

# South Carolina Commission on Higher Education

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Dr. Richard C. Sutton  
Executive Director

October 8, 2014

The Honorable Nikki R. Haley  
Governor, State of South Carolina

Re: CHE (H03) FY 2015-16 Budget Request

Dear Governor Haley:

I am pleased to submit the FY16 Budget Request of the South Carolina Commission on Higher Education (CHE) for your consideration. CHE understands that there will be many legitimate demands on the state's anticipated revenues next year, as our economy gradually continues to recover. CHE is advancing a robust but realistic strategic agenda of investments for the FY16 budget cycle.

The centerpiece of our budget request again this year focuses on student affordability. Although there are many ways to approach controlling the cost of higher education, the Commission has adopted a strategy of encouraging innovations in program design and delivery to make the process of earning a higher education credential as simple, seamless, and efficient as it can be. We believe that this is the most immediate and effective way to keep the net cost of a college degree within the range of SC's low- and middle-income families.

This initiative calls for a focused investment of \$3 million to support pilot programs that increase the availability of cost-effective innovations like dual enrollment, early college, flexible year-round scheduling, and other options—particularly for students in underserved areas of the state. Many of our institutions offer various opportunities of this type, but they are often localized and do not always reach the students who need them most. Research indicates that dual enrollment courses and other strategies for early academic engagement not only save students money but greatly facilitate their transition from high school to college, reduce remediation, and improve persistence.

Other components of our FY16 Budget Request include:

- \$3.5 million increase for need-based grants, continued full funding for merit-based scholarship programs, and funding for Lottery Tuition Assistance and the SC National Guard College Assistance Program;
- \$85,000 to restore an auditing function to CHE's administration of state scholarship and grant programs;
- \$95,000 to address CHE's data security needs in compliance with the state's new policy and procedural requirements;
- \$229,340 increase for our long-standing membership in the Southern Regional Education Board (SREB) and its constituent contract programs;
- \$15,000 as required by statute to fund the Governor's Professors of the Year program;
- \$40 million (at a minimum) in non-recurring funds to maintain facilities and equipment at our 33 institutions;

- \$1.5 million in recurring funds for the state’s collaborative electronic library (PASCAL), which supports knowledge resources at 53 member institutions, both public and private;
- A request for a new proviso to simplify the drawdown of SmartState funds;
- Several technical adjustments and proviso changes dealing with spending authorizations and other procedural adjustments.

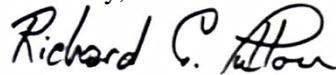
CHE continues to support strongly the imperative to recover lost ground in the state’s higher education investment. You have heard many entreaties from CHE, the institutions, and the business community about the declining status of higher education funding. The data are clear, and these concerns are valid.

- Higher education funding for public colleges and universities (inclusive of state-supported financial aid) has declined since FY01 from 16% to 11% of the state’s budget.
- Our public colleges and universities lost nearly 50% of their institutional educational and general (E&G) operating budgets from the state during the recent recession and in FY15 remain about 40% below the pre-recession level.

We urge you and the General Assembly to reassert higher education as a state priority and begin working over the next several years to restore core support for public institutions. Progressively increasing support as our economy recovers will mitigate the tuition and fee burden on students and their families.

Ultimately we must find a new, sustainable process to fund higher education that reflects the changing realities of a global academic landscape. We need a true compact among all stakeholders—governments, the colleges and universities, business partners, business leaders, donors, students, faculty, and families—to take shared responsibility for our higher education enterprise. I look forward to working with you and others to build a stronger and brighter tomorrow for all South Carolinians.

Sincerely,



Richard C. Sutton, Ph.D.  
Executive Director

Enclosures

cc: Chairman John L. Finan and Members of the SC Commission on Higher Education  
The Honorable Hugh Leatherman, Chairman, Senate Finance Committee  
The Honorable Brian White, Chairman, House Ways and Means Committee  
Ms. Brenda Hart, Director, Executive Budget Office  
Presidents, Chancellors, and Deans of SC’s 33 Public Colleges and Universities  
Dr. James Williamson, Executive Director, State Board for Technical &  
Comprehensive Education  
Ms. Julie Carullo, CHE Deputy Director and Director of External Affairs  
Mr. Gary Glenn, CHE Director of Fiscal Affairs

Transmitted to: Ms. Bonnie Anderson, Executive Budget Office, 1205 Pendleton Street, Suite 529, Columbia, SC 29201 and by email to [banderson@budget.sc.gov](mailto:banderson@budget.sc.gov)

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>



## Fiscal Year 2015-16 Agency Budget Plan

### FORM A – SUMMARY

<b>RECURRING FUNDS (FORM B DECISION PACKAGES)</b>	<p><b>My agency is submitting the following recurring decision packages (Form B):</b></p> <p>3236: Program Auditor, Scholarship Compliance  5091: Data Security Initiatives  3257: Innovations in Student Affordability  5094: Need-Based Grants - (Program Increase)  5097: SREB Program and Assessments  5100: Statewide Electronic Library - (State Funds)  3245: Governor’s Professor of the Year  3214: College Goal Sunday  5048: Need-based Grants - (Other Funds Correction)  3233: Statewide Electronic Library - (Other Funds Adjustment)  3224: College Access Challenge Grant  3217: College Transition Connection  5103: Pay Plan &amp; Health Insurance Allocation</p> <p><b>For FY 2015-16, my agency is (mark “X”):</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%; text-align: center;"><input checked="" type="checkbox"/></td> <td>Requesting a net increase in recurring General Fund appropriations.</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td>Not requesting a net increase in recurring General Fund Appropriations.</td> </tr> </table>	<input checked="" type="checkbox"/>	Requesting a net increase in recurring General Fund appropriations.	<input type="checkbox"/>	Not requesting a net increase in recurring General Fund Appropriations.		
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<b>CAPITAL &amp; NON-RECURRING FUNDS (FORM C DECISION PACKAGES)</b>	<p><b>My agency is submitting the following one-time decision packages (Form C):</b></p> <p>3254: Maintenance, Equipment &amp; Other Facilities Needs</p> <p><b>For FY 2015-16, my agency is (mark “X”):</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%; text-align: center;"><input checked="" type="checkbox"/></td> <td>Requesting capital and/or non-recurring funds.</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td>Not requesting capital and/or non-recurring funds.</td> </tr> </table>	<input checked="" type="checkbox"/>	Requesting capital and/or non-recurring funds.	<input type="checkbox"/>	Not requesting capital and/or non-recurring funds.		
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<b>PROVISOS</b>	<p><b>For FY 2015-16, my agency is (mark “X”):</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%; text-align: center;"><input checked="" type="checkbox"/></td> <td>Requesting a new proviso and/or substantive changes to existing provisos.</td> </tr> <tr> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td>Only requesting technical proviso changes (such as date references).</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td>Not requesting any proviso changes.</td> </tr> </table>	<input checked="" type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.	<input checked="" type="checkbox"/>	Only requesting technical proviso changes (such as date references).	<input type="checkbox"/>	Not requesting any proviso changes.
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<input type="checkbox"/>	Not requesting any proviso changes.						

Please identify your agency’s preferred contacts for this year’s budget process.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
<b>PRIMARY CONTACT:</b>	Julie Carullo	803-737-2292	jcarullo@che.sc.gov
<b>SECONDARY CONTACT:</b>	Gary Glenn	803-737-2155	gglenn@che.sc.gov

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

I have reviewed and approved the enclosed FY 2015-16 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	<u><i>Agency Director</i></u>	<u><i>Board or Commission Chair</i></u>
<b>SIGN/DATE:</b>		
<b>TYPE/PRINT NAME:</b>	Richard C. Sutton, PhD	Brig General John L. Finan, USAF (Ret.)

*This form must be signed by the department head – not a delegate.*

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<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

**FORM B – PROGRAM REVISION REQUEST**

<b>DECISION PACKAGE</b>	<b>3236</b> <i>Provide the decision package number issued by the PBF system (“Governor’s Request”).</i>																				
<b>TITLE</b>	<b>I. Administration Personal Service – Classified Positions Program Auditor - Scholarship Compliance</b> <i>Provide a brief, descriptive title for this request.</i>																				
<b>AMOUNT</b>	<b>\$85,000</b> <i>What is the net change in requested appropriations for FY 2015-16? This amount should correspond to the decision package’s total in PBF across all funding sources.</i>																				
<b>ENABLING AUTHORITY</b>	CHE carries out this program under its authorizing legislation (§59-103-5 <i>et seq</i> ) and statutory responsibilities for oversight in administering state higher education scholarship and grant programs funded through CHE. <i>What state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority?</i>																				
<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<p><b>Mark “X” for all that apply:</b></p> <table border="1"> <tr><td><input type="checkbox"/></td><td>(Base Adjustment) Allocation of statewide employee benefits.</td></tr> <tr><td><input type="checkbox"/></td><td>(Base Adjustment) Realignment within existing programs and lines.</td></tr> <tr><td><input type="checkbox"/></td><td>(Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i></td></tr> <tr><td><input type="checkbox"/></td><td>Change in cost of providing current services to existing program audience.</td></tr> <tr><td><input type="checkbox"/></td><td>Change in case load / enrollment under existing program guidelines.</td></tr> <tr><td><input type="checkbox"/></td><td>Non-mandated change in eligibility / enrollment for existing program.</td></tr> <tr><td><input checked="" type="checkbox"/></td><td>Non-mandated program change in service levels or areas.</td></tr> <tr><td><input type="checkbox"/></td><td>Proposed establishment of a new program or initiative.</td></tr> <tr><td><input type="checkbox"/></td><td>Loss of federal or other external financial support for existing program.</td></tr> <tr><td><input checked="" type="checkbox"/></td><td>Exhaustion of fund balances previously used to support program.</td></tr> </table>	<input type="checkbox"/>	(Base Adjustment) Allocation of statewide employee benefits.	<input type="checkbox"/>	(Base Adjustment) Realignment within existing programs and lines.	<input type="checkbox"/>	(Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i>	<input type="checkbox"/>	Change in cost of providing current services to existing program audience.	<input type="checkbox"/>	Change in case load / enrollment under existing program guidelines.	<input type="checkbox"/>	Non-mandated change in eligibility / enrollment for existing program.	<input checked="" type="checkbox"/>	Non-mandated program change in service levels or areas.	<input type="checkbox"/>	Proposed establishment of a new program or initiative.	<input type="checkbox"/>	Loss of federal or other external financial support for existing program.	<input checked="" type="checkbox"/>	Exhaustion of fund balances previously used to support program.
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<b>RECIPIENTS OF FUNDS</b>	Requested funds will enable CHE to fill a vacant administrative FTE position in order to improve oversight of funds that flow through CHE for purposes of student financial aid. <i>What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?</i>																				
<b>RELATED REQUEST(S)</b>	CHE supports the continued funding of necessary increases for the state’s merit-based scholarships (Palmetto Fellows, LIFE, and HOPE) to meet increased demand and continued funding for Lottery Tuition Assistance and the SC National Guard College Assistance Program. In addition, CHE supports increased need-based aid and has included a decision package, 3242, requesting increased funding for Need-Based. The request supports these programs by implementing a best management practice in providing for routine audits to ensure funds are appropriately disbursed to eligible students.																				

