u>\$900,000</u>
<u>Citadel - E&amp;G* Operating</u>	<u>\$123,393</u>
<u>College of Charleston - E&amp;G* Operating</u>	<u>\$270,066</u>
<u>Coastal Carolina - E&amp;G* Operating</u>	<u>\$227,452</u>
Francis Marion	
E&G* operating	\$123,230
Physician Assistant Degree Program	\$357,000
<u>Lander - E&amp;G* Operating</u>	<u>\$110,196</u>
<u>SC State University - Efficiency Process Improvements</u>	<u>\$127,907</u>
<u>USC Aiken - Parity Funding</u>	<u>\$100,000</u>
<u>USC Beaufort - Parity Funding</u>	<u>\$121,176</u>
<u>USC Upstate - Parity Funding</u>	<u>\$121,176</u>
<u>USC Lancaster - Parity Funding</u>	<u>\$48,066</u>
<u>USC Salkehatchie - Parity Funding</u>	<u>\$30,377</u>
<u>USC Sumter - Parity Funding</u>	<u>\$150,000</u>
<u>USC Union - Parity Funding</u>	<u>\$28,363</u>
<u>Winthrop University - E&amp;G Operating</u>	<u>\$162,052</u>
Board for Technical College Education - 16 Technical Colleges	
E&G* STEM Programs: Critical Needs Workforce Development Initiative	\$2,500,000
<b>Subtotal</b>	<b>\$7,900,454</b>

\* Educational & General

**Colleges & Universities  
Non-recurring  
and CRF**

Of the nearly \$437 million in state allocations of non-recurring budget sources including Provisos 118.15 (SR: Tobacco Settlement) and 118.16 (SR: Non-recurring Revenue) and Capital Reserve Fund (H.4702), colleges and universities received a total of \$48.8 million in non-recurring funds (\$32.7 million per Part 1B Proviso 118.16 and \$16.1 million in CRF) as outlined below.

Non-recurring Proviso Items (118.16) for colleges and universities are listed below. Colleges and universities did not receive any funding from nonrecurring sources allocated by Proviso 118.15.

	<u>Non-recurring Proviso 118.16</u>	
	<u>Amount</u>	<u>Item #</u>
Clemson		
Higher Ed Efficiency, Effectiveness & Accountability Review	\$596,066	18a
Main Campus Electrical Infrastructure Maintenance & Improvement	\$1,118,674	18b
<u>USC Columbia</u>		
Higher Ed Efficiency & Accountability Review	\$971,902	24b
On Your Time (Annualize)	\$1,218,674	24a
<u>MUSC</u>		
Higher Ed Efficiency, Effectiveness & Accountability Review	\$352,825	32a
Tele-medicine	\$1,000,000	32b
Institute of Medicine	\$400,000	32c
Mobile Cancer Screening	\$1,000,000	32d
<u>AHEC - Office of Healthcare Workforce Analysis &amp; Planning</u>	<u>\$200,000</u>	<u>33</u>
<u>Citadel</u>		
Higher Ed Efficiency, Effectiveness & Accountability Review	\$81,290	17a
Mechanical Engineering Lab & Equipment	\$1,305,678	17b

***Continued. Non-recurring Proviso Items (118.16)***

	<b>Non-recurring Proviso 118.16</b>	
	<b>Amount</b>	<b>Item #</b>
<b>College of Charleston</b>		
Higher Ed Efficiency, Effectiveness & Accountability Review	\$176,755	19a
Simons Center for the Arts Renovation	\$529,781	19b
Acquisition of Surplus Property	\$2,000,000	19c
<b>Coastal Carolina</b>		
Higher Ed Efficiency, Effectiveness & Accountability Review	\$81,842	20a
Science Center Complex	\$1,000,000	20b
Parity Funding	\$406,395	20c
<b>Francis Marion</b>		
Higher Ed Efficiency, Effectiveness & Accountability Review	\$107,372	21a
Founders Hall	\$1,500,000	21c
Physician Assistant Degree Program	\$23,000	21b
Repair & Maintenance - Classroom Building Renovations	\$139,583	21d
<b>Lander</b>		
Higher Ed Efficiency, Effectiveness & Accountability Review	\$55,958	22a
Energy Management	\$272,745	22b
Therapeutic Equestrian Center - Burton Center (Appropriated through DDSN)	\$300,000	38
SC State - Efficiency Process Improvements	\$496,235	23a
<b>USC Aiken</b>		
Higher Ed Efficiency, Effectiveness & Accountability Review	\$58,922	25a
Parity Funding	\$200,000	25b
<b>USC Beaufort</b>		
Higher Ed Efficiency, Effectiveness & Accountability Review	\$23,779	27a
Parity Funding	\$200,000	27b
<b>USC Upstate</b>		
Higher Ed Efficiency, Effectiveness & Accountability Review	\$82,157	26a
Parity Funding	\$250,000	26b
<b>Winthrop</b>		
Higher Ed Efficiency, Effectiveness & Accountability Review	\$81,917	31a
Visual & Performing Arts Center Accreditation/ADA Access	\$750,000	31b
Withers/WTS Building - Maintenance & Repair	\$159,738	31c
<b>USC Lancaster</b>		
Parity Funding	\$148,720	28a
Repair & Renewal of Science Labs and Nursing Simulation	\$495,000	28b
USC Salkehatchie - Parity Funding	\$118,720	29a
USC Union - Parity Funding	\$59,360	30a
<b>SBTCE - Technical Colleges</b>		
Critical Needs Workforce Dev'l Initiative (Pilot Central Carolina & Tri-County)	\$2,000,000	6a & 6.1
Aiken Tech - Renovation IT Infrastructure	\$608,500	6c
Central Carolina Tech - Kershaw Campus	\$844,513	6h
Central Carolina Tech - Industrial Building Renovation	\$750,000	6i
Florence-Darlington Tech - Automotive Technology Programs Equipment	\$1,750,000	6e
Horry-Georgetown Tech - Culinary Arts Building	\$1,750,000	6l
Midlands Tech Quick Jobs Program	\$750,000	6f
Midlands Tech - Building Capacity for STEM Education	\$750,000	6m
Orangeburg-Calhoun Tech - Health Sciences & Nursing Building Annex	\$1,000,000	6j
Spartanburg Comm. Coll. - Academic Student Services Building	\$750,000	6k
Spartanburg Comm. Coll. Cherokee Campus - Adv Manufacturing & Industrial Equipment	\$500,000	6g
Tech Coll of Lowcountry - Transitioning Military Support & Training Program	\$1,500,000	6b
Tri-County - CNC & Mechatronics Programs	\$1,000,000	6d
Williamsburg Tech - Facilities Management Building	\$750,000	6n
<b>Subtotal</b>	<b>\$32,666,101</b>	

*(Note: For information about the Higher Ed Efficiency, Effectiveness & Accountability Review, see provisions included in proviso 118.16. The funds are not operating funding for the universities and are to be remitted for purposes of funding the study that may be procured. As defined in proviso a specially created committee will provide oversight for the study and its procurement.)*

**CRF (H.4702):**

Of the \$114,867,392 million available in FY 2014-15 from the FY 2013-14 CRF for higher education items totaled \$16,093,487 including: \$655,487 for Central Carolina Technical College – Kershaw Campus; \$10,000,000 for Trident Technical College – Aerospace; and \$5,438,000 for State Technical College System Office – CATT Program.

