

2016 Session Legislative Wrap-Up – Higher Education

(Report prepared as of 6/28/2016. A copy is available on CHE's website, www.CHE.sc.gov)

Blue, underlined text is linked to the General Assembly's website, www.scstatehouse.gov

The 2016 Session (2nd regular session) of the 121st SC General Assembly adjourned on Thursday, June 2, under the provisions of the *Sine Die* Resolution, [S.1336](#), and returned in special session June 15. The 2016 Session marks the end of the two-year continuing session. Legislation that was not enacted as of the end of the Session dies and must be reintroduced. The SC General Assembly convenes for the upcoming 2017 Session on January 10, 2017.

The following provides summary information on the FY 2016-17 budget – Appropriations Act ([H.5001](#)) and Capital Reserve Fund Bill ([H.5002](#)) – and on legislation relating to higher education enacted in 2016.

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

FY 2016-17 APPROPRIATIONS – Higher Education

The General Assembly sent the FY17 Appropriations and Capital Reserve Fund (CRF) bills (budget bills) to the Governor on June 2, 2016. On June 8, the Governor issued her veto message on the budget bills, copies available [Here for Appropriations Act](#) and [Here for CRF](#). Vetoes were taken up by the House and Senate on June 15. Of the 51 total items vetoed in the budget bills, 40 were overridden. In total, \$41 million was vetoed and all but \$75,000 was overridden. Among the vetoes, four relating to higher education (#'s: 15, 26, 27, 38) were overridden and 2 (#s: 1,2) were sustained. (For details and information about vetoes, see bill history for H.5001 and H.5002 bill history, [Click Here](#).)

The report below provides a summary review of the FY17 budget for higher education as of the conclusion of the House and Senate consideration of vetoes. Copies of the budget bills, as ratified, are available at http://www.scstatehouse.gov/sess121_2015-2016/appropriations2016/gab5001.php.

BUDGET SUMMARY: Overall, the FY17 budget for higher education includes \$1.107 billion in General Funds, nonrecurring, Lottery, and CRF funds. This total includes CHE (including scholarship and grant programs and funds that flow through to higher education entities), the State Technical College System Office, the 33 public colleges and universities, AHEC, and Tuition Grants. The FY17 total will be adjusted slightly upwards as it does not reflect recurring General Funds for employee pay/health plan allocations that are allocated to state agencies and colleges and universities through the Department of Administration. The FY17 budget includes a general pay increase for state employees of 3.25% (See Appropriations Act Part 1B Proviso 117.118 and also 108.6 relating to employer and employee contributions for the state health plan.)

As illustrated below, total funds for higher education increased over the prior year by just over 10%. The change is attributable primarily to an increase in one-time funds provided to institutions for various projects. General Fund support decreased due to the transfer of \$33 million for scholarships from the General Fund to the Lottery. Excluding consideration of this transfer (i.e. by leaving the transferred funds in General Funds and excluding from the lottery), recurring funding for higher education increased \$31 million or 5.1% and lottery funding increased by \$8.6 million or 2.7% compared to the prior year.

Higher Education Funding⁽¹⁾, FY 2016-17 compared to prior year

	FY 2015-16	FY 2016-17	Difference FY 17 - FY 16	% change
(2) Recurring Base	\$603,771,331	\$601,398,971	(\$2,372,360)	-0.4%
Nonrecurring Proviso 118.16 and CRF Total	\$78,696,615	\$141,030,170	\$62,333,555	79.2%
(3) SC Education Lottery	\$322,441,796	\$364,134,261	\$41,692,465	12.9%
Total	\$1,004,909,742	\$1,106,563,402	\$101,653,660	10.1%

(1) Higher Education total includes CHE, funding that flows through CHE to higher education entities including scholarships and grants, public institutions, State Technical College System, AHEC, and Tuition Grants. Funds directed to Clemson PSA, SC State PSA, and MUSC Hospital Authority are not included.

(2) FY17 Part 1A funds increased for institutions by \$28 million. The decrease reflected is due to a transfer of \$33 million in State scholarship funds from recurring General Funds to the Lottery Funds. FY 17 recurring funds do not include funds to be allocated for pay/health plan adjustments. As a result, the higher education funds will be increased once these allocations are made. For FY16, Part 1A recurring funds are the yearend (beginning base for FY17). In FY17, a pay increase of 3.25% increase for state employees was included. Allocations to agencies are based on authorized state-funded FTE. In FY16, a one-time bonus of \$800 was provided for FTE earning less than \$100,000.