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<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

*Is this decision package associated with other decision packages requested by your agency or other agencies this year? Is it associated with a specific capital or non-recurring request?*

<b>MATCHING FUNDS</b>	N/A
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*Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.*

<b>FUNDING ALTERNATIVES</b>	<p>CHE has requested recurring funds to provide for the requested audit position. CHE finds that an alternative source, lottery funds, could be used instead of General Funds in filling this request. Each year since FY 2005-06 in the lottery funding expenditure proviso (3.5 in FY 2014-15), CHE has been provided authorization to use up to \$260,000 in funds appropriated through the lottery for LIFE, HOPE, and Palmetto Fellows scholarships to provide the necessary level of program support for the scholarship award process. CHE currently uses its existing capacity to support program management and the requested funds, if not funded in General Funds, could alternatively be met by increasing the capacity from \$260,000 by the requested \$85,000 to a total of \$345,000.</p>
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*What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.*

<b>SUMMARY</b>	<p>CHE requests funds to fill a vacant staff position to support the administration of state-funded scholarship and grant programs. The requested funds will be used to support a program auditor charged with auditing the state-funded scholarship and grant programs under CHE's purview to ensure that students receiving such awards meet all eligibility requirements. SC provides over \$374 million as of FY 2014-15 to students each year in financial aid through state's scholarship and grant programs. Of these funds, approximately \$300 million flows through CHE to the institutions for the recipients at eligible public and independent institutions. Routine auditing is a best practice and requested funds will re-establish the audit function that CHE was not able to continue due to budget cuts experienced during the Great Recession.</p>
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*Provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.*

<b>METHOD OF CALCULATION</b>	<p>The requested funds include \$60,000 for a classified position, \$7,000 in other operating costs in support of the position, and \$18,000 in employer contributions.</p>
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*How was the amount of the request calculated? What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?*

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

**FUTURE IMPACT**

Re-establishing the routine auditing of the scholarship and grant programs is a best management practice to ensure program integrity in the award and disbursement of state funds for student financial aid. The state will not incur any maintenance of effort or other obligations by adopting this decision package.

*Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?*

**PRIORITIZATION**

The first priority in CHE’s 2014-15 strategic agenda is to strengthen monitoring of academic programs and student services. This decision package is directly tied to that goal. However, CHE cannot achieve the desired outcomes without new resources. If new funds are not made available, CHE will continue its current level of program management, which includes periodic training of institutional staff on scholarship award guidelines but does not include the impact of a strong auditing function.

*If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2015-16?*

**INTENDED IMPACT**

Re-establishment of this audit function will help ensure that institutions are properly and consistently following guidelines and regulations for the award of state scholarships and student aid grants. Without regular auditing there is a natural tendency for disparities to develop among institutions over time that produce unintended consequences. This may result in students being improperly advantaged or disadvantaged in the issuance of these valuable student aid awards. Restoring CHE’s auditing capacity will minimize these discrepancies and help ensure equitable treatment for all SC students.

*What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?*

**PROGRAM EVALUATION**

CHE will annually review its audit findings to calculate the net financial impact of the program on scholarship and grant funds. CHE will calculate the direct effect on the particular institutions audited each year, as well as the estimated additional savings generated through the sharing of proper procedures among all institutions.

*How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?*

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<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

**FORM B – PROGRAM REVISION REQUEST**

<b>DECISION PACKAGE</b>	<b>5091</b>
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*Provide the decision package number issued by the PBF system (“Governor’s Request”).*

<b>TITLE</b>	<b>I. Administration Other Personal Services and Other Operating Data Security Initiatives</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>\$95,000</b>
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*What is the net change in requested appropriations for FY 2015-16? This amount should correspond to the decision package’s total in PBF across all funding sources.*

<b>ENABLING AUTHORITY</b>	CHE carries out this program under its authorizing legislation (§59-103-5 <i>et seq</i> ) and responsibilities in maintaining data integrity and security for the agency, programs managed and the state’s higher education data system.
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*What state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority?*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark “X” for all that apply:</b>
	<input type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.
	<input type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.
	<input type="checkbox"/> (Base Adjustment) Restructuring of agency programs – <i>requires pre-approval</i> .
	<input checked="" type="checkbox"/> Change in cost of providing current services to existing program audience.
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	<input type="checkbox"/> Non-mandated change in eligibility / enrollment for existing program.
	<input type="checkbox"/> Non-mandated program change in service levels or areas.
	<input type="checkbox"/> Proposed establishment of a new program or initiative.
	<input type="checkbox"/> Loss of federal or other external financial support for existing program.
<input type="checkbox"/> Exhaustion of fund balances previously used to support program.	

<b>RECIPIENTS OF FUNDS</b>	CHE will use funds to provide for contracted staff and support needed licenses, maintenance, and procurement of security-based hardware and software to meet the implementation timeframe for the thirteen security policies.
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*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

<b>RELATED REQUEST(S)</b>	N/A
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*Is this decision package associated with other decision packages requested by your agency or other agencies this year? Is it associated with a specific capital or non-recurring request?*

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<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

<b>MATCHING FUNDS</b>	N/A
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*Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.*

<b>FUNDING ALTERNATIVES</b>	There is not an identified alternative to meet cost increases in providing for data security.
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*What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.*

<b>SUMMARY</b>	CHE is seeking additional funds to support its data security program and initiatives to comply with State mandates regarding IT security. The request is to add \$30,000 for Other Personal Services for contracted staff to facilitate efforts to ensure security of data. The activities performed include the maintenance, and monitoring associated with the installation of equipment and software related to data security (vulnerability management, mobile device management, asset management) and other efforts to ensure data and the network are protected. The request also includes an increase of \$65,000 to Other Operating Expense to cover licenses, maintenance, and procurement of security based hardware and software. This request will provide for the licenses associated with data security (firewalls, encryption software) as well as licenses for equipment included in the security technology plan (Mobile Device Management, Asset Management, Vulnerability Management and Penetration testing).
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*Provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.*

<b>METHOD OF CALCULATION</b>	Estimated costs for additional contracted personnel support and for software and hardware licenses and equipment needs based on beginning assessments of agency budget and compliance with the state's newly developed data security policies.
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*How was the amount of the request calculated? What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?*

<b>FUTURE IMPACT</b>	Compliance with data security initiatives is not optional, nor is the timeline for addressing agency needs. Additionally, the rapid change of information technology may result in future increased technology costs in meeting state mandates that are not anticipated by this request.
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*Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?*

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<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

<b>PRIORITIZATION</b>	There is not an option to defer action on this request in FY 2015-16 because of the state-mandated IT Security Implementation Policies.
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*If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2015-16?*

<b>INTENDED IMPACT</b>	By receiving the requested funds on a recurring basis, and combining those with current budgeted dollars, we anticipate fulfilling the state-mandated requirements to ensure data security.
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*What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?*

<b>PROGRAM EVALUATION</b>	State agencies are required to implement 13 IT Security Policies by July 1, 2016. Implementation of these policies and assessment of security would be used to determine the effectiveness of this program.
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*How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?*

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<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

**FORM B – PROGRAM REVISION REQUEST**

<b>DECISION PACKAGE</b>	<b>3257</b>
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*Provide the decision package number issued by the PBF system (“Governor’s Request”).*

<b>TITLE</b>	<b>III. Other Agencies and Entities, Special Items Innovations in Student Affordability</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>\$3,000,000</b>
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*What is the net change in requested appropriations for FY 2015-16? This amount should correspond to the decision package’s total in PBF across all funding sources.*

<b>ENABLING AUTHORITY</b>	CHE carries out this program under its authorizing legislation (§59-103-5 <i>et seq.</i> ). CHE is the state’s coordinating board for higher education and operates pursuant to SC Code of Laws Section 59-103-5 <i>et seq.</i> , which includes responsibilities for recommending programs and financing of higher education (Sections 59-103-60 and related 59-103-20 and 35).
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*What state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority?*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark “X” for all that apply:</b>
	<input type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.
	<input type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.
	<input type="checkbox"/> (Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i>
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	<input checked="" type="checkbox"/> Proposed establishment of a new program or initiative.
	<input type="checkbox"/> Loss of federal or other external financial support for existing program.
<input type="checkbox"/> Exhaustion of fund balances previously used to support program.	