<p><u>Colleges &amp; Universities</u> <u>SC Education Lottery funds for E&amp;G purposes:</u></p>	<p><u>Academic Facilities, Maintenance &amp; Repair:</u> Last year, colleges and universities received from the SC Education Lottery \$23,159,883 in lottery funds for academic facilities and maintenance and repair projects. For FY 2014-15, a total of \$10,351,158 million is provided, including \$8,351,158 allocated on a pro rata basis relative to last year's base appropriation across the 17 research, four-year comprehensive and USC two-year campuses and \$2 million to the 16 technical colleges allocated by the Technical College System Office. As was the case last year, the funds must be matched on a 1:1 basis from sources other than supplemental, capital reserve, lottery, or other non-recurring state funds appropriated in the current year or from a prior year for repair and maintenance or deferred maintenance projects. The source of funding within the lottery is excess FY 2013-14 lottery proceeds above \$45.5 million which are contingent funds dependent on the final collections. If appropriated excess lottery proceeds are not fully realized, funding will be on a pro-rata basis.</p> <p><u>Lottery Technology Funding for four-year and two-year public colleges</u> was funded at \$8,086,495, an amount approximately \$1.5 million less than last year. Of the total funds for lottery technology, \$1.4 million is excess lottery proceeds above \$45.5 million and may not be fully realized.</p> <p><u>Other:</u> Consistent with past years, an allocation of \$2.5 million is provided to SC State.</p>
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<b>Other Lottery Funded Higher Education Programs</b>	
<p>PASCAL (Higher Education Electronic Library)</p> <p>SmartState (Endowed Chairs)</p> <p>Higher Education Excellence Enhancement Program (HEEEP)</p> <p>Provisions to allocate lottery funds to individual private colleges</p>	<p>PASCAL is included at \$1.5 million as the first item in the list of initiatives to be funded with any excess unclaimed prize funds if available. Funding may be received after the first \$8 million of appropriated certified unclaimed prize funds allocations.</p> <p>For the eighth consecutive year, no new annual funding is provided.</p> <p>\$4,628,053, an increase of \$650,000 over FY 2013-14. HEEEP is allocated to historically black colleges and universities pursuant to \$2-77-10, <i>et seq.</i> Funds are allocated equally across the state's six four-year HBCUs and Columbia College and Converse College, which are again included by proviso (11.13). Of the total HEEEP funds, \$650,000 are FY 2013-14 excess lottery proceeds above \$45.5 million and may not be fully realized.</p> <p>The lottery proviso for FY 2014-15 includes new provisions to appropriate \$150,000 each to three private colleges (Southern Methodist College, Coker College, and Clinton College). These items are funded with FY 2013-14 excess lottery proceeds above \$45.5 million and may not be fully realized.</p>

<b>State-supported Student Financial Aid Programs</b>	
<p><u>Scholarships and Grants:</u></p> <p>Merit-based (Palmetto Fellows, LIFE and HOPE)</p> <p>Need-based (CHE Need-based, SC Tuition Grants)</p>	<p>A total of \$375 million (29% in General Funds, 70% in Lottery, and 1% Non-Recurring) is provided to fund scholarship and grants for students. See table next page for details by program.</p> <p>The General Assembly continues to fully fund the state's undergraduate merit-based scholarship programs for anticipated growth. Additionally, the budget supports implementing year-round awards for Palmetto Fellows and LIFE scholarships. Funding for merit-based scholarships details \$189 million for these programs.</p> <p>Need-based grants funding, which provides for need-based grants at public institutions and supplemental funds for Tuition Grants, was increased by \$2.6 million in non-recurring funding. The increase returns the funding to the level provided in FY 2012-13. Tuition Grants (need-based grants for students at independent institutions) received an increase of \$258,764 in lottery funding.</p>

Lottery Tuition Assistance (LTA)	Level funding, as requested, of \$49.1 million is provided.
National Guard College Assistance Program (SCNG CAP)	Level funding, as requested, of \$4,634,968 is provided.
Southern Regional Education Board (SREB) Programs	SC's continued participation in the SREB programs, including student contract programs for Veterinary Medicine and Optometry, is fully funded with the increase of \$157,860 in State General Funds.

Scholarships and Grants	FY 2013-14 Total All Sources	FY 2014-15 By Source and Total				Difference, FY15 minus FY14
		Part 1A	Lottery	NonRecurring	Total	
* Palmetto Fellows	51,216,550	20,439,310	37,648,288		58,087,598	6,871,048
LIFE	169,060,402	48,856,393	140,824,027		189,680,420	20,620,018
summer eligibility			1,718,902		1,718,902	1,718,902
SC HOPE	8,011,583	231,727	8,476,245		8,707,972	696,389
*** Lottery Tuition Assistance 2-Year	49,100,000	n/a	49,100,000		49,100,000	-
* CHE Need-Based Grants	25,000,000	12,000,000	13,000,000	2,600,000	27,600,000	2,600,000
** Tuition Grants	31,358,622	23,358,622	8,258,764		31,617,386	258,764
National Guard College Tuition Assistance	4,634,968	89,968	4,545,000		4,634,968	-
SREB Programs and Assessments	3,509,750	3,667,610	n/a		3,667,610	157,860
SREB Arts Program	7,177	7,177	n/a		7,177	-
<b>TOTAL</b>	<b>343,509,716</b>	<b>108,650,807</b>	<b>263,571,226</b>	<b>2,600,000</b>	<b>374,822,033</b>	<b>31,312,317</b>

\* Includes allocation from Education Endowment appropriation of \$24 million which is divided equally between Palmetto Fellows and Need-based Grants.

\*\* Includes only those Part 1A state appropriations directly allocated to the SC Tuition Grants Commission for grants. Tuition Grants also receives a portion of CHE Need-based grants relative to enrollment for TG which is in Need-based here and not reflected in the Tuition Grants number.

\*\*\* LTA includes \$47.4M from lottery net proceeds and \$1.7M from certified unclaimed prize funds

### Commission on Higher Education (CHE)

As noted above, funds requested by CHE to enable participation at existing levels for the year for SREB contract programs. CHE did not request or receive any other increased agency funding. CHE's requested initiative for colleges and universities (Innovation for Student Affordability) was not funded.

\$250,000 in increased EIA-funds requested by CHE to fund a new center through the EIA-funded Centers of Excellence Programs were provided. The new center will provide professional development to teachers to enable them to transform the P-12 experience to create a college-going and career readiness culture that prepares students for postsecondary education and the world of work.

The General Assembly provided funding for items that flow through CHE to other entities including a non-recurring appropriation of \$300,000 for the Lowcountry Graduate Center and a nonrecurring appropriation of \$225,000 for the USC School of Medicine Child Abuse Medical Response Program which had been funded in the prior year through USC Columbia's budget.

### Temporary Part 1B Budget Provisos included in the Appropriations Act:

The following includes a listing of select budget provisos of interest for higher education or related to all agencies and impacting higher education that are NEW, AMENDED, or DELETED for FY 2014-15. Provisos are listed in section number order. Readers are encouraged to access and review the full text of provisos referenced below.

See [http://www.scstatehouse.gov/sess120\\_2013-2014/appropriations2014/ta14ndx.php](http://www.scstatehouse.gov/sess120_2013-2014/appropriations2014/ta14ndx.php) to access Part 1B Provisos. Note that vetoes sustained are not marked. The budget as "Amended by the House on June 4, 2014, and passed by the General Assembly on June 4, 2014, the Senate concurring in the House amendments" is available at [http://www.scstatehouse.gov/sess120\\_2013-2014/appropriations2014/hr14ndx.php](http://www.scstatehouse.gov/sess120_2013-2014/appropriations2014/hr14ndx.php) and contains mark-ups of the provisos to denote amended, new or deleted provisos. Should this source be used, please note that the report is consistent with the budget as ratified by the General Assembly and prior to vetoes of the Governor and subsequent action of the General Assembly.