(3) SC Education Lottery funds are beginning year appropriations for FY17 and include certified proceeds, certified unclaimed prize funds, and FY16 surplus funds including certified and pro rata surplus above certified. Pro-rata surplus allocations are dependent on final collections. FY16 is adjusted to include realized FY15 pro rata surplus funds and FY16 excess unclaimed prize funds. FY17 includes a transfer of \$33,000,919 from General Funds to Lottery Funds for Palmetto Fellows, LIFE, and HOPE and a transfer of \$71,244 for SREB assessments.

Additional information on FY17 appropriations follow. A listing of appropriations by entity is found in **Appendix A** for recurring and nonrecurring funding and **Appendix B** for SC Education Lottery funding.

SC Public Colleges and Universities																																																																																											
<p>Colleges & Universities</p> <p>Part 1A Recurring General Funds</p>	<p>Of the \$767 million in available new recurring State revenue in the FY17 Appropriations Act, colleges and universities received \$28 million (3.6% of total available), including AHEC and the Technical College System. For all higher education including CHE and Tuition Grants, there is a net decrease due to the transfer of General Funds to the Lottery. The new recurring funding was provided for various initiatives as listed below.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: right;">FY 2016-17 Part 1A Increases or New Items</th> </tr> </thead> <tbody> <tr><td>Clemson - Education and General Operating</td><td style="text-align: right;">\$5,000,000</td></tr> <tr><td>USC Columbia - Education and General Operating</td><td style="text-align: right;">\$6,500,000</td></tr> <tr><td>MUSC - Education and General Operating</td><td style="text-align: right;">\$900,000</td></tr> <tr><td>The Citadel - Education and General Operating</td><td style="text-align: right;">\$510,500</td></tr> <tr><td>Coastal Carolina - Education and General Operating</td><td style="text-align: right;">\$1,200,000</td></tr> <tr><td>College of Charleston - Education and General Operating</td><td style="text-align: right;">\$2,000,000</td></tr> <tr><td>Francis Marion - Education and General Operating</td><td style="text-align: right;">\$925,000</td></tr> <tr><td>Lander - 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<p>Colleges & Universities</p> <p>Nonrecurring and CRF</p>	<p>Of the \$639 million in revenue available from nonrecurring budget sources including Proviso 118.16 (SR: Nonrecurring Revenue) and Capital Reserve Fund (H.5002), colleges and universities received a total of \$128 million (\$44.4 million per 118.16 and \$83.5 million in CRF) as outlined below. Higher education funding in total from these nonrecurring sources is \$141.4 million and represents 22% of the total available.