<b>RECIPIENTS OF FUNDS</b>	Each of the 33 public colleges and universities will be eligible to apply through a competitive process for funding for new pilot projects and expansion of existing programs that focus directly on student affordability.
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*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

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<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

**RELATED REQUEST(S)** Decision Package 3769 (submitted by Winthrop University) proposes a complementary initiative that supports expanded collaboration between Winthrop and York Technical College in addressing college affordability for students in that service area.

*Is this decision package associated with other decision packages requested by your agency or other agencies this year? Is it associated with a specific capital or non-recurring request?*

**MATCHING FUNDS** As part of the competitive application process, institutions will be required to identify cash and in-kind matching resources that they will invest to ensure the success and sustainability of their projects.

*Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.*

**FUNDING ALTERNATIVES** Since we are proposing this as a pilot program, non-recurring state funds or one-time external grants could allow us to launch this initiative in FY 2015-16. That approach would require sufficient funding to support a two-year cycle, so that we would be prepared to come back with a viable prescriptive strategy for expanding dual enrollment offerings and other cost-saving program options in FY 2017-18.

*What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.*

**SUMMARY** A primary challenge facing SC students and their families is the increasing cost of attending and completing post-secondary education. CHE proposes an initiative that funds institutions for innovations in course delivery in the form of dual enrollment programs and other cost-efficient strategies to accelerate college credit completion. The requested funds will be awarded to institutions on a competitive basis. The process for award will recognize efficient and innovative delivery methods and strategies for reaching underserved areas of the state in recognition that opportunities for dual enrollment and other initiatives to accelerate college completion are not available equally across SC.

*Provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.*

**METHOD OF CALCULATION** The calculation assumes a minimum of six and a maximum of fifteen projects being funded, with awards ranging between \$200,000 and \$500,000 per project. The actual number and amounts of the awards may vary depending on the scope of proposals submitted by institutions and by the level of funds available.

*How was the amount of the request calculated? What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?*

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

<b>FUTURE IMPACT</b>	The state will not incur any maintenance of effort or other obligations by adopting this decision package.
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*Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?*

<b>PRIORITIZATION</b>	If there is less funding available than requested, the initiative can still proceed but at a reduced scale. CHE will award grants for fewer projects to fewer institutions.
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*If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2015-16?*

<b>INTENDED IMPACT</b>	<p>Innovations in course delivery, dual enrollment, and bridge programs are all strategies that can save students and their families thousands of dollars in earning college credits more efficiently and at a lower cost. By expanding access to these opportunities, particularly in underserved areas of the state, more students will be able to benefit. If just 10% of the state’s undergraduate population could save \$1,000 for each student/family through participation in one of these innovative approaches, total savings would approach \$20 million each year.</p> <p>Although the primary intended impact is on student affordability, corollary benefits will likely be seen in other performance measures such as improved graduation rates, improved scholarship retention, and other academic success indicators.</p>
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*What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?*

<b>PROGRAM EVALUATION</b>	The request for proposals for the competitive award process will specify quantitative performance metrics on which proposals will be evaluated and program success measured.
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*How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?*

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

**FORM B – PROGRAM REVISION REQUEST**

<b>DECISION PACKAGE</b>	<b>5094</b>
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*Provide the decision package number issued by the PBF system (“Governor’s Request”).*

<b>TITLE</b>	<b>X. Scholarships &amp; Assistance, Special Items Needs Based Grants</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>\$3,483,200</b>
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*What is the net change in requested appropriations for FY 2015-16? This amount should correspond to the decision package’s total in PBF across all funding sources.*

<b>ENABLING AUTHORITY</b>	SC Code of Laws Section 59-142-10 <i>et seq</i> and Regulation 62-450 – 62-505. Other relevant statutory provisions with respect to Need-based Grants include: the following pertaining to direction concerning program funds §59-143-10 <i>et seq</i> , §59-101-345 , §59-111-25 and FY15 Part 1B proviso 11.9 (CHE Need-based Grants for Foster Youth)
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*What state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority?*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark “X” for all that apply:</b>
	<input type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.
	<input type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.
	<input type="checkbox"/> (Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i>
	<input type="checkbox"/> Change in cost of providing current services to existing program audience.
	<input checked="" type="checkbox"/> Change in case load / enrollment under existing program guidelines.
	<input type="checkbox"/> Non-mandated change in eligibility / enrollment for existing program.
	<input type="checkbox"/> Non-mandated program change in service levels or areas.
	<input type="checkbox"/> Proposed establishment of a new program or initiative.
	<input type="checkbox"/> Loss of federal or other external financial support for existing program.
<input type="checkbox"/> Exhaustion of fund balances previously used to support program.	

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

<b>RECIPIENTS OF FUNDS</b>	<p>The S.C. Need-based Grant program was established in 1996 to provide financial assistance to residents who demonstrate a financial need at an eligible two- or four-year public institution. Need-based grants, which may be available to full-time students (up to a maximum of \$2,500) or part-time students (up to a maximum of \$1,250) at public institutions, are administered at the institutional level using funds allocated through CHE. To be eligible, students must be degree-seeking and enrolled in a minimum of six hours if part-time and twelve hours if full-time and must complete the Free Application for Federal Student Aid (FAFSA). Prior to 2007, available funds were allocated based on student enrollment. As a result of a statutory change, funds are now allocated to each public institution per a statutory provision that requires that funds be allocated based on a methodology that considers state resident Pell Grant recipients (a proxy for the level of need-eligible students at an institution) so that each public institution receives an amount sufficient to provide a similar level of support per state resident Pell recipient when compared to tuition and required fees. It is further provided in statute for that no institution shall receive a smaller proportion of funding than would be provided under the student enrollment methodology used in years prior to FY 2008-09.</p> <p>Per statute, a portion of the appropriated need-based grant funds are used to supplement the South Carolina Tuition Grants program which provides need-based support for students attending independent institutions. The funds are provided to the Tuition Grants program based on the independent institutions' share of headcount resident undergraduate enrollment which was 16% in the past year.</p> <p>In FY 2013-14, the average award for students enrolled in public institutions was \$1,300 with 16,198 recipients and \$21 million awarded. Independent institutions were awarded approximately \$4 million from CHE Need-based Grants to supplement SC Tuition Grants.</p>
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*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

<b>RELATED REQUEST(S)</b>	<p>Decision Package 2698 submitted by the South Carolina Tuition Grants Commission (H06) requests an increase of \$1,250,172 to raise an individual grant from \$3,000 to \$3,100. Based on the latest relevant enrollment data available, approximately 16% of CHE's request for increased funding (about \$557,312) would supplement the Tuition Grants program.</p> <p>Decision Package 3257: CHE's Innovations for Student Affordability</p> <p>Decision Package 3220 Need-based Grants. (Technical correction to correct error in other funds authorization.)</p> <p>Decision Package 3236: Scholarship and Grant Compliance</p>
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*Is this decision package associated with other decision packages requested by your agency or other agencies this year? Is it associated with a specific capital or non-recurring request?*

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

<b>MATCHING FUNDS</b>	N/A
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*Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.*

<b>FUNDING ALTERNATIVES</b>	<p>Program funds are limited to those appropriated by the General Assembly and no alternative sources are available for the program. The corpus of the funds is provided from General Funds and SC Education Lottery Funds. In FY 2013-14, a total of \$25 million was provided with \$12 million in General Funds and \$13 million in lottery funds. In FY 2014-15, a total of \$27.6 million was appropriated with \$12 million in General Funds, \$13 million in lottery funds, and \$2.6 million in non-recurring surplus funds. The additional funds received in FY 2014-15 returned the program to the level of funding provided in FY 2012-13.</p>
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*What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.*

<b>SUMMARY</b>	<p>Need-based aid is a critical element for any state seeking to enhance participation in and completion of degree programs for those with limited means. With current economic conditions and increased college costs, assistance for those students who can least afford college remains critical to improving the number of SC residents who enter and graduate college. In recent years, funding for merit-based scholarships has grown to keep pace with increased numbers of eligible students, but funding for need-based grants has not. While support of student merit-based programs is important and provides incentives for our students to enroll and succeed in South Carolina colleges and universities, this creates the appearance that the appeal of merit aid has diminished the importance attached to need-based student financial aid. As of FY 2014-15, appropriations for the state's merit programs (Palmetto Fellows, LIFE and HOPE) represent 70% of \$366.5 million dollars appropriated, whereas state need-based grant programs (SC Need-based Grants and SC Tuition Grants) represent 16% (8% and 9% respectively), and Lottery Tuition Assistance at 2-year institutions represents 13%.</p> <p>CHE and our colleges and universities received additional funding of \$2,600,000 in support of Need-based Grants from non-recurring revenue provided via FY 2014-15 Proviso 118.16. The receipt of these funds fulfilled a request to return program funding to at least the level provided in FY 2012-13. To ensure a consistent level of support for our state's neediest students, we are requesting that funds in the amount of \$2,600,000 be annualized to continue funding at the FY 2014-15 funding level. We are also requesting an additional increase of \$883,200 in light of the average increase in in-state tuition &amp; fees at public colleges in FY 2014-15 of 3.2%, bringing our total request to \$3,483,200.</p>
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*Provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.*

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

**METHOD OF CALCULATION**

The amount requested increases the current (FY 2014-15) level of funding provided by 3.2% (\$883,200). Assuming a similar level of participation as compared to FY 2013-14, increasing the funds by this amount would bring the average support per student from \$1,296 to \$1,351 at public institutions.

*How was the amount of the request calculated? What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?*

**FUTURE IMPACT**

Affordability continues to be of concern as cost of living and college tuition increases. South Carolina lags behind other states in educational attainment levels which affects our state's economic competitiveness. Increasing educational attainment in our state should be a high priority. We cannot afford to leave behind academically qualified but financially challenged students. Providing student financial aid is one mechanism for assisting students and their families in realizing educational success and a better future.

*Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?*

**PRIORITIZATION**

Providing predictable and sustained funding for Need Based Grants assists colleges in best reaching need-eligible students who enroll each year. In addition to the importance of making available much needed direct support for students, CHE, with our colleges and universities, is seeking to improve the cost of attending and completing post-secondary education through innovative initiatives that help create more efficient, effective pathways to college completion.

*If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2015-16?*

**INTENDED IMPACT**

The requested funds will help stabilize the available need-based grant program as the number of enrolled eligible students and tuition and cost of living continue to rise.

*What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?*

**PROGRAM EVALUATION**

Assuming that the related Decision Package 3236 is funded, CHE will have an auditor on staff to monitor institutional compliance with the guidelines and regulations of the need-based grants program to ensure proper and effective expenditure of awarded funds.

*How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?*

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

**FORM B – PROGRAM REVISION REQUEST**

<b>DECISION PACKAGE</b>	<b>5097</b>
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*Provide the decision package number issued by the PBF system ("Governor's Request").*

<b>TITLE</b>	<b>X. Scholarships and Assistance, Special Items SREB Contract Programs &amp; Assessments</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>\$229,340</b>
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*What is the net change in requested appropriations for FY 2015-16? This amount should correspond to the decision package's total in PBF across all funding sources.*

<b>ENABLING AUTHORITY</b>	<p>The Southern Regional Education Board (SREB) was founded in 1948 by the Governors of the member states specifically to help states share resources and improve higher education. SC has participated in SREB since its founding. Participation in SREB, which benefits K-12 and higher education, has been funded through CHE's budget.</p> <p>FY 2014-15 Provisos 11.1 (CHE: Contract for Service Program Fees) and 11.6 (CHE: SREB Funds Exempt from Budget Cut). FY 2014-15 Proviso 11.2 (CHE Out-of-State School of the Arts) concerns an SREB program in which South Carolina participates and is funded on a separate line in CHE's budget.</p>
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*What state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority?*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>
	<input type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.
	<input type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.
	<input type="checkbox"/> (Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i>
	<input checked="" type="checkbox"/> Change in cost of providing current services to existing program audience.
	<input type="checkbox"/> Change in case load / enrollment under existing program guidelines.
	<input type="checkbox"/> Non-mandated change in eligibility / enrollment for existing program.
	<input type="checkbox"/> Non-mandated program change in service levels or areas.
	<input type="checkbox"/> Proposed establishment of a new program or initiative.
	<input type="checkbox"/> Loss of federal or other external financial support for existing program.
<input type="checkbox"/> Exhaustion of fund balances previously used to support program.	

<b>RECIPIENTS OF FUNDS</b>	<p>South Carolina participates as a member state in SREB by paying member assessments to support core programs and services of SREB available to the 16 member states. Additionally, South Carolina funds participation in select programs for residents of South Carolina. The program funds predominately support our participation in higher education contract programs in veterinary medicine and optometry that offer students pursuing these degrees admission to schools in another participating state for the price of in-state tuition and fees at public institutions and for reduced tuition at private institutions. Participating states pay schools through SREB to maintain spots in their</p>
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<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

professional programs and save the expense of building and staffing these schools. Through the contract programs, SC serves 24 optometry students and 104 veterinary students each year with 16 slots in Optometry available at the Southern College of Optometry; 8 slots in Optometry available at the University of Alabama-Birmingham; 20 slots in Veterinary Medicine available at Mississippi State University; 16 slots in Veterinary Medicine available at Tuskegee University; and 68 slots in Veterinary Medicine available at the University of Georgia. Program funding is also to provide tuition assistance to South Carolina high school students attending the NC School for the Arts and to support 12 students in the Doctoral Scholars Program. As a member SREB state, South Carolina postsecondary students are afforded access to many undergraduate and graduate programs not available in South Carolina at in-state rates through SREB's Academic Common Market program. In 2013, 100 South Carolina students were certified for participation in ACM programs available through other SREB states at resident tuition rates.

*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

**RELATED REQUEST(S)** N/A

*Is this decision package associated with other decision packages requested by your agency or other agencies this year? Is it associated with a specific capital or non-recurring request?*

**MATCHING FUNDS** N/A

*Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.*

**FUNDING ALTERNATIVES** An alternative funding source is not available for participation. As described below, program carry forward funds, if any, are already factored into the program funding requests each year.

*What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.*

**SUMMARY** The increase requested is primarily due to an increase in the SREB Contract Program by 5% (\$266,950) to cover the cost of the state's reserved places for SC students to participate at in-state rates in veterinary and optometry programs not otherwise available in SC. Demand for this program remains high and the slots remain full with the exception of occasional student stop-outs which may occur during the year. In FY 2014-15, all slots were filled except for 2 slots in optometry (one at Southern College of Optometry and one at University of Alabama Birmingham). Carry forward funds result if all available SC contract seats are not filled. Any funds remaining due to seats not being filled are carried over per proviso and are used in the following year for the same purpose. The requested increase of \$229,340 for FY 2015-16 supports SREB programs and assessments at current participation levels, assumes all contract seats are filled, and factors in estimated carry forward from any contract seats not filled in FY 2014-15.

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

*Provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.*

<b>METHOD OF CALCULATION</b>	Increase SREB Contract Program by 5% (\$266,950) to cover increase cost of the state's reserved slots for SC students to participate at in-state rates in veterinary and optometry programs not otherwise available in SC and factoring estimated carry forward from FY 2014-15 for a net increase of \$229,300. Details regarding the program costs are further outlined in the SREB information sheet attached in SCEIS.
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*How was the amount of the request calculated? What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?*

<b>FUTURE IMPACT</b>	This is an on-going program vital to accessibility to optometry and veterinary education for SC students. Fees are set by SREB and include annual rate increases for students in the contract programs. The increase for FY 2015-16 was 5% over FY 2014-15 levels. There are no maintenance-of-effort or future capital obligations if this request is or is not honored. The agency has requested state recurring funds to meet the need to fully fund the program at existing levels.
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*Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?*

<b>PRIORITIZATION</b>	Participation in SREB is required to access the programs and thus the general assessment could not be reduced. If the requested increase in funds is not made available, difficult choices would be necessary that would directly impact SC residents who are participating in or entering the contract and doctoral scholars programs currently available. Contract programs slots are a priority in providing access to expensive professional programs without having to support the necessary program infrastructure. The state has participated in the veterinary medicine program since 1958 and since 1973 for optometry. While it would be possible to reduce the number of contract program slots, access may not be recovered if such an approach were taken. Alternatively, the doctoral scholar program participation could be reduced. However, doing so would be disruptive to the participating graduate students who may not be able to attend without the support of the SREB program.
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*If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2015-16?*

<b>INTENDED IMPACT</b>	The funding requested will maintain access to SREB programs and services at the long established current levels of participation.
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*What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?*

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

<b>PROGRAM EVALUATION</b>	<p>SC decision makers benefit from access to SREB resources and support in K-12 and higher education policy analysis and other programs that would not otherwise be available. Program enrollment and continuation to successful student completion in the available contract program and doctoral funded slots is maintained.</p>
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*How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?*

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

**FORM B – PROGRAM REVISION REQUEST**

<b>DECISION PACKAGE</b>	<b>5100</b>
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*Provide the decision package number issued by the PBF system (“Governor’s Request”).*

<b>TITLE</b>	<b>III. Other Agencies &amp; Entities, Special Items State Electronic Library</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>\$1,500,000</b> <i>(Request to continue funding but with recurring funds)</i>
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*What is the net change in requested appropriations for FY 2015-16? This amount should correspond to the decision package’s total in PBF across all funding sources.*

<b>ENABLING AUTHORITY</b>	In carrying out its mission pursuant to SC Code of Laws §59-103-5 <i>et seq.</i> , CHE working in collaboration with the colleges and universities, launched the statewide higher education library in 2004 to provide for the cooperative sharing of physical and electronic resources among the state’s public and independent colleges and universities.
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*What state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority?*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark “X” for all that apply:</b>
	<input type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.
	<input type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.
	<input type="checkbox"/> (Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i>
	<input type="checkbox"/> Change in cost of providing current services to existing program audience.
	<input type="checkbox"/> Change in case load / enrollment under existing program guidelines.
	<input type="checkbox"/> Non-mandated change in eligibility / enrollment for existing program.
	<input type="checkbox"/> Non-mandated program change in service levels or areas.
	<input type="checkbox"/> Proposed establishment of a new program or initiative.
<input type="checkbox"/> Loss of federal or other external financial support for existing program.	
<input checked="" type="checkbox"/> Exhaustion of fund balances previously used to support program.	