FY 15 Proviso	Proviso Title	Brief Summary Notes Concerning Proviso Status
1.79	SDE: Summer Reading Camps	<b>Amended</b> proviso to include direction for funds appropriated for purposes of supporting summer reading camps. The proviso includes information about requirements for camps and encourages schools and school districts to partner with a variety of community constituencies including institutions of higher learning.
1.88	SDE: Reading Coaches	<b>NEW proviso</b> to include provisions for funding made available for reading coaches. The language follows closely provisions enacted with the passage of S.516, Read to Succeed Act, which was signed into law on 6/11/2014.
1.94	SDE: South Carolina Community Block Grants for Education Pilot Program	<b>NEW proviso</b> for implementation of t matching grants program to encourage and sustain partnerships between a community and its local public school district or school for the implementation of innovative, state-of-the-art education initiatives and models to improve student learning.
1A.8	SDE-EIA: XII.F.2.- CHE/Teacher Recruitment	Proviso directs expenditure of funds appropriated to teacher recruitment programs, Center for Educator Recruitment, Retention and Advancement (CERRA) and SC State's Program for Recruitment and Retention of Minority Teachers. The proviso is continued from past years and is <b>amended</b> to update language relating to the establishment in FY 2013 of the SC Teacher Loan Advisory Committee.
1A.9	SDE-EIA: XII.F.2- Disbursement/Other Entities	Proviso provides instructions for disbursement of EIA funds to Other State Agencies and Entities. The proviso is <b>amended</b> to the existing proviso provided for direction concerning teacher supplies and charter school districts.
1A.26	SDE-EIA: Artistically and Academically High-Achieving Students	Proviso <b>DELETED</b> .
1A.36	SDE-EIA: Centers of Excellence	Since FY 2011-12, this proviso directs that of the funds provided to CHE for the Centers of Excellence program, \$350,000 must be allocated to Francis Marion University Center of Excellence to Prepare Teachers of Children of Poverty. The proviso was <b>amended</b> to provide that the increased funding of \$250,000 provided in FY2014-15 be used to fund a new center that will provide for professional development to teachers to enable them to transform the P-12 experience to create a college-going and career readiness culture that prepares students for postsecondary education and the world of work.
1A.54	SDE-EIA: XII.F.2 CHE/CERRA	The proviso is <b>DELETED</b> in FY 2014-15. The proviso was new in FY 2013-14 and provided direction for CERRA in considering additional Teaching Fellows programs at other public four-year institutions who wish to be considered to host a Teaching Fellow program.
1A.61	SDE-EIA: EEDA Regional Education Centers	Existing proviso concerning funding of the Regional Education Centers. The proviso was not changed except to delete it from Part 1B, Section 1 and include it in Part 1B Section 1A.
1A.66	SDE-EIA: XII.F.2 – CHE/CERRA	<b>NEW proviso</b> that directs CERRA to provide periodic evaluations of institutions hosting Teaching Fellows programs and to ensure the programs continue to meet the requirements as set forth by the CERRA Board. Direction is also provided for CERRA concerning the process for considering and adding institutions to host Teaching Fellows. CHE is established as the body for appeals for institutions that apply but are not selected to host a Teaching Fellow program.
3.5	LEA:FY 2014-15 Lottery Funding	Proviso directing the expenditure of lottery programs for K-12 and higher education and <b>amended</b> to include FY 2014-15 allocations and direction. Among the various provisions, language is included to enable the LIFE and Palmetto Fellows scholarship programs to be made available to students year-round.

<b>FY 15 Proviso</b>	<b>Proviso Title</b>	<b>Brief Summary Notes Concerning Proviso Status</b>
<b>11.13</b>	CHE: Higher Education Excellence Enhancement Program Additions (HEEEP)	This proviso provides for eligibility of Converse and Columbia Colleges in the HEEEP program and was <b>amended</b> to delete the date reference in order that the proviso continues to apply in FY 2014-15.
<b>11.14</b>	CHE: Parity Funding	Proviso directed a study by CHE on parity funding in FY 2013-14 and was <b>deleted</b> as a result of the study being completed.
<b>11.16</b>	CHE: College Transition Connection Need-Based Grants	This proviso was new in FY 2013-14 and directed funds that flowed through CHE's budget to a non-profit entity focused on higher education programs for adults with intellectual disabilities be transferred to Need-based grants and reserved for need-based grants for students in transition programs. The proviso language is <b>amended</b> for continued applicability in FY 2014-15.
<b>11.17</b>	CHE: Inventory of State-Mandated Reporting Requirements	Proviso directed CHE to compile a listing in FY 2013-14 of reporting required of public higher education institutions and was <b>deleted</b> as a result of the study being completed.
<b>11.18</b>	CHE: Mission, Ethics, and Value Statements	<b>NEW proviso</b> requiring institutions of higher learning to submit a report that denotes their mission, ethics, and values statements to members of the General Assembly by January 3, 2015.
<b>11.20</b>	CHE: Distribution of Materials on College Campuses	<b>NEW proviso</b> providing direction to public institutions of higher education relating to a prohibition of restrictions being imposed concerning the distribution of the Constitution of the United States and Constitution of South Carolina on campuses and provide for other clarification concerning distribution of these documents.
<b>11.22</b>	CHE: Required Reading Material Reporting	<b>NEW proviso</b> directing expenditure of funds by University of Charleston and USC Upstate to comply with provisions of 59-29-120 and to provide direction to all public institutions relating to student choice with respect to non-elective reading programs and mandatory lecture, seminar, or other type presentation or program other than as part of an instructional class.
<b>19.2</b>	SCSU: Blue Ribbon Advisory Committee	<b>NEW proviso</b> added to create the SC State University Blue Ribbon Advisory Committee to include former president of Clemson, Jim Barker, USC President Harris Pastides, Francis Marion President Fred Carter, former College of Charleston President Alex Sanders, and former president of SC State, Chief Justice Ernest Finney, or their successors. The proviso includes direction for consultation for the development of a budgetary plan and other related direction with respect to the plan and report of the plan for action to the JBRC and General Assembly.
<b>20.4</b>	USC: Energy-Related Economic Development	<b>NEW proviso</b> added directing the Earth Sciences and Resources Institute at USC to develop a plan to foster collaborations among the State's higher education institutions, the private sector, local governments, K-12 schools, the general public, and international partners to capitalize on the unique, unexplored geophysical characteristics of SC and create energy-related economic development opportunities within the State. The report is due January 15, 2015 to the Director of the SC Energy Office, the Secretary of Commerce, the Governor, and Chairs of the Senate Agriculture and Natural Resources Committee and House Agriculture, Natural Resources and Environmental Affairs Committee.
<b>25.6</b>	TEC: Critical Statewide Workforce Needs	<b>New proviso</b> to provide direction to the State Board for Technical and Comprehensive Education for allocation to technical colleges of funds provided in FY 2014-15 for E&G STEM Programs: Critical Needs Workforce Initiative.