</p> <p><u>Nonrecurring items for colleges and universities and other higher education entities are shown in the table that follows:</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2"></th> <th colspan="2" style="text-align: center;">Non-recurring Proviso 118.16</th> <th rowspan="2" style="text-align: center;">Capital Reserve Fund (H.5002)</th> </tr> <tr> <th style="text-align: center;">Amount</th> <th style="text-align: center;">Item #</th> </tr> </thead> <tbody> <tr><td>Clemson</td><td></td><td></td><td></td></tr> <tr><td> Outdoor Lab Facilities</td><td style="text-align: right;">\$2,400,000</td><td style="text-align: center;">12</td><td></td></tr> <tr><td>USC Columbia</td><td></td><td></td><td></td></tr> <tr><td> Honors College Facility</td><td></td><td></td><td style="text-align: right;">\$5,000,000</td></tr> <tr><td>MUSC</td><td style="text-align: center;">see below</td><td></td><td style="text-align: center;">see below</td></tr> <tr><td>Citadel</td><td></td><td></td><td></td></tr> <tr><td>Coastal Carolina</td><td></td><td></td><td></td></tr> <tr><td> Atmospheric and Soil Moisture Weather Stations (10)</td><td style="text-align: right;">\$150,000</td><td style="text-align: center;">14b</td><td></td></tr> <tr><td> ¹ Stadium Expansion Engineering</td><td style="text-align: right;">\$100,000</td><td style="text-align: center;">14c</td><td></td></tr> <tr><td>College of Charleston</td><td></td><td></td><td></td></tr> <tr><td> Computer Science Program</td><td style="text-align: right;">\$650,000</td><td style="text-align: center;">13a</td><td></td></tr> <tr><td> Gibbes Museum of Art</td><td style="text-align: right;">\$350,000</td><td style="text-align: center;">13b</td><td></td></tr> <tr><td> Avery Center</td><td style="text-align: right;">\$250,000</td><td style="text-align: center;">13d</td><td></td></tr> <tr><td>Francis Marion</td><td></td><td></td><td></td></tr> <tr><td> Honors College</td><td style="text-align: right;">\$200,000</td><td style="text-align: center;">15b</td><td style="text-align: right;">\$500,000</td></tr> <tr><td>Lander</td><td></td><td></td><td></td></tr> <tr><td> Nursing and STEM Equipment</td><td style="text-align: right;">\$550,000</td><td style="text-align: center;">16</td><td></td></tr> <tr><td> Equestrian Center (Flow through from DDSN)</td><td style="text-align: right;">\$300,000</td><td style="text-align: center;">26</td><td></td></tr> <tr><td>SC State</td><td></td><td></td><td></td></tr> <tr><td> Maintenance: Critical Care and Repair (1:1 Match)</td><td style="text-align: right;">\$150,000</td><td style="text-align: center;">17a</td><td></td></tr> <tr><td> Debt Payment</td><td></td><td></td><td style="text-align: right;">\$4,600,000</td></tr> </tbody> </table>		Non-recurring Proviso 118.16		Capital Reserve Fund (H.5002)	Amount	Item #	Clemson				Outdoor Lab Facilities	\$2,400,000	12		USC Columbia				Honors College Facility			\$5,000,000	MUSC	see below		see below	Citadel				Coastal Carolina				Atmospheric and Soil Moisture Weather Stations (10)	\$150,000	14b		¹ Stadium Expansion Engineering	\$100,000	14c		College of Charleston				Computer Science Program	\$650,000	13a		Gibbes Museum of Art	\$350,000	13b		Avery Center	\$250,000	13d		Francis Marion				Honors College	\$200,000	15b	\$500,000	Lander				Nursing and STEM Equipment	\$550,000	16		Equestrian Center (Flow through from DDSN)	\$300,000	26		SC State				Maintenance: Critical Care and Repair (1:1 Match)	\$150,000	17a		Debt Payment			\$4,600,000
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Continued, Nonrecurring Items