<b>RECIPIENTS OF FUNDS</b>	The State Electronic Library, PASCAL, is a consortium of South Carolina’s higher education academic libraries together with their parent institutions and state agency partners. PASCAL provides timely and universal access to information resources and library services through creative use of technology, central licensing, and collaborative action in order to support a highly productive knowledge environment for the over 300,000 students, faculty and staff across the 53 member institutions of higher learning in South Carolina. Funds are used in support of joint procurement of electronic and shared library resources.
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*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

<b>RELATED REQUEST(S)</b>	Decision package 3233: CHE Statewide Electronic Library. This package requests a net decrease of \$500,000 authorization in other funds.
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*Is this decision package associated with other decision packages requested by your agency or other agencies this year? Is it associated with a specific capital or non-recurring request?*

<b>MATCHING FUNDS</b>	The requested funds are not matched and will not obligate the state to any federal or other matching requirements.
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*Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.*

<b>FUNDING ALTERNATIVES</b>	<p>From FY 2004-05 through FY 2007-08 PASCAL received a non-recurring appropriation of \$2 million each year. In FY 2008-09 the one-time funding was not available and a \$200,000 recurring appropriation (subsequently reduced to \$164, 289) was provided. Since FY 2010-11, PASCAL has been included at \$1.5 million on a priority list for available funds from SC Education Lottery unclaimed prize monies. Funds from this source were not realized in FY 2010-11. Only a portion was realized in FY 2011-12 and FY 2012-13, \$1,253,581 and \$36,933, respectively. In FY 2013-14, PASCAL was again listed in the priority list of unclaimed prize funds and was notified at year-end of the availability of the funding in its entirety. State resources provided in support of PASCAL have been one-time and in the past several years subject to the availability of certain lottery revenues. If recurring state funds are not available in sufficient quantity to fully support this request, we would ask that non-recurring funds be used to maintain and supplement the program, as has been done in past years.</p>
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*What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.*

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

<b>SUMMARY</b>	<p>The State Electronic Library was initially funded by the General Assembly in FY 2004-05 with an appropriation of \$2 million from S.C. Education Lottery revenues. Now known as the Partnership Among South Carolina Academic Libraries (PASCAL), the electronic library is a government best practice that enables our colleges and universities through their libraries to leverage their collective purchasing power to reduce costs and avoid unnecessary duplication in acquiring academic resources for the benefit of over 300,000 students and faculty served by our higher education libraries.</p> <p>Developing the collections of our higher education libraries at a statewide level transforms the resources into a powerful component in the state’s knowledge infrastructure, supporting research learning and economic development. Collaboration among our state’s colleges (Public/Private, Two-Year/Four Year) is promoted and duplicated expenditures are avoided. Central licensing of essential academic research content is an effective way to equalize access to new resources statewide and level the playing field for smaller higher education institutions, while helping large institutions fill academic research content gaps by expanding access in core areas. The request for continued core support from the state from a more reliable funding source is critical to the continued success of PASCAL. Recurring funds will enable PASCAL project staff, working together with the colleges and universities, to predict better program funding each year which will lead to improved planning for the sharing of physical resources and most importantly provide a better vantage point from which to negotiate the best contracts and rates in procuring electronic academic resources for South Carolina.</p>
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*Provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency’s security or technology plan.*

<b>METHOD OF CALCULATION</b>	<p>The amount of funding requested maintains past year appropriations from one-time sources but requests that they be supplied from a more stable revenue source.</p>
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*How was the amount of the request calculated? What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?*

<b>FUTURE IMPACT</b>	<p>PASCAL is a higher education best practice leveraging consortia buying power in support of the state’s knowledge infrastructure to support research, learning, and economic development. Moving the state appropriations to a recurring source will allow PASCAL and its member institutions to leverage these funds in a way that will provide long-term access to core resources, creating greater efficiencies in procuring needed academic library resources.</p>
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*Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?*

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

<b>PRIORITIZATION</b>	<p>To the extent state funds are not supported, it will necessitate member institutions to re-evaluate planned programming, potentially deferring additional cost saving acquisitions which may result in lost accessibility and/or higher costs in the future.</p> <p>If recurring state funds are not available in sufficient quantity to fully support this request, we would ask that non-recurring funds be used to maintain and supplement the program, as has been done in past years.</p>
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*If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2015-16?*

<b>INTENDED IMPACT</b>	<p>Access to reliable funding will allow PASCAL and its member institutions to leverage better their group purchasing power in seeking shared resources that would be more costly if procured separately by each individual institution.</p>
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*What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?*

<b>PROGRAM EVALUATION</b>	<p>Program evaluation for licensed or purchased content is evaluated on the basis of cost-avoidance and cost-effectiveness. Cost-avoidance is based on the costs that would have been paid had each institution licensed or purchased material separately. Cost-effectiveness is a measure of value based on the use-per resource by students, faculty and staff at member institutions. Information Delivery services are evaluated using similar metrics.</p> <p>Historically, each dollar spent centrally on electronic resources returned \$6 – \$8 dollars in value when compared to single library licensing of the same materials. Over 5 years, \$6.2 million invested returned \$49 million worth of material. Licensing fees for most of these electronic research sources are on an annual basis, requiring continued funding to sustain benefits. The benefits of cost-effective collection sharing through rapid delivery are comparable.</p>
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*How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?*

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

**FORM B – PROGRAM REVISION REQUEST**

<b>DECISION PACKAGE</b>	<b>3245</b>
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*Provide the decision package number issued by the PBF system (“Governor’s Request”).*

<b>TITLE</b>	<b>VIII. CHE Grant &amp; Other Higher Education Collaborations, Special Items Professor of the Year</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>\$15,000</b>
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*What is the net change in requested appropriations for FY 2015-16? This amount should correspond to the decision package’s total in PBF across all funding sources.*

<b>ENABLING AUTHORITY</b>	SC Code of Laws, as amended, Section 59-104-220 provides for the Governor's Office in conjunction with the Commission on Higher Education to select two Professors of the Year, one chosen from the public and independent 4-yr sector and one from the 2-year sector. The legislation requires an award of \$5,000 for each of the two Professors of the Year and allows the option of an award of \$500 each for up to ten finalists. It also calls for the awards to be presented at an appropriate ceremony.
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*What state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority?*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark “X” for all that apply:</b>
	<input type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.
	<input type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.
	<input type="checkbox"/> (Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i>
	<input type="checkbox"/> Change in cost of providing current services to existing program audience.
	<input type="checkbox"/> Change in case load / enrollment under existing program guidelines.
	<input type="checkbox"/> Non-mandated change in eligibility / enrollment for existing program.
	<input type="checkbox"/> Non-mandated program change in service levels or areas.
	<input type="checkbox"/> Proposed establishment of a new program or initiative.
	<input type="checkbox"/> Loss of federal or other external financial support for existing program.
<input checked="" type="checkbox"/> Exhaustion of fund balances previously used to support program.	

<b>RECIPIENTS OF FUNDS</b>	The requested funds provide for an award of \$5,000 s as required under statute to each of two Governor’s Professors of the Year in recognition of teaching excellence. In addition, up to ten finalists could be recognized and receive awards of \$500 each.
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*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

<b>RELATED REQUEST(S)</b>	N/A
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*Is this decision package associated with other decision packages requested by your agency or other agencies this year? Is it associated with a specific capital or non-recurring request?*

<b>MATCHING FUNDS</b>	N/A
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*Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.*

<b>FUNDING ALTERNATIVES</b>	Funding for the program was lost in FY 2008-09 with the Rescissions Bill passed in November 2008. The SC Higher Education Foundation provided support for the awards from FY09 – FY12. Last year, other funds were not available for program support and CHE funded the two \$5000 awards only through available carry-forward. However, this source of funds is not sustainable and CHE is again requesting funds in light of the statutory requirement that CHE must request funds annually in support of the program.
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*What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.*

<b>SUMMARY</b>	Established in 1988, SC Code of Laws, as amended, Section 59-104-220 provides for the Governor's Office in conjunction with the Commission on Higher Education to select two Professors of the Year, one chosen from the public and independent 4-yr sector and one from the 2-year sector. The legislation requires an award of \$5,000 for each of the two Professors of the Year and allows the option of an award of \$500 each for up to ten finalists. It also calls for the awards to be presented at an appropriate ceremony. This line item was cut during the recession and funding has not been restored nor requested. The program has continued with support of the SC Higher Education Foundation until last year. In 2014, the program was continued as a result of CHE provided funds for the two \$5,000 awards through the use of carry-over which provided funding the monetary awards for the two winners only. The program statute requires that CHE request annual state appropriations for the awards. The request is in keeping with the statutory requirements.
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*Provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.*

<b>METHOD OF CALCULATION</b>	2 awards at \$5,000 each for \$10, 000, and 10 awards of \$500 each for a total of \$15,000
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*How was the amount of the request calculated? What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?*

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

<b>FUTURE IMPACT</b>	In 2010, CHE moved the award announcements from the fall to the spring. CHE will return the awards to the fall in order to request funding and move forward with the awards process should funding be made available to continue the awards.
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*Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?*

<b>PRIORITIZATION</b>	The program is in its 26 <sup>th</sup> year. CHE is requesting funds to continue the program in light of statutory requirements. However, the program, while important in recognizing exemplary teaching among our higher education faculty, could be renewed to provide a greater value to the profession by recognizing exemplary teaching and providing relevant professional development opportunities to enhance teaching statewide.
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*If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2015-16?*

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

### FORM B – PROGRAM REVISION REQUEST

<b>DECISION PACKAGE</b>	<b>3214</b>
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*Provide the decision package number issued by the PBF system (“Governor’s Request”).*

<b>TITLE</b>	<b>VIII. CHE Grant &amp; Other Higher Education Collaborations, Special Items College Goal Sunday</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>\$6,000 (increase in other funds authorization)</b>
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*What is the net change in requested appropriations for FY 2015-16? This amount should correspond to the decision package’s total in PBF across all funding sources.*

<b>ENABLING AUTHORITY</b>	CHE carries out this program under its authorizing legislation (§59-103-5 et seq)
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*What state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority?*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark “X” for all that apply:</b>
	<input type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.
	<input type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.
	<input type="checkbox"/> (Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i>
	<input type="checkbox"/> Change in cost of providing current services to existing program audience.
	<input type="checkbox"/> Change in case load / enrollment under existing program guidelines.
	<input type="checkbox"/> Non-mandated change in eligibility / enrollment for existing program.
	<input checked="" type="checkbox"/> Non-mandated program change in service levels or areas.
	<input type="checkbox"/> Proposed establishment of a new program or initiative.
	<input type="checkbox"/> Loss of federal or other external financial support for existing program.
<input type="checkbox"/> Exhaustion of fund balances previously used to support program.	