FY 15 Proviso	Proviso Title	Brief Summary Notes Concerning Proviso Status
91.21	LEG: Other Funds Oversight Committee	Existing proviso relating to the creation of the joint committee of Senate and House members entitled the Other Funds Oversight Committee that is <b>amended</b> to add to the duties of the committee. The committee is additionally directed to review the level of other funds authorization in each agency, department, board or commission to determine whether the levels should be increased or decreased for the next fiscal year and submits its recommendations to Senate Finance and House Ways and Means by January 30, 2015.
99.12	ADJ: Citadel-SC National Guard Readiness Center	Proviso no longer necessary and <b>DELETED</b> .
101.21	BCB: Employee Compensation	Proviso relating to state employee pay plan. <b>Amended</b> to provide for a two percent pay increase for state employees.
101.32	BCB: Cyber Security	<b>NEW proviso</b> requiring state agencies to adopt and implement cyber security policies, guidelines and standards developed by the Division of State Technology and provide the Division with the authority to audit for compliance. Public institutions of higher learning, technical colleges, political subdivisions, and quasi-governmental bodies which upon request must submit sufficient evidence that their cyber security policies, guidelines, and standards meet or exceed those developed by the Division. The proviso also provides direction for agencies for the reporting of any security breaches.
105.7	PEBA: FY 2015 State Health Plan	Proviso was new in FY 2013-14 and relates to requisite employer premium increase, subscriber premiums, and setting of co-pays. The proviso is <b>amended</b> for applicability in FY 2014-15 and to provide for adjustments to the employer premium increase (from 6.8% down to 3.9%) and to co-pay increases for participants in the state health plan (from 20% down to 9% percent) for FY 2014-15.
<b>Provisos in 112 &amp; 113</b>	Sections 112, Executive Budget Office, and 113, Revenue and Fiscal Affairs Office	<b>New sections</b> in FY 2014-15 including provisos related to the Executive Budget Office and Revenue and Fiscal Affairs Office which are established pursuant to the restructuring bill, S.22, which was enacted during the 2014 session. Conforming changes were also incorporated in existing provisos where applicable regarding these offices. A link to S.22 is provided in information below concerning legislation.
117.77	GP: Printed Report Requirement	Proviso <b>amended</b> to conform dates for continued applicability. This proviso relates to suspension of certain reporting for higher education institutions and certain other departments of state government.
117.102	GP: USC Greenville Medical School	Proviso <b>amended</b> to conform date for continued applicability. This proviso provides that no general funds shall be appropriated for the USC Greenville Medical School and that no state funds may be transferred or earmarked for the school.
117.131	GP: Information Technology Disaster Recovery Plan	<b>NEW proviso</b> requiring the Budget and Control Board to perform or issue an RFP for selecting a vendor for the purpose of conducting a study to develop recommendations for a statewide information technology disaster recovery plan. The Judicial Department, Legislative Department, public institutions of higher learning, technical colleges, political subdivisions, and quasi-governmental bodies are not included within the study's scope.
117.132	GP: Information Technology and Information Security Plans	<b>NEW proviso</b> relating to requirements of all state agencies with respect to information security plans, the contents of such plans, and the submission of the plans to the Budget and Control Board by October 1, 2014.

<b>FY 15 Proviso</b>	<b>Proviso Title</b>	<b>Brief Summary Notes Concerning Proviso Status</b>
<b>118.8</b>	SR: Prohibits Public Funded Lobbyist	The proviso continues as included in FY 2013-14 to prohibit state agencies from using State General Funds for lobbyist or for entering into contracts for such purposes. The proviso as initially included in FY 2011-12 transferred funds from agencies but as of FY 2013-14 no longer includes provisions to do so.
<b>118.16</b>	SR: Non-recurring Revenue	Proviso directing expenditure of non-recurring FY 2013-14 surplus revenue. Several higher education institutions receive funding from this proviso as does CHE for need-based grants and the Lowcountry Graduate Center. For funds provided from this nonrecurring source to senior institutions for an efficiency study, direction is provided regarding a steering committee to oversee the study and its procurement.

## LEGISLATION

***The 2014 is the second year of the two-year continuing session. Bills not enacted are not carried over into the next session. The following provides information about the status of select higher education bills and statewide legislation discussed during the session.***

Bills are listed in numeric order of the bill number with House bills (denoted by H.) listed first and followed by Senate bills (denoted by S.). Legislation enacted during the 2014 session is highlighted in yellow.

Bill summaries and full text copies of legislation are accessible by clicking on the hyperlinked bill number. For a listing of all legislation passed (enacted) during the 2014 Session, see the listed provided at [http://www.scstatehouse.gov/sess120\\_2013-2014/bills/14actsp1.php](http://www.scstatehouse.gov/sess120_2013-2014/bills/14actsp1.php).

<b>Bill #</b>	<b>Bill Title or Brief Descriptive Title</b>	<b>Status of Legislation (Enacted legislation highlighted in yellow) Legislative bill summaries in all caps</b>
<b>HOUSE BILLS</b>		
<a href="#">H.3024</a>	Child Abuse Reporting	<b>Died in Senate Committee.</b> Bill introduced in 2013 to amend statutes to add required mandatory reporting of child abuse by certain professions to include school administrators. The bill was passed by the House and referred to Senate Judiciary where it died at the end of the session.
<a href="#">H.3086</a>	Tuition rates for military personnel and dependents	<b>Died in Conference Committee.</b> This bill was passed by the House and an amended version by the Senate. The bill was sent to conference committee to reconcile the differences but the committee did not meet and the bill died with the end of the extended session on June 19.
<a href="#">H.3124</a>	Child Abuse	<b>Legislation signed into law on 6/23/2014. Act No. 291.</b> Legislation includes provisions to prohibit employers from dismissing, demoting, suspending or disciplining employees who report child abuse and neglect and creates civil action for action to do so. Provisions are also included for the state's child welfare agency regarding disclosure of information.
<a href="#">H.3163</a>	Freedom of Information Act (FOIA)	<b>Died in House Committee.</b> The bill was introduced in 2013 and did not receive further consideration during 2014.
<a href="#">H.3410</a>	Regional Education Centers	<b>Legislation signed into law on 4/7/2014. Act No. 149.</b> The legislation transfers oversight of the regional education centers from the State Department of Education to Commerce.
<a href="#">H.3428</a>	First Steps to School Readiness Initiative	<b>Legislation vetoed by the Governor and became law on 6/18/2014 after the House and Senate overrode the veto. Act No. 295.</b>

Bill #	Bill Title or Brief Descriptive Title	Status of Legislation (Enacted legislation highlighted in yellow) Legislative bill summaries in all caps
<a href="#">H.3518</a>	Accountability Based Funding	<b>Died in Senate Committee.</b> A companion Senate bill, <a href="#">S.266</a> , see below, also died at the end of the session. Joint Resolution that required CHE, in working with the public universities, to make recommendations for a revised accountability based funding system for higher education. The Resolution, as introduced, exempted the technical colleges.
<a href="#">H.3592</a>	Energy Independence and Sustainable Construction Act of 2007	<b>Legislation signed into law on 4/7/2014. Act No. 150</b>
<a href="#">H.3784</a>	SC National Guard College Assistance Program	<b>Legislation signed into law on 4/7/2014. Act No. 151.</b> The legislation provides clarification to the application process and benefit eligibility. The bill also includes a provision to provide for the ability to carry forward funding and to exempt the program from mid-year cuts. A budget proviso, was enacted to provide a carry forward and mid-year exemption provision in FY 2013-14 and was also continued in FY 2014-15 (#11.15).
<a href="#">H.3893</a>	Statewide education standards and assessments	<b>Legislation signed into law on 5/30/2014. Act No. 200.</b> This legislation relates to the use of Common Core Standards and adoption and review of assessment. Included among the provisions, the legislation provides for considerations with respect to data use and governance for K-12 and withdraws South Carolina from the Smarter Balanced Assessment Consortium and prohibits the adoption of the Smarter Balanced Assessment.
<a href="#">H.3896</a>	Higher Education Tuition Prepayment Program	<b>No further consideration in 2014 and died in Committee.</b> The Tuition Prepayment Program was closed to new enrollees in 2007. The legislation, if enacted, would impose a cap on the tuition public institutions could charge participants at the 2008-09 level. It was estimated that there would be a \$68 million cost over 15 years in doing so. This bill was passed by House and was referred to the Senate where it remained in Senate Education.
<a href="#">H.3919</a>	Exit exam requirement to graduate high school	<b>Legislation signed into law on 4/14/2014. Act No. 155.</b> This legislation eliminates the high school exit exam requirement beginning with the graduating class of 2015 and makes conforming changes.
<a href="#">H.3926</a>	Read to Succeed Act	<b>Died in Senate Committee.</b> A companion bill <a href="#">S.516</a> was considered during 2014 and passed. See below.
<a href="#">H.3943</a>	Adoption of Common Core Standards	<b>Died in House Committee.</b> A companion bill <a href="#">H.3893</a> was considered during 2014 and enacted.
<a href="#">H.3945</a>	Commission on Ethics Enforcement and Disclosure	<b>Died after conference report not passed.</b> Legislation went to conference committee at the end of the session. A conference report was adopted by the House but failed to be adopted by sine die in the Senate and the bill died.
<a href="#">H.3994</a>	Read to Succeed Act	<b>Died in Senate Committee.</b> A companion bill <a href="#">S.516</a> was considered during 2014 and passed.
<a href="#">H.4039</a>	Clemson University Enterprise Act	<b>Died in House Committee.</b> A companion bill to <a href="#">S.535</a> , this legislation was introduced on 4/25/2013 and referred to House Ways and Means. The legislation provides certain regulatory exemptions for Clemson University. During 2014 the companion bill (S.535) was amended by the House to remove Clemson provisions and insert provisions relating to the University of Charleston SC and the facilities approval process. The Senate non-concurred and the bill went to conference where it subsequently died.
<a href="#">H.4347</a>	Children's Advocacy Medical Response System Act	<b>Legislation signed into law on 4/7/2014. Act No. 153.</b> This legislation creates the South Carolina Children's Advocacy Medical Response System, a program to provide coordination and administration of medical service resources to those entities responding to cases of suspected child abuse or neglect. The program is administered by the University of South Carolina School of Medicine.