	Non-recurring Proviso 118.16		Capital Reserve Fund (H.5002)
	Amount	Item #	
USC Aiken			
USC Beaufort			
USC Upstate			
Winthrop			
Music Conservatory/Byrnes Auditorium			\$4,500,000
USC Lancaster			
Health and Wellness Center Renovations			\$640,000
Bradley Arts and Sciences Building Repairs			\$60,000
USC Salkehatchie			
Nursing and Campus Facility Roof Repairs			\$346,000
HVAC and Physical Plant Repairs	\$100,000	20a	\$54,000
Science Building and Maintenance	\$250,000	20b	
USC Sumter			
Science Building			\$1,500,000
Physical Plant Repairs	\$100,000	21	
USC Union			
Energy Efficiency Retrofits and Physical Plant Repairs			\$300,000
SC Technical College System - State Board & Colleges			
² ATC - Life Science Building	\$650,000	23f	\$4,000,000
ATC - Manufacturing, Health & STEM Educ & Training & Critical Training Equip.	\$784,216	23g	
CCTC - Manufacturing, Health & STEM Educ & Training & Critical Training Equip.	\$1,320,670	23b	\$10,000,000
CCTC - Workforce Center			\$550,000
DTC - Barnwell Workforce Center	\$950,000	23h	
DTC - Manufacturing, Health & STEM Educ & Training & Critical Training Equip.	\$415,484	23i	
FDTC - Academic Building	\$3,500,000	23j	\$2,000,000
FDTC - Manufacturing, Health & STEM Educ & Training & Critical Training Equip.	\$858,078	23k	
GTC - CMI Equipment	\$7,000,000	23d	
GTC - Manufacturing, Health & STEM Educ. & Training & Critical Training Equip.	\$778,496	23e	
HGTC - Advanced Manufacturing Center			\$3,500,000
HGTC - Manufacturing, Health & STEM Educ. & Training & Critical Training Equip.	\$1,063,730	23l	
MTC - Welding Center			\$3,500,000
MTC - Quick Jobs			\$1,000,000
MTC - Manufacturing, Health & STEM Educ. & Training & Critical Training Equip.	\$1,107,743	23m	
NETC - Industrial Building	\$3,500,000	23n	
NETC - Manufacturing, Health & STEM Educ. & Training & Critical Training Equip.	\$642,679	23o	
OCTC - Health Sciences Nursing Building			\$5,000,000
OCTC - Manufacturing, Health & STEM Educ. & Training & Critical Training Equip.	\$801,512	23p	
OCTC - Nursing Cooperative Program with Claflin Univ.	\$400,000	23q	
PTC - Upstate Center for Manufacturing	\$3,750,000	23r	
PTC - Manufacturing, Health & STEM Educ. & Training & Critical Training Equip.	\$989,767	23s	
SCC - Manufacturing, Health & STEM Educ. & Training & Critical Training Equip.	\$2,012,265	23t	\$3,500,000
TCL - New River Workforce Development Center	\$150,000	23u	\$3,500,000
TCL - Mobile Welding Lab	\$1,200,000	23v	
TCL - Manufacturing, Health & STEM Educ. & Training & Critical Training Equip.	\$717,171	23w	
TCTC - Industrial Technology Center Phase V			\$500,000
TCTC - Oconee Workforce Development Center			\$4,000,000
TCTC - Central Plant			\$500,000
TCTC - Manufacturing, Health & STEM Educ. & Training & Critical Training Equip.	\$992,641	23x	
TTC - Aeronautical Training Center	\$700,000	23y	\$15,300,000
TTC - Manufacturing, Health & STEM Educ. & Training & Critical Training Equip.	\$1,624,725	23z	
WTC - Science and Technology Building			\$3,500,000
WTC - Manufacturing, Health & STEM Educ. & Training & Critical Training Equip.	\$606,872	23aa	
YTC - Health and Human Service Building	\$900,000	23bb	\$5,600,000
YTC - Manufacturing, Health & STEM Educ. & Training & Critical Training Equip.	\$1,309,614	23cc	
YTC - Western York Campus	\$100,000	23dd	
TOTAL Institutions and SBTCE	\$44,375,663		\$83,450,000
SBTCE ready SC	\$13,554,507	23a	
CHE - Greenwood Promise Scholarship Program (Flow through to PTC)	\$50,000	10d	
TOTAL	\$57,980,170		\$83,450,000
Other MUSC appropriations in higher education section but for MUSC Hospital Authority (MUHA)			
MUSC MUHA Shaw Jenkins Children's Hospital Helipad (1:1 Match)			\$750,000
MUSC MUHA Shaw Jenkins Children's Hospital	\$10,000,000	22b	