<b>RECIPIENTS OF FUNDS</b>	College Goal Sunday is a collaborative effort of CHE with institutions to host events where students and families are provided assistance with completing the FAFSA.
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*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

<b>RELATED REQUEST(S)</b>	N/A
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*Is this decision package associated with other decision packages requested by your agency or other agencies this year? Is it associated with a specific capital or non-recurring request?*

<b>MATCHING FUNDS</b>	N/A
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*Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.*

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

<b>FUNDING ALTERNATIVES</b>	N/A. Request increases other funds due to receipt of \$6000 grant from the SC Chamber of Commerce.
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*What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.*

<b>SUMMARY</b>	In 2012 CHE was granted and received a one-year award from USA Funds to implement College Goal Sunday, a program which aims to increase the number of college-bound students completing the FAFSA. The grant has continued and the program has grown from an initial pilot along the I-95 corridor to a statewide initiative. College Goal Sunday is a collaborative effort of CHE with institutions to host events where students and families are provided assistance with completing the FAFSA. CHE has other funds authorization of \$35,000 and is requesting an increase of \$6,000 to recognize the additional grant funds received to support a companion program, College Application Month that seeks to assist students in applying to college.
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*Provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.*

<b>METHOD OF CALCULATION</b>	Total of new grant funding received.
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*How was the amount of the request calculated? What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?*

<b>FUTURE IMPACT</b>	The state does not incur any obligations with the adoption of this package.
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*Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?*

<b>PRIORITIZATION</b>	CHE has received the grant funds and will need the increased authorization to expend the funds for the intended purpose.
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*If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2015-16?*

<b>INTENDED IMPACT</b>	Funds are to support the program goals of College Application Month.
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*What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?*

<b>PROGRAM EVALUATION</b>	Increase in number of FAFSAs or students and families served. Increase in numbers of students and families served in completing college applications.
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*How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?*

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

**FORM B – PROGRAM REVISION REQUEST**

<b>DECISION PACKAGE</b>	<b>5048</b>
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*Provide the decision package number issued by the PBF system (“Governor’s Request”).*

<b>TITLE</b>	<b>X. Scholarships &amp; Assistance, Special Items - Needs Based Grants (Other Funds Correction)</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>(\$4,000,000) (To correct error in other funds authorization made in FY 2013-14.)</b>
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*What is the net change in requested appropriations for FY 2015-16? This amount should correspond to the decision package’s total in PBF across all funding sources.*

<b>ENABLING AUTHORITY</b>	SC Code of Laws Section 59-142-10 <i>et seq</i> and Regulation 62-450 – 62-505. Other relevant statutory provisions with respect to Need-based Grants include: the following pertaining to direction concerning program funds §59-143-10 <i>et seq</i> , §59-101-345 , §59-111-25 and FY14 Part 1B proviso 11.10 (CHE Need-based Grants for Foster Youth)
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*What state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority?*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark “X” for all that apply:</b>
	<input type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.
	<input type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.
	<input type="checkbox"/> (Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i>
	<input type="checkbox"/> Change in cost of providing current services to existing program audience.
	<input type="checkbox"/> Change in case load / enrollment under existing program guidelines.
	<input type="checkbox"/> Non-mandated change in eligibility / enrollment for existing program.
	<input type="checkbox"/> Non-mandated program change in service levels or areas.
	<input type="checkbox"/> Proposed establishment of a new program or initiative.
	<input type="checkbox"/> Loss of federal or other external financial support for existing program.
<input type="checkbox"/> Exhaustion of fund balances previously used to support program.	

<b>RECIPIENTS OF FUNDS</b>	N/A
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*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

<b>RELATED REQUEST(S)</b>	Decision Package 3242 Need-based Grants. CHE is requesting an increase in state appropriations of \$3,483,200 to continue non-recurring funds of \$2.6M and to increase the program by 3.2% of \$883,200.
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*Is this decision package associated with other decision packages requested by your agency or other agencies this year? Is it associated with a specific capital or non-recurring request?*

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>
<b>MATCHING FUNDS</b>	N/A <i>Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.</i>		
<b>FUNDING ALTERNATIVES</b>	N/A <i>What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.</i>		
<b>SUMMARY</b>	<p>The adjustment requested corrects an error in authorization of \$4,000,000 in Other Funds that was made in FY 2013-14. While the funds were requested in the budget process in FY 2013-14 in lottery funds, the funds were not provided though the authorization remained in the Appropriations Act. The error overstates the available funding in support of Need-based Grants and should be deleted.</p> <p><i>Provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.</i></p>		
<b>METHOD OF CALCULATION</b>	N/A <i>How was the amount of the request calculated? What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?</i>		
<b>FUTURE IMPACT</b>	N/A <i>Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?</i>		
<b>PRIORITIZATION</b>	N/A. Correction to error in budget lines. <i>If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2015-16?</i>		
<b>INTENDED IMPACT</b>	N/A. Corrects overstatement of available program funds. <i>What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?</i>		
<b>PROGRAM EVALUATION</b>	N/A. <i>How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?</i>		

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

**FORM B – PROGRAM REVISION REQUEST**

<b>DECISION PACKAGE</b>	<b>3233</b>
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*Provide the decision package number issued by the PBF system (“Governor’s Request”).*

<b>TITLE</b>	<b>III. Other Agencies &amp; Entities, Special Items - State Electronic Library (Other Funds Adjustment)</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>(\$500,000)</b> <i>(Request to revise other funds authorization.)</i>
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*What is the net change in requested appropriations for FY 2015-16? This amount should correspond to the decision package’s total in PBF across all funding sources.*

<b>ENABLING AUTHORITY</b>	In carrying out its mission pursuant to SC Code of Laws §59-103-5 <i>et seq.</i> , CHE working in collaboration with the colleges and universities, launched the statewide higher education library in 2004 to provide for the cooperative sharing of physical and electronic resources among the state’s public and independent colleges institutions.
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*What state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority?*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark “X” for all that apply:</b>
	<input type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.
	<input type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.
	<input type="checkbox"/> (Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i>
	<input type="checkbox"/> Change in cost of providing current services to existing program audience.
	<input type="checkbox"/> Change in case load / enrollment under existing program guidelines.
	<input type="checkbox"/> Non-mandated change in eligibility / enrollment for existing program.
	<input type="checkbox"/> Non-mandated program change in service levels or areas.
	<input type="checkbox"/> Proposed establishment of a new program or initiative.
	<input type="checkbox"/> Loss of federal or other external financial support for existing program.
<input type="checkbox"/> Exhaustion of fund balances previously used to support program.	

<b>RECIPIENTS OF FUNDS</b>	N/A
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*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

<b>RELATED REQUEST(S)</b>	Decision package 3251: This package requests \$1.5 million in recurring state General Funds to continue support but from a more stable, predictable funding source.
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*Is this decision package associated with other decision packages requested by your agency or other agencies this year? Is it associated with a specific capital or non-recurring request?*

<b>MATCHING FUNDS</b>	N/A
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<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

*Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.*

<b>FUNDING ALTERNATIVES</b>	N/A
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*What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.*

<b>SUMMARY</b>	CHE is requesting an increase in other funds operating revenue (30350000) of \$1,000,000 and a decrease in other funds restricted funds (400000000) of \$1,500,000 for a net decrease in other funds of \$500,000. The requested adjustment to other funds authorization corrects an allocation of \$1,500,000 for other funds in the generic 4000 series that did not receive funding. This resulted in an overstatement of total funds available to support PASCAL. The fee-for-service (opt-in) program has grown over the past two years requiring an increase in support in Other Funds (30350000) by \$1,000,000. For additional information about PASCAL (Statewide Electronic Library), see Decision Package 3251.
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*Provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.*

<b>METHOD OF CALCULATION</b>	See Summary for explanation of requested adjustment to other funds authorization.
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*How was the amount of the request calculated? What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?*

<b>FUTURE IMPACT</b>	N/A. The request will accurately reflect needed other funds authorization.
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*Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?*

<b>PRIORITIZATION</b>	The request makes a technical change to reflect appropriately the programs other funds and sources of these funds.
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*If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2015-16?*

<b>INTENDED IMPACT</b>	To correctly reflect other funds authorization.
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*What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?*

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

<b>PROGRAM EVALUATION</b>	See Decision Package 3251
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*How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?*

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

**FORM B – PROGRAM REVISION REQUEST**

<b>DECISION PACKAGE</b>	<b>3224</b>
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*Provide the decision package number issued by the PBF system (“Governor’s Request”).*

<b>TITLE</b>	<b>VIII. CHE Grant &amp; Other Higher Education Collaborations, Special Items College Access Challenge Grant</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>(\$1,942,116)</b> Request zeroes out the federal fund authorization.
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*What is the net change in requested appropriations for FY 2015-16? This amount should correspond to the decision package’s total in PBF across all funding sources.*

<b>ENABLING AUTHORITY</b>	Federal Grant Program. CHE is identified by the Governor to receive the federal College Access Challenge Grant (CACG). However, due to the program’s maintenance of effort requirement with respect to state higher education funding, the state no longer qualifies for the CACG.
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*What state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority?*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark “X” for all that apply:</b>
	<input type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.
	<input type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.
	<input type="checkbox"/> (Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i>
	<input type="checkbox"/> Change in cost of providing current services to existing program audience.
	<input type="checkbox"/> Change in case load / enrollment under existing program guidelines.
	<input type="checkbox"/> Non-mandated change in eligibility / enrollment for existing program.
	<input type="checkbox"/> Non-mandated program change in service levels or areas.
	<input type="checkbox"/> Proposed establishment of a new program or initiative.
	<input checked="" type="checkbox"/> Loss of federal or other external financial support for existing program.
<input type="checkbox"/> Exhaustion of fund balances previously used to support program.	