<b>Bill #</b>	<b>Bill Title or Brief Descriptive Title</b>	<b>Status of Legislation (Enacted legislation highlighted in yellow) Legislative bill summaries in all caps</b>
<a href="#">H.4470</a>	Higher Education Board of Trustee Members	<b>Died in House Committee.</b> Legislation to prohibit service on a subsequent board of trustees for one year. Introduced in House in 2014 and remained in committee.
<a href="#">H.4483</a>	Undergraduate degree requirements	<b>Died in House Committee.</b> Legislation deleted existing statutes related to the teaching of coursework covering the US Constitution, the Declaration of Independence and the Federalist Papers and added new sections to update the provisions concerning requirements of the same for higher education.
<a href="#">H.4535</a>	Higher Education Board of Trustee Members	<b>Died in Committee.</b> Legislation introduced in the House in 2014 to prohibit an employee of a colleges or universities to be elected to the board until one year after ceases to be employed by the college.
<a href="#">H.4602</a>	Education Capital Improvement Sales and Use Tax Act	<b>Died in Senate Committee.</b> Introduced in 2014, passed the House and sent to the Senate where it remained in Committee. Provided certain changes regarding debt obligations under the Education Capital Improvements Sales and Use Tax Act. See S.940 which related to this Act and was passed.
<a href="#">H.4518</a>	Lottery Net Proceeds	<b>Died in Senate Committee.</b> Legislation introduced in 2014 to prohibit lottery funds from being used for capital improvement projects. The legislation passed the House and was sent to the Senate where it remained in committee.
<a href="#">H.4632</a>	Charleston University Act	<b>Died on Senate Calendar awaiting consideration after being recalled from Committee.</b> Legislation initially introduced in 2014 as a bill to merge the College of Charleston and MUSC. The bill was amended by House Ways and Means to provide authorization for the College of Charleston to take steps to become a research university and participate in SmartState. After a hearing in Senate Education subcommittee, it was recalled from committee and did not pass. Provisions of this legislation were included as an amendment to S.535 which did not pass but were considered in conference committee.
<a href="#">H.4646</a>	Governors School for Science and Mathematics	<b>Legislation signed into law on 5/16/2014. Act No. 181.</b> This legislation relates to members of the Board and provides that a provost or vice president of academic affairs who must serve ex officio may appoint a designee to serve continuously in his or her place.
<a href="#">H.4840</a>	High School Equivalency Diploma Accessibility Act	<b>Legislation signed into law on 6/9/2014. Act No. 272.</b> This legislation provides certain authority to the State Department of Education for the selection of tests for receiving a high school equivalency diploma.
<a href="#">H.4871</a>	Charter schools	<b>Legislation signed into law on 6/3/2014. Act No. 262.</b> This legislation provides certain tax exemptions for charter schools.
<a href="#">H.4988</a>	State Technical Colleges	<b>Died in House Committee.</b> Legislation introduced in 2014 that would eliminate CHE academic program approval authority for certain technical college programs.
<a href="#">H.5152</a>	Student Empowerment in College Governance	<b>Died in House Committee.</b> Legislation introduced to add elected student members to higher education boards of trustees.
<b>SENATE BILLS</b>		
<a href="#">S.22</a>	Department of Administration (SC Restructuring Act)	<b>Legislation was signed into law on 1/27/2014. Act No. 121.</b> This legislation provides for state government restructuring, including eliminating the Budget and Control Board.
<a href="#">S.93</a>	Tuition Rates for Military	<b>Died on Senate calendar awaiting consideration for second.</b> This bill provides that non-resident military and dependents on the GI bill are eligible for in-state, resident tuition and fee rates at public colleges.
<a href="#">S.208</a>	LIFE or Palmetto Fellows Scholarships	<b>Died in Senate Committee. The bill was introduced in 2013 and did not receive consideration in 2014.</b> The bill relates to the math/science enhancements for LIFE and Palmetto Fellows and eligibility requirements for those who change majors.

Bill #	Bill Title or Brief Descriptive Title	Status of Legislation (Enacted legislation highlighted in yellow) Legislative bill summaries in all caps
<a href="#">S.259</a>	Free Tuition for 60+: amends §59-111-320 to remove prohibition of employment for 60+	<b>Died in House Committee.</b> The bill was introduced in 2013 and did not receive consideration during 2014.
<a href="#">S.266</a>	Accountability Based Funding	<b>Died on Senate Calendar awaiting 2<sup>nd</sup> reading.</b> A companion House Bill, H.3518, also died at the end of the session.
<a href="#">S.300</a>	General provisions concerning education – Common Core Standards	<b>Died on Senate Calendar.</b> A companion bill, <a href="#">H.3943</a> , was passed during the session.
<a href="#">S.334</a>	Relating to identity theft protection	<b>The bill received no further consideration in 2014 and died in House Committee.</b>
<a href="#">S.472</a>	Student Association Freedom of Religion Act	<b>The bill received no further consideration in 2014 and died in House Committee.</b>
<a href="#">S.516</a>	Read to Succeed Act	<b>Legislation signed into law on 6/11/2014 – Act 284.</b> This legislation makes changes K-12 reading instruction and includes provisions to expand K4 programs. Provisions are included related to teacher education programs.
<a href="#">S.535</a>	Clemson University Enterprise Act	<b>Died in Conference Committee.</b> The legislation was initially introduced in 2013 and provided certain regulator exemptions for Clemson University. It was passed by the Senate and sent to the House during the 2013 session. The bill was referred to Ways and Means where it was considered during 2014. The Ways and Means Committee amended the bill to strike all and insert legislation to amend the higher education facilities approval process. The bill was subsequently passed by the House after being amended to include also provisions of H.4632, the University of Charleston Act. The Senate insisted on the bill as passed by the Senate and the bill was sent to conference committee during the last week of the regular session to work out the House and Senate differences. After not being able to resolve differences, the bill died in conference as of the end of the extended session on June 19.
<a href="#">S.787</a>	Tuition rates for military personnel and dependents	<b>Did not receive consideration during 2014.</b> Bill is similar to <a href="#">H.3086</a> which also did as of sine die.
<a href="#">S.810</a>	Higher Education Board of Trustees	<b>Died on the Senate Calendar.</b> The legislation was introduced during 2014 and proposed amendments to the process for the election of members of public university board of trustee members. It was considered by Senate Judiciary, reported out with a minority report and remained on the calendar as of the end of the session.
<a href="#">S.825</a>	Ad Valorem Taxation	<b>Legislation was signed into law on 6/23/2014. Act No. 289.</b> The legislation includes provisions relating to military. A provision relating to in-state tuition for higher education that had been considered was ultimately removed from the bill as passed.
<a href="#">S.911</a>	Education Capital Improvements Sales and Use Tax	<b>Died in Committee.</b> S.940 related to the same topic was enacted.
<a href="#">S.940</a>	Education Capital Improvements Sales and Use Tax	<b>Legislation was signed into law 6/24/2014. Act No. 190.</b> This legislation amends provisions concerning the an act to amend section 4-10-470, code of laws of SC, 1976, relating to the education capital improvements sales and use tax, so as to allow certain counties to impose the tax based upon certain factors; and to amend section 4-10-460, relating to the reimposition of the education capital improvements sales and use tax.
<a href="#">S.984</a>	College Parallel Programs – State Technical Colleges	<b>Died in Senate Committee.</b> Legislation introduced in 2014 to expand degrees offered at technical colleges to include three-year programs.