Notes:

- * Clemson PSA and SC State PSA are not included in this report for higher education.
- * Per Proviso 118.17, the CG is not to disburse funds appropriated in the amount of \$1. As a result, \$1 appropriations are not included.
- * For other nonrecurring appropriations, see Appendix B for details relating to SC Education Lottery Fund Appropriations.
 - EIA not shown and remained level for EIA-funded higher education items funded in the prior year.
- ¹ Included in 118.16: 14.1 *Coastal Carolina University shall use the funds appropriated for Brooks Stadium Engineering to offset costs associated with expansion of the football stadium. Once the university has developed a plan for stadium expansion pursuant to any National Collegiate Athletic Association, conference, or contractual requirements, the university shall submit the plan for approval to the Joint Bond Review Committee and the State Fiscal Accountability Authority. Any other statutory requirements for state approval of this project are hereby suspended for the fiscal year.*
- ² H.5002 Provisions Include: *Of the funds appropriated above in item (21), Section 1, to the State Board for Technical and Comprehensive Education for the Aiken Technical College Life Science Building, up to one million dollars may be used for college road and entrance/exit improvements which must be completed before the construction of the building.*

<p><u>Colleges & Universities</u></p> <p><u>SC Education Lottery funds for E&G purposes</u></p>	<p><u>Lottery Technology Funding for four-year and two-year public colleges</u> was funded at up to \$7,242,212 with allocations outlined in the lottery expenditure proviso #3.6. In FY16, technology funds received totaled \$7,354,250. For the FY17 technology funds, \$5 million is from anticipated FY16 lottery proceeds surplus that will be available on a pro-rata basis if funding is not fully realized.</p> <p><u>SBTCE – Critical Training Equipment:</u> Lottery funding includes \$2,912,307 allocated to technical colleges. The funds include \$912,307 from anticipated FY16 lottery proceeds surplus that will be available on a pro-rata basis if funding is not fully realized.</p> <p><u>SC State:</u> Consistent with past years, an allocation of \$2.5 million is provided to SC State. A new provision regarding use of these funds is also included in the lottery expenditure proviso: <i>“The funds appropriated above for South Carolina State University shall be utilized by the Interim Board of Trustees for administrative functions of the interim board, payments of debt, and for any other purpose deemed necessary by the interim board.”</i></p> <p><u>In-state tuition for certain Out-of-State Veterans - Act 11 of 2015 (S.391):</u> In 2015, legislation was enacted to bring SC into compliance with federal law so that certain out-of-state veterans attending a SC public college or university must be provided in-state tuition rates. Per proviso, \$3 million was transferred in unused, nonrecurring lottery carry forward from the National Guard College Assistance program to offset of the loss in tuition and fees for the students who were classified as in-state as a result. This nonrecurring funding was exhausted in FY16 and no additional funding was provided in FY17.</p>
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Other Lottery Funded Higher Education Programs except Scholarships and Grants	
PASCAL (Higher Education Electronic Library)	PASCAL is included at up to \$1,412,514 as the first priority for excess unclaimed prize funds that become available after the first \$18 million in appropriations from the certified unclaimed prize funds. It is anticipated that the funding should become available late in FY17 based on FY16.
SmartState® (Endowed Chairs)	For the tenth consecutive year, no new annual funding is provided. Additionally, FY17 budget proviso 117.139 directs funding in the program held by statute for Commerce awards to be transferred to Commerce by August. To learn more about SmartState®, see the annual report submitted to the General Assembly in November 2015, Click Here .
Higher Education Excellence Enhancement Program (HEEEP)	HEEEP is allocated to six historically black colleges and universities (Allen, Benedict, Claflin, Morris, SC State, and Voorhees) pursuant to §2-77-10, <i>et seq.</i> By proviso, two additional institutions, Columbia College and Converse College have been included. During 2016, H.3534 (Act No. 143) was enacted, amending eligibility requirements. As a result, it is anticipated an additional college, Clinton College, will receive funding in FY17. The funds are allocated equally across institutions. HEEEP receives \$6,072,474 from the lottery for FY17 with \$567,475 of the funding from FY16 lottery proceeds surplus that will be available on a pro-rata basis if funding is not fully realized. Based on the total, each qualifying institution would be anticipated to receive \$674,719. In comparison, in FY16, \$4,597,755 was appropriated for 8 institutions which resulted in \$574,719 per institution.

State-supported Student Financial Aid Programs – Scholarships and Grants	
<p><u>Scholarships and Grants:</u></p> <p>Merit-based (Palmetto Fellows, LIFE and HOPE)</p>	<p>\$399,591,043 (14% in General Funds; 86% in Lottery Funds) is provided in total to fund scholarship and grants for South Carolina students. See page 6 for a table that provides details by program.</p> <p>The General Assembly continues to fully fund the state’s undergraduate merit-based scholarship programs for anticipated growth including support for year-round Palmetto Fellows and LIFE scholarships (see proviso 11.13). FY17 funding for merit-based scholarships totals in \$270 million, an increase over FY16 of \$6.4 million.</p>

<p><i>(State-supported Student Financial Aid, continued)</i></p>	<p>Also included in the lottery is the following provision relating to action taken by the State Department of Education to move from a 7-point to a 10-point grading scale: <i>“On or before December 31, 2016, the Department of Education, in cooperation with the Commission on Higher Education, shall provide a report to the Governor, the Chairman of the Senate Education Committee, the Chairman of the House Education and Public Works Committee, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee regarding the costs and opportunities of the change to the State's Uniform Grading Policy from a 7-point scale to a 10-point scale. The report shall include, but not necessarily be limited to, the projected impact, if any, that the change may have on the State's merit based scholarship programs, recommendations on how to fund the projected impact, if any, to the State's merit based scholarship programs, and