<b>RECIPIENTS OF FUNDS</b>	N/A
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*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

<b>RELATED REQUEST(S)</b>	N/A
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*Is this decision package associated with other decision packages requested by your agency or other agencies this year? Is it associated with a specific capital or non-recurring request?*

<b>MATCHING FUNDS</b>	N/A
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<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

*Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.*

<b>FUNDING ALTERNATIVES</b>	N/A
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*What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.*

<b>SUMMARY</b>	<p>College Access Challenge Grants (CACG) are federal challenge grants available to states since 2008 for purposes of fostering partnerships among federal, state, and local governments and philanthropic organizations to increase the number of low-income students prepared to enter and succeed in post-secondary education. Grants are awarded annually through the US Department of Education. States must apply and demonstrate the requisite maintenance of effort requirement (MOE) with respect to higher education funding in order to be eligible to receive funds. CHE has been identified by the Governor as the lead state agency and has received program funding since the initial year. However, SC is no longer eligible to access CACG as a result of not meeting the MOE. Under CACG, CHE has initiated an array of services to increase awareness of and success including support for SC College Access Network; Higher Education Awareness Program support; College Application Month; guidance counselor resources, training, and recognition; SC CAN GO media campaign, awareness polling; and website; and partnerships with SC Higher Education Foundation &amp; pilot communities to increase postsecondary access and awareness.</p> <p>CHE is requesting deletion of the authorization provided for the receipt of these federal grant funds which are no longer accessible to SC. The available funds are set to expire in FY 2014-15.</p>
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*Provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.*

<b>METHOD OF CALCULATION</b>	N/A
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*How was the amount of the request calculated? What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?*

<b>FUTURE IMPACT</b>	N/A
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*Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?*

<b>PRIORITIZATION</b>	N/A
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<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

*If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2015-16?*

<b>INTENDED IMPACT</b>	N/A
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*What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?*

<b>PROGRAM EVALUATION</b>	N/A
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*How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?*

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

**FORM B – PROGRAM REVISION REQUEST**

<b>DECISION PACKAGE</b>	<b>3217</b>
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*Provide the decision package number issued by the PBF system ("Governor's Request").*

<b>TITLE</b>	<b>III. Other Agency &amp; Entities , Special Items Charleston Transition Connection</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>\$0</b>
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*What is the net change in requested appropriations for FY 2015-16? This amount should correspond to the decision package's total in PBF across all funding sources.*

<b>ENABLING AUTHORITY</b>	<p><b>FY14-15 Part IB - Proviso 11.16.</b> (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.</p>
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*What state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority?*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>
	<input type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.
	<input checked="" type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.
	<input type="checkbox"/> (Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i>
	<input type="checkbox"/> Change in cost of providing current services to existing program audience.
	<input type="checkbox"/> Change in case load / enrollment under existing program guidelines.
	<input type="checkbox"/> Non-mandated change in eligibility / enrollment for existing program.
	<input type="checkbox"/> Non-mandated program change in service levels or areas.
	<input type="checkbox"/> Proposed establishment of a new program or initiative.
	<input type="checkbox"/> Loss of federal or other external financial support for existing program.
<input type="checkbox"/> Exhaustion of fund balances previously used to support program.	

<b>RECIPIENTS OF FUNDS</b>	Eligible South Carolina students with intellectual disabilities participating in recognized college transition programs at SC public institutions.
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<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

<b>RELATED REQUEST(S)</b>	N/A
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*Is this decision package associated with other decision packages requested by your agency or other agencies this year? Is it associated with a specific capital or non-recurring request?*

<b>MATCHING FUNDS</b>	N/A
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*Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.*

<b>FUNDING ALTERNATIVES</b>	N/A
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*What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.*

<b>SUMMARY</b>	<p>In 2008, the General Assembly provided funds to a nonprofit organization dedicated to expanding education, employment and independent living opportunities for individuals with intellectual disabilities. Project funds were used in the support of the development of a model postsecondary program for students with intellectual disabilities such as significant learning, cognitive, or developmental disabilities. The postsecondary programs provide the opportunity for these students to learn social, academic, and vocational skills needed to be successfully employed and live independently. As of FY 2013-14 and continuing in FY 2014-15, the General Assembly directed that the existing line item funds be transferred to the CHE Need-based Grant Program and dedicated for the purpose of Need-based grants to students in identified transition programs. Presently, the recognized programs include Clemson, Coastal Carolina, College of Charleston, USC, and effective fall 2014, Winthrop.</p> <p>The purpose of the request is to bring CHE’s budget into alignment with the proviso passed in FY 2013-14 and which continues in FY 2014-15 by deleting the Charleston Transition Connection line in Section III of CHE’s budget and moving the general funds from that line to the Need-based Grant line found in Section X of CHE’s budget.</p>
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*Provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency’s security or technology plan.*

<b>METHOD OF CALCULATION</b>	Per direction of the controlling proviso.
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*How was the amount of the request calculated? What factors could cause deviations*

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

*between the request and the amount that could ultimately be required in order to perform the underlying work?*

<b>FUTURE IMPACT</b>	There is no impact to the existing program with this request, and no other obligations are incurred.
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*Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?*

<b>PRIORITIZATION</b>	N/A
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*If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2015-16?*

<b>INTENDED IMPACT</b>	The re-direction of funds to student grants was initiated in FY 2013-14 and the requested action only fulfills the direction of the proviso by permanently adjusting the budget lines as intended.
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*What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?*

<b>PROGRAM EVALUATION</b>	Students with demonstrated need per program guidelines are served and provided support in accessing eligible programs.
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*How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?*

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

**FORM B – PROGRAM REVISION REQUEST**

<b>DECISION PACKAGE</b>	<b>5103</b>
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*Provide the decision package number issued by the PBF system (“Governor’s Request”).*

<b>TITLE</b>	<b>Pay Plan &amp; Health Insurance Allocation</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>\$49,108</b>
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*What is the net change in requested appropriations for FY 2015-16? This amount should correspond to the decision package’s total in PBF across all funding sources.*

<b>ENABLING AUTHORITY</b>	General Appropriations Act for FY 2014-15.
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*What state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority?*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark “X” for all that apply:</b>
	<input checked="" type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.
	<input type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.
	<input type="checkbox"/> (Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i>
	<input type="checkbox"/> Change in cost of providing current services to existing program audience.
	<input type="checkbox"/> Change in case load / enrollment under existing program guidelines.
	<input type="checkbox"/> Non-mandated change in eligibility / enrollment for existing program.
	<input type="checkbox"/> Non-mandated program change in service levels or areas.
	<input type="checkbox"/> Proposed establishment of a new program or initiative.
	<input type="checkbox"/> Loss of federal or other external financial support for existing program.
<input type="checkbox"/> Exhaustion of fund balances previously used to support program.	

<b>RECIPIENTS OF FUNDS</b>	Employees paid from the General Fund.
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*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

<b>RELATED REQUEST(S)</b>	N/A
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*Is this decision package associated with other decision packages requested by your agency or other agencies this year? Is it associated with a specific capital or non-recurring request?*

<b>MATCHING FUNDS</b>	N/A
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*Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.*

<b>FUNDING ALTERNATIVES</b>	N/A
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*What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.*

<b>SUMMARY</b>	<p>This decision package allocates funding received in FY 2014-15 for pay plan and health insurance. The pay plan allocation totals \$32,905 and is split between personnel paid in Section I: Administration (\$30,895) and personnel paid in Section V: Licensing (\$2,010). The health insurance allocation of \$16,203 was applied to Employer Contributions in Section IX: Employee Benefits.</p>
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*Provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.*

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

<b>METHOD OF CALCULATION</b>	<p>The amount was determined by the Executive Budget Office and communicated to CHE by letter dated August 22, 2014.</p>
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*How was the amount of the request calculated? What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?*

<b>FUTURE IMPACT</b>	<p>N/A</p>
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*Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?*

<b>PRIORITIZATION</b>	<p>N/A</p>
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*If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2015-16?*

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

<b>INTENDED IMPACT</b>	FY 15 COLA will be covered as well as increases in fringe benefits.
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*What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?*

<b>PROGRAM EVALUATION</b>	N/A
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*How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?*

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

**FORM C – CAPITAL OR NON-RECURRING APPROPRIATION REQUEST**

<b>DECISION PACKAGE</b>	<b>3254</b>
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*Provide the decision package number issued by the PBF system ("Governor's Request").*

<b>TITLE</b>	<b>Maintenance, Equipment, and Other Facilities Needs</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>\$40,000,000 (minimum request)</b>
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*How much is requested for this project in FY 2015-16?*

<b>BUDGET PROGRAM</b>	
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*Identify the associated budget program(s) by name and budget section.*

<b>SUMMARY</b>	<p>Capital investment is a normal business operating cost – not an exceptional or unusual one. The lack of a statewide higher education bond bill since 2000 for educational and general (E&amp;G) facilities, as well as the lack of a predictable source of funding for maintaining these facilities has created pressure to increase tuition and fees as institutions maintain and develop needed infrastructure.</p> <p>With recovering revenues since 2011, the General Assembly has begun assisting our colleges and universities by providing support from one-time sources for targeted construction, equipment, and on-going repair and maintenance needs for E&amp;G facilities. Support from FY 2011-12 – FY 2014-15 has ranged from about \$32 million to \$68 million annually. The Senate and House finance committees both established committees to understand more accurately our institutional facilities' needs. We have been supportive of these efforts and encourage the General Assembly to continue providing much needed resources while working with higher education to address funding needs and regulatory constraints for facilities.</p> <p>Recognizing that a bond bill is not likely again in FY 2015-16, CHE is requesting a minimum of \$40,000,000 (and an amount greater to the extent possible) in nonrecurring support toward campus repair, refurbishment, and maintenance needs to help reduce costs that must otherwise be supported by students and families through tuition and fees.</p>
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*Provide a summary of the project and explain why it is necessary. If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.*