**REGULATIONS:**

The State Department of Education submitted various Regulations for review and consideration of the General Assembly. The June 27, 2014 Register includes copies of the final regulations that were enacted. See [http://www.scstatehouse.gov/state\\_register.php#archives](http://www.scstatehouse.gov/state_register.php#archives) for access to the Register. A listing of the State Board of Education Final Regulations during 2014 follows:

Document No. 4400 Accreditation Criteria

Document No. 4401 Accreditation Standards Filed

Document No. 4419 Adult Education

Document No. 4420 Adult Education Program

Document No. 4421 Defined Program for the Palmetto Unified School District (PUSD)

Document No. 4403 Displaying the Flag

Document No. 4404 Minimum Standards of Student Conduct and Disciplinary Enforcement Procedures to be Implemented by Local School Districts

Document No. 4405 Operation and Funding of Teacher Training Courses in Mathematics, Science, Reading and Computer Education

Document No. 4422 Requirements for Additional Areas of Certification

Document No. 4406 Requirements for Certification at the Advanced Level

Document No. 4397 School Admission

Document No. 4391 School Superintendent Compensation and Benefits/Expenses

Document No. 4407 South Carolina Virtual School Program

Document No. 4408 Student Attendance

Document No. 4409 Teacher Grants

Document No. 4396 Utilization of General Teacher Certification.

**OTHER ITEMS OF INTEREST**

Lieutenant Governor Glenn McConnell resigned from his elected position at the end of the 2014 session; leaving to assume the presidency of the College of Charleston.

Senator John Courson stepped down from his position as President Pro Tempore of the Senate on June 4.

On June 18, Senator Yancey McGill, who vacated his seat upon election as Senate President Pro Tempore, became the State's Lieutenant Governor.

On June 18, Senator Hugh Leatherman was then elected as the President Pro Tempore of the Senate.

**APPENDIX A, Higher Education Funding**

**Appropriations, Summary of Part 1A, Non-Recurring, CRF and Estimated Lottery Allocations for Academic Facilities and Maintenance and repair and other Lottery E&G**

	FY 2014-15 Beginning Base, Part 1A Recurring	Change: FY 2014-15 Increases/Decreases and Non-recurring (one-time) Appropriations						SUBTOTAL Non-recurring Items and Lottery
		Part 1A Recurring	Non-recurring Items and Lottery					
			Non-recurring Proviso 118.16	EIA-Funds	Capital Reserve Fund (H.4702)	SC Lottery: Critical Equipment Repair & Replacement <sup>(2)</sup>	SC Lottery: Other Higher Education/ Institutional E&G <sup>(3)</sup>	
<b>SC Commission on Higher Education</b>	<b>\$ 104,167,619</b>	<b>\$ (10,739,795)</b>	<b>\$ 3,125,000</b>	<b>\$ 250,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 259,812,008</b>	<b>\$ 263,187,008</b>
<i>SREB Programs &amp; Assessments</i>		\$ 157,860						
<i>Need-based Grants</i>			\$ 2,600,000					
<i>EIA-funded Centers of Excellence</i>				\$ 250,000				
‡ <i>Scholarship Transfer</i>		\$ (10,897,655)						
<i>LowCountry Graduate Center</i>			\$ 300,000					
<i>Child Abuse Medical Response Program (USC SOM)</i>			\$ 225,000					
<b>SC Tuition Grants Commission</b>	<b>\$ 23,631,646</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,258,764</b>	<b>\$ 8,258,764</b>
<b>Clemson University</b>	<b>\$ 66,390,604</b>	<b>\$ 1,200,000</b>	<b>\$ 1,714,740</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,630,142</b>	<b>\$ -</b>	<b>\$ 3,344,882</b>
<i>Higher Ed Efficiency, Effectiveness, &amp; Accountability Review</i>			\$ 596,066					
<i>Student Career Opportunity Program (2 FTE)</i>		\$ 1,000,000						
<i>Focus on Student Success</i>		\$ 200,000						
<i>Main Campus Electrical Infrastructure Maintenance &amp; Improvement</i>			\$ 1,118,674					
<b>University of South Carolina - Columbia</b>	<b>\$ 108,251,795</b>	<b>\$ 1,200,000</b>	<b>\$ 2,190,576</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,657,993</b>	<b>\$ -</b>	<b>\$ 4,848,569</b>
<i>Higher Ed Efficiency, Effectiveness, &amp; Accountability Review</i>			\$ 971,902					
<i>On Your Time (Annualize)</i>		\$ 1,200,000	\$ 1,218,674					
<b>Medical University of SC (MUSC)</b>	<b>\$ 58,947,162</b>	<b>\$ 900,000</b>	<b>\$ 2,752,825</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,447,377</b>	<b>\$ -</b>	<b>\$ 4,200,202</b>
<i>Higher Ed Efficiency, Effectiveness, &amp; Accountability Review</i>			\$ 352,825					
<i>E&amp;G operating</i>		\$ 900,000						
<i>Tele-medicine</i>			\$ 1,000,000					
<i>Institute of Medicine</i>			\$ 400,000					
<i>Mobile Cancer Screening</i>			\$ 1,000,000					
<b>Area Health Education Consortium (AHEC)</b>	<b>\$ 9,622,989</b>	<b>\$ -</b>	<b>\$ 200,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 200,000</b>
<i>Office of Healthcare Workforce Analysis &amp; Planning</i>			\$ 200,000					
<b>Citadel</b>	<b>\$ 9,054,249</b>	<b>\$ 123,393</b>	<b>\$ 1,386,968</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 222,316</b>	<b>\$ 345,969</b>	<b>\$ 1,955,253</b>
<i>Higher Ed Efficiency, Effectiveness, &amp; Accountability Review</i>			\$ 81,290					
<i>E&amp;G operating</i>		\$ 123,393						
<i>Mechanical Engineering Lab &amp; Equipment</i>			\$ 1,305,678					
<b>College of Charleston</b>	<b>\$ 19,687,218</b>	<b>\$ 270,066</b>	<b>\$ 2,706,536</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 483,396</b>	<b>\$ 757,207</b>	<b>\$ 3,947,139</b>
<i>Higher Ed Efficiency, Effectiveness, &amp; Accountability Review</i>			\$ 176,755					
<i>E&amp;G operating</i>		\$ 270,066						
<i>Simons Center for the Arts Renovation</i>			\$ 529,781					
<i>Acquisition of Surplus Property</i>			\$ 2,000,000					
<b>Coastal Carolina University</b>	<b>\$ 9,115,742</b>	<b>\$ 227,452</b>	<b>\$ 1,488,237</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 223,826</b>	<b>\$ 637,728</b>	<b>\$ 2,349,791</b>
<i>Higher Ed Efficiency, Effectiveness, &amp; Accountability Review</i>			\$ 81,842					
<i>E&amp;G operating</i>		\$ 227,452						
<i>Science Center Complex</i>			\$ 1,000,000					
<i>Parity Funding</i>			\$ 406,395					
<b>Francis Marion University</b>	<b>\$ 11,959,199</b>	<b>\$ 480,230</b>	<b>\$ 1,769,955</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 293,644</b>	<b>\$ 345,511</b>	<b>\$ 2,409,110</b>
<i>Higher Ed Efficiency, Effectiveness, &amp; Accountability Review</i>			\$ 107,372					
<i>E&amp;G operating</i>		\$ 123,230						
<i>Physician Assistant Degree Program</i>		\$ 357,000	\$ 23,000					
<i>Founders Hall</i>			\$ 1,500,000					
<i>Repair &amp; Maintenance - Classroom Building Renovations</i>			\$ 139,583					
<b>Lander University</b>	<b>\$ 6,232,632</b>	<b>\$ 110,196</b>	<b>\$ 628,703</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 153,035</b>	<b>\$ 308,965</b>	<b>\$ 1,090,703</b>
<i>Higher Ed Efficiency, Effectiveness, &amp; Accountability Review</i>			\$ 55,958					
<i>E&amp;G operating</i>		\$ 110,196						
<i>Energy Management</i>			\$ 272,745					
<i>Therapeutic Equestrian Cntr - Burton Cntr (through DDSN)</i>			\$ 300,000					
<b>SC State University</b>	<b>\$ 12,457,557</b>	<b>\$ 127,907</b>	<b>\$ 496,235</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 305,880</b>	<b>\$ 3,437,132</b>	<b>\$ 4,239,247</b>
<i>Efficiency Process Improvements</i>		\$ 127,907	\$ 496,235					
<b>USC Aiken</b>	<b>\$ 6,562,802</b>	<b>\$ 100,000</b>	<b>\$ 258,922</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 161,142</b>	<b>\$ 303,193</b>	<b>\$ 723,257</b>
<i>Higher Ed Efficiency, Effectiveness, &amp; Accountability Review</i>			\$ 58,922					
<i>Parity Funding</i>		\$ 100,000	\$ 200,000					
<b>USC Beaufort</b>	<b>\$ 2,648,495</b>	<b>\$ 121,176</b>	<b>\$ 223,779</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 65,031</b>	<b>\$ 233,541</b>	<b>\$ 522,351</b>
<i>Higher Ed Efficiency, Effectiveness, &amp; Accountability Review</i>			\$ 23,779					
<i>Parity Funding</i>		\$ 121,176	\$ 200,000					
<b>USC Upstate</b>	<b>\$ 9,150,813</b>	<b>\$ 121,176</b>	<b>\$ 332,157</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 224,687</b>	<b>\$ 423,149</b>	<b>\$ 979,993</b>
<i>Higher Ed Efficiency, Effectiveness, &amp; Accountability Review</i>			\$ 82,157					
<i>Parity Funding</i>		\$ 121,176	\$ 250,000					
<b>Winthrop University</b>	<b>\$ 13,686,093</b>	<b>\$ 162,052</b>	<b>\$ 991,655</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 336,046</b>	<b>\$ 454,359</b>	<b>\$ 1,782,060</b>
<i>Higher Ed Efficiency, Effectiveness, &amp; Accountability Review</i>			\$ 81,917					
<i>E&amp;G operating</i>		\$ 162,052						
<i>Visual &amp; Performing Arts Center Accreditation/ADA Access</i>			\$ 750,000					
<i>Withers/WTS Building - Maintenance &amp; Repair</i>			\$ 159,738					

continued

**Summary of FY 2014-15 Higher Education Appropriations**

	FY 2014-15 Beginning Base, Part 1A Recurring	Change: FY 2014-15 Increases/Decreases and Non-recurring (one-time) Appropriations						
		Part 1A Recurring	Non-recurring Items and Lottery					SUBTOTAL Non- recurring Items and Lottery
			Non-recurring Proviso 118.16	EIA-Funds	Capital Reserve Fund (H.4702)	SC Lottery: Critical Equipment Repair & Replacement <sup>(2)</sup>	SC Lottery: Other Higher Education/ Institutional E&G <sup>(3)</sup>	
<b>USC Lancaster</b>	\$ 1,558,654	\$ 48,066	\$ 643,720	\$ -	\$ -	\$ 38,271	\$ 84,234	\$ 766,225
Parity Funding		\$ 48,066	\$ 148,720					
Repair & Renewal for Science Labs and Nursing Simulation			\$ 495,000					
<b>USC Salkehatchie</b>	\$ 1,323,602	\$ 30,377	\$ 118,720	\$ -	\$ -	\$ 32,499	\$ 84,234	\$ 235,453
Parity Funding		\$ 30,377	\$ 118,720					
<b>USC Sumter</b>	\$ 2,479,720	\$ 150,000	\$ -	\$ -	\$ -	\$ 60,887	\$ 84,234	\$ 145,121
Parity Funding		\$ 150,000						
<b>USC Union</b>	\$ 609,132	\$ 28,363	\$ 59,360	\$ -	\$ -	\$ 14,957	\$ 84,234	\$ 158,551
Parity Funding		\$ 28,363	\$ 59,360					
<b>State Board for Technical College Education (SBTCE)</b>	\$ 121,209,884	\$ 2,500,000	\$ 14,703,013	\$ -	\$ 16,093,487	\$ 2,000,000	\$ 3,581,312	\$ 36,377,812
CATT Program / readySC					\$ 5,438,000			
Technical Colleges - E&G STEM Programs		\$ 2,500,000						
Estimated Lottery Technology for Technical Colleges								
Critical Wkfc Initiative - Pilot for Central Carolina & Tri-County			\$ 2,000,000					
Aiken Tech - Renovation IT Infrastructure			\$ 608,500					
Central Carolina Tech - Kershaw Campus			\$ 844,513		\$ 655,487			
Central Carolina Tech - Industrial Building Renovation			\$ 750,000					
Florence-Darlington Tech - Automotive Tech Programs Equipment			\$ 1,750,000					
Horry-Georgetown Tech - Culinary Arts Program			\$ 1,750,000					
Midlands Tech - Quick Jobs			\$ 750,000					
Midlands Tech - Building Capacity for STEM Education			\$ 750,000					
Orangeburg-Calhoun Tech - Health Sciences & Nursing Bldg Annex			\$ 1,000,000					
Spartanburg Comm Coll - Academic Student Svces Bldg			\$ 750,000					
Spartanburg Comm Coll - Cherokee Campus Adv Manuf/Industrial Equip			\$ 500,000					
Tech Coll of the Lowcountry- Transitioning Military Support & Training			\$ 1,500,000					
Tri-County Tech - CNC & Mechatronics Program			\$ 1,000,000					
Trident Tech - Aerospace					\$ 10,000,000			
Williamsburg Tech - Facilities Management Bldg			\$ 750,000					
<b>*(1) Higher Education Total</b>	\$ 598,747,607	\$ (2,839,341)	\$ 35,791,101	\$ 250,000	\$ 16,093,487	\$ 10,351,129	\$ 279,235,774	\$ 341,721,491
<b>Subtotals</b>								
<b>Colleges and Universities</b>								
Research	\$ 233,589,561	\$ 3,300,000	\$ 6,658,141	\$ -	\$ -	\$ 5,735,512	\$ -	\$ 12,393,653
4-Yr Comprehensive	\$ 100,554,800	\$ 1,843,648	\$ 10,283,147	\$ -	\$ -	\$ 2,469,003	\$ 7,246,754	\$ 19,998,904
2-yr USC Regional Branch Campuses	\$ 5,971,108	\$ 256,806	\$ 821,800	\$ -	\$ -	\$ 146,614	\$ 336,936	\$ 1,305,350
<b>Subtotal</b>	\$ 340,115,469	\$ 5,400,454	\$ 17,763,088	\$ -	\$ -	\$ 8,351,129	\$ 7,583,690	\$ 33,697,907
Technical College System (Central Office & Institutions)	\$ 121,209,884	\$ 2,500,000	\$ 14,703,013	\$ -	\$ 16,093,487	\$ 2,000,000	\$ 3,581,312	\$ 36,377,812
AHEC	\$ 9,622,989	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000
<b>Colleges &amp; Universities Total</b>	\$ 470,948,342	\$ 7,900,454	\$ 32,666,101	\$ -	\$ 16,093,487	\$ 10,351,129	\$ 11,165,002	\$ 70,275,719
<b>CHE</b>	\$ 104,167,619	\$ (10,739,795)	\$ 3,125,000	\$ 250,000	\$ -	\$ -	\$ 259,812,008	\$ 263,187,008
<b>Tuition Grants</b>	\$ 23,631,646	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,258,764	\$ 8,258,764

<sup>(1)</sup> Higher Education Total includes CHE, CHE funding that flows through CHE to institutions and other higher education entities, Tuition Grants, the State Technical College System Office, 33 public colleges and universities, and AHEC. Clemson PSA and SC State PSA are also not reflected in this report.