<b>RELATED REQUEST(S)</b>	Decision Packages 3885 and 3891 submitted by Winthrop University for projects to replace Withers/WTS Roof and to make improvements to instructional facilities.
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*Is this decision package associated with other decision packages requested by your agency or other agencies this year? Is it associated with a specific capital or non-recurring request?*

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

<b>MATCHING FUNDS</b>	In FY 2013-14 and again in FY 2014-15, universities and colleges were required to provide a 1:1 match for lottery appropriations for maintenance of E&G buildings with non-state monies.
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*Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source and amount.*

<b>FUNDING ALTERNATIVES</b>	Funding specifically related to E&G maintenance needs, renovation, and equipment upgrades could be provided through the state general fund, through lottery appropriations, and/or the Capital Reserve Fund.
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*What other possible funding sources were considered?*

<b>LONG-TERM PLANNING AND SUSTAINABILITY</b>	This on-going need is best addressed by a sustainable funding source that would allow for effective programming of resources and needs over time.
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*What other funds have already been invested in this project (source/type, amount, timeframe)? Will other capital and/or operating funds for this project be requested in the future? If so, how much, and in which fiscal years? Has a source for those funds been identified/secured?*

<b>OTHER APPROVALS</b>	Institutions would be required to submit PIPs to CHE and BCB staff in order to expend these funds.
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*What approvals have already been obtained? Are there additional approvals that must be secured in order for the project to succeed? (Institutional board, JBRC, BCB, etc.)*

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

**FORM D – PROVISO REVISION REQUEST**

<b>NUMBER</b>	<b>NEW</b>
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*Cite the proviso according to the renumbered list for FY 2015-16 (or mark "NEW").*

<b>TITLE</b>	<b>CHE: SmartState® Draw Down</b>
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*Provide the title from the FY 2014-15 Appropriations Act or suggest a short title for any new request.*

<b>BUDGET PROGRAM</b>	<b>Section 11, H03, SC Commission on Higher Education, VIII. CHE Grant &amp; Other Higher Education Collaborations Special Items – SmartState Program Administration</b>
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*Identify the associated budget program(s) by name and budget section.*

<b>DECISION PACKAGE</b>	<b>N/A</b>
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*Is this request associated with a decision package you have submitted for FY 2015-16? If so, cite it here.*

<b>REQUESTED ACTION</b>	<b>ADD</b>
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*Choose from: Add, Delete, Amend, or Codify.*

<b>OTHER AGENCIES AFFECTED</b>	SC Research Institutions, Clemson University, University of South Carolina Columbia, and Medical University of South Carolina. The proviso would facilitate the process for access to awarded state matching funds once the required non-state match has been met for purposes of the SmartState® (SC Centers of Economic Excellence) program.
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*Which other agencies would be affected by the recommended action? How?*

<b>SUMMARY</b>	SmartState funds for program operations and approved Centers have been previously appropriated from lottery funds and held in trust as authorized per SC Code of Laws §2-75-10 et seq. While authorization for program operating funds is recognized in CHE’s budget, authorization for state matching funds for Centers is not. CHE must request authorization to draw down the state matching funds through the Other Funds Oversight Committee (OFOC) process. The requested proviso has been recommended for the past two years. During 2014, the proviso was supported in the Governor’s Executive Budget and advanced by the Senate to expedite this process but was not ultimately included in the FY 2014-15 Appropriations Act. The proposed proviso would reduce regulatory burden without compromising accountability. Institutions would be able to place the state funds once matched dollar-for-dollar with non-state funding as required into the approved Center endowments without the delay of meeting schedules, thereby facilitating the operation of the Center as intended. It is noted that new funding has not been provided for SmartState since 2008. CHE along with the institutions remain supportive of restored funding for this highly successful and innovative program that is advancing South Carolina’s economic competitiveness.
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*Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it.*

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

<b>EXPLANATION</b>	<p>See above summary. Proviso is requested to facilitate the statutory process for awarding state funds as intended by the SmartState program statute once requisite non-state matching funds are certified for approved program Centers.</p>
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*Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*

<b>FISCAL IMPACT</b>	<p>Upon certification of 1:1 nonstate matching funds, state funds are provided to institutions to be placed into an endowment for an approved SmartState Center. Interest from the endowment provides support for the Center. Delays in processing that may occur due to the timing of non-state match certification and the OFOC meeting schedules to authorize the drawdown of the state match can result in lost interest earnings for the Center endowment.</p>
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*Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.*

<b>PROPOSED PROVISIO TEXT</b>	<p><b><u>NEW (CHE: SmartState Draw Down) The Commission on Higher Education, upon receipt of the dollar-for-dollar non-state match for a SmartState “South Carolina Center of Economic Excellence” required pursuant to Section 2-75-50 of the 1976 Code, and after State Budget Division approval, shall be authorized to draw down previously appropriated lottery funds that had been held in trust until matching funds were on hand. The Commission shall submit required documentation to the State Budget Division for approval of such draw downs, including proof that the required match is on hand, and the State Budget Division shall notify the Other Funds Oversight Committee of an authorization approved for this purpose. The requirements of proviso 91.20 contained in this act shall not apply to circumstances described in this proviso.</u></b></p>
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*Paste FY 2014-15 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.*

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

**FORM D – PROVISO REVISION REQUEST**

<b>NUMBER</b>	<b>11.7</b> <i>Cite the proviso according to the renumbered list for FY 2015-16 (or mark "NEW").</i>
<b>TITLE</b>	<b>Performance Improvement Pool Allocation</b> <i>Provide the title from the FY 2014-15 Appropriations Act or suggest a short title for any new request.</i>
<b>BUDGET PROGRAM</b>	<b>Section 11, H03, III. Other Agency and Entities Special Items – Performance Funding</b> <i>Identify the associated budget program(s) by name and budget section.</i>
<b>DECISION PACKAGE</b>	<b>N/A</b> <i>Is this request associated with a decision package you have submitted for FY 2015-16? If so, cite it here.</i>
<b>REQUESTED ACTION</b>	<b>Amend – technical correction</b> <i>Choose from: Add, Delete, Amend, or Codify.</i>
<b>OTHER AGENCIES AFFECTED</b>	<b>None</b> <i>Which other agencies would be affected by the recommended action? How?</i>
<b>SUMMARY</b>	The existing proviso directs the allocation of funds on the line in CHE’s Part 1A funds entitled “Performance Funding.” <i>Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it.</i>
<b>EXPLANATION</b>	Due to a restructuring of CHE’s Part 1A budget structure in FY 2012-13, the proviso references an incorrect section for the designated funding line. A technical correction is requested to accurately reference the funding line to which the proviso is directed. <i>Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.</i>
<b>FISCAL IMPACT</b>	<b>None</b> <i>Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.</i>
<b>PROPOSED PROVISO TEXT</b>	<b>11.7</b> (CHE: Performance Improvement Pool Allocation) Of the funds appropriated to the Commission on Higher Education under Section <del>XI-III. Other Agencies &amp; Entities</del> 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. <i>Paste FY 2014-15 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.</i>

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

### FORM D – PROVISO REVISION REQUEST

<b>NUMBER</b>	<b>11.14</b>
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*Cite the proviso according to the renumbered list for FY 2015-16 (or mark "NEW").*

<b>TITLE</b>	<b>CHE: SCNG CAP Carry Forward</b>
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*Provide the title from the FY 2014-15 Appropriations Act or suggest a short title for any new request.*

<b>BUDGET PROGRAM</b>	<p><b>Section 11, H03 SC Commission on Higher Education</b>  <b>X. Scholarships &amp; Assistance Special Items National Guard CAP</b></p> <p><b>Section 3, Part 1B: Program also receives funding through the SC Education Lottery Expenditure Proviso – In FY 2014-15, Proviso 3.5, Item (7) Commission on Higher Education--National Guard Tuition Repayment Program as provided in Section 59-111-75 \$4,545,000.</b></p>
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*Identify the associated budget program(s) by name and budget section.*

<b>DECISION PACKAGE</b>	<b>N/A</b>
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*Is this request associated with a decision package you have submitted for FY 2015-16? If so, cite it here.*

<b>REQUESTED ACTION</b>	<b>Delete – Proviso Codified in 2014</b>
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*Choose from: Add, Delete, Amend, or Codify.*

<b>OTHER AGENCIES AFFECTED</b>	None
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*Which other agencies would be affected by the recommended action? How?*

<b>SUMMARY</b>	<p>The proviso was enacted in FY 2013-14 to enable unexpended program, if any, provided for the SC National Guard College Assistance Program to be carried forward and used for the same purpose. The proviso also exempted these student assistance funds from being reduced in the event of any budget reductions during the year.</p>
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*Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it.*

<b>AGENCY NAME:</b>	<b>SC Commission on Higher Education (CHE)</b>		
<b>AGENCY CODE:</b>	<b>H03</b>	<b>SECTION:</b>	<b>11</b>

<b>EXPLANATION</b>	<p>The proviso language was codified with the passage of Act 151 of 2014 (H.3784) effective April 7, 2014 and may be deleted. The permanent statutory provision is found in Section 59-114-65 and reads as follows:</p> <p style="padding-left: 40px;">Section 59-114-65. 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.</p>
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*Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*

<b>FISCAL IMPACT</b>	None
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*Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.*

<b>PROPOSED PROVISIO TEXT</b>	<p><del>11.14. (CHE: SCNG CAP Carry Forward) Funds appropriated for the South Carolina National Guard College Assistance Program may be carried forward from the prior fiscal year into the current fiscal year and expended for the same purpose. If a mid-year budget reduction is imposed by the General Assembly or the Executive Budget Office, the appropriations for the program are exempt.</del></p>
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*Paste FY 2014-15 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.*