<sup>(2)</sup> Includes items funded through the SC Education Lottery for critical equipment repair, and replacement. Allocation of repair and replacement funds is estimated and, as in past years, provided on a pro rata basis relative to prior year appropriations for the 17 research, four-year comprehensive, and USC two-year campuses. The Technical College System Office is responsible for allocation of these funds across the 16 technical colleges. Funds are to be matched on a 1:1 basis from sources other than supplemental, capital reserve, lottery, or other non-recurring state funds appropriated in the current year or from a prior year for repair and maintenance or deferred maintenance projects. Note that the lottery funding for critical equipment, repair and maintenance is from allocations of excess lottery proceeds above \$45.5M. These funds are contingent funds dependent on final collections being fully realized and will be made available on a pro-rata basis if funding is not sufficient.

<sup>(3)</sup> Includes all other higher education funding from certified or known surplus lottery funds. Items included above certified unclaimed prize funds (i.e., excess unclaimed prize funds) are not reflected. CHE items include Palmetto Fellows, LIFE, HOPE, Lottery Tuition Assistance, Need-based Grants, SC National Guard College Assistance Program, Higher Education Excellence Enhancement Program (all participants except SC State which is included below) and funds to flow through to three private institutions. Institutional items include lottery technology and SC State allocations. Lottery Technology funds included here for four-year and two-year institutions are estimated for each institution and pending updated enrollment data. A portion (\$1.4M) of the total lottery technology funding is from excess lottery proceeds above \$45.5M and is contingent on final collections being realized. If funds are not sufficient, the allocations will be pro-rata based on available funding. SC State includes an institution appropriation and HEEEP funds in addition to estimated lottery technology funds.

<sup>†</sup> Scholarships are fully funded in FY 2014-15 for anticipated growth through General and Lottery Funds and anticipated prior year program carry forward.

\* Corrected, 8/28/2014. Higher Education Total initially displayed totals that duplicated appropriations due to formula error.

Report as of 7/1/2014. Governor's vetoes issued 6/11 as considered by the House and Senate on 6/17&18 are taken into account.

# SC Education Lottery, Summary of Allocations per FY 2014-15 Appropriations Act, Part 1B Proviso 3.5

## FY 2014-15 SC Education Lottery Appropriations

### Higher Education

Palmetto Fellows	\$37,648,288	
LIFE	\$140,824,027	
<sup>1</sup> +FY14 estimated lottery surplus: Summer Eligibility	\$1,718,902	
HOPE	\$8,476,245	
Lottery Tuition Assistance	\$47,400,000	
<sup>3</sup> + certified Unclaimed Prize Funds	\$1,700,000	
CHE Need-based Tuition Grants	\$13,000,000	
National Guard Tuition Prgm	\$8,258,764	
SC State	\$4,545,000	
Higher Education Excellence Enhancement (certified Uncl Prize)	\$2,500,000	
<sup>3</sup> + certified Unclaimed Prize Funds	\$1,028,053	
<sup>2</sup> + excess FY14 lottery surplus above \$45,470,643	\$2,950,000	
Technology - 2-& 4-yr Public	\$650,000	
<sup>1</sup> +FY14 estimated lottery surplus	\$1,127,825	
<sup>2</sup> +excess FY14 lottery surplus above \$45,470,643	\$5,558,670	
	\$1,400,000	
<b>Other HE Items (appropriated through CHE) from excess FY14 lottery surplus above \$45,470,643</b>		
<sup>2</sup> Public 4-yr, 2-yr branches, technical colleges - Critical Equipment Repair & Replacement	\$150,000	\$10,351,128
<sup>2</sup> Nonprofit 4-year institution of higher learning founded in 1956, is a member of ASCI, whose campus has been continuously situated in the same location since 1961 (Southern Methodist College): Maintenance and improvement in classroom, library, laboratory, or other institutional facilities.	\$150,000	
<sup>2</sup> Nonprofit bachelors level instituion of higher learning, established in 1894, is a member of TRACS, with 60% or more low-income students (Clinton College): Maintenance & improvement in classroom, library, laboratory, or other institutional facilities.	\$150,000	
<sup>2</sup> Non-profit 4-year comprehensive institution of higher learning, first established as a college in 1908, is SACS accredited, with 40% or more minority enrollment (Coker College): Maintenance and improvement in classroom, library, laboratory or other institutional facilities.	\$150,000	
<b>Subtotal Higher Education (includes excess FY14 surplus items)</b>	<b>\$289,586,902</b>	<b>80.1%</b>
<b>K-12 and Other Entities</b>		
K-5 Reading, Math, & Social Studies Program	\$24,591,798	
<sup>3</sup> + certified Unclaimed Prize Funds	\$2,300,000	
<sup>2</sup> +excess FY14 lottery surplus above \$45,470,643	\$1,000,000	
6-8 Reading, Math, & Social Studies Program	\$2,000,000	
School for Deaf & Blind, Technology	\$200,000	
<sup>1</sup> SDE, K-12 Technology Initiative (FY14 estimated lottery surplus)	\$29,288,976	
<sup>1</sup> SDE, Instructional Material (FY14 estimated lottery surplus)	\$3,904,095	
<sup>1</sup> SDE, Digital Instructional Materials (FY14 estimated lottery surplus)	\$5,000,000	
SDE, New School Buses		
<sup>3</sup> + certified Unclaimed Prize Funds	\$1,000,000	
<sup>2</sup> + excess FY14 above \$45,470,643	\$2,571,519	
<sup>3</sup> DAODAS, Gambling Addiction Svces (certified Unclaimed Prize Funds)	\$50,000	
<b>Subtotal K-12 and other entities (includes excess FY14 surplus items)</b>	<b>\$71,906,388</b>	<b>19.9%</b>
<b>TOTAL HE &amp; K-12 (includes excess FY14 surplus items)</b>	<b>\$361,493,290</b>	<b>100.0%</b>

Unless otherwise denoted (by footnotes 1-3), appropriations from Certified FY 2014-15 Lottery Proceeds

<sup>1</sup> Total estimated FY 2013-14 Surplus Lottery Proceeds	\$45,470,643
<sup>2</sup> Total excess FY 2013-14 Surplus above \$45,470, 643. These are contingent funds dependent on the final lottery collections being realized. If insufficient funds are realized, the items funded with excess surplus will be funded with the available funding on a pro-rata basis.	\$16,422,647
<sup>3</sup> Total Certified Unclaimed Prize Funds	\$8,000,000

### Excess Unclaimed Prize Funds above Certified \$8 million (in priority order) <sup>4</sup>:

PASCAL	\$1,500,000
SDE, New School Buses	\$1,000,000
SDE, Instructional Materials	\$3,000,000
State Library - Aid to County Libraries	\$2,000,000
Technology - 2-& 4-yr Public	\$5,335,897
Higher Education Excellence Enhancement Program (HEEEP)	\$1,000,000
Technical Board Allied Health	\$4,000,000
CHE, Critical Needs Nursing	\$1,000,000
Any Balance to LIFE, HOPE, and Palmetto Fellows	balance if any

<sup>4</sup> NOTE - Based on an average year, it would not be anticipated that excess unclaimed prize funds would be available for items below the first 3-4 items. In FY14, approximately \$14.3 million was realized as of a June 30 report. The average excess unclaimed prize funds realized over the past 3 years is \$13.5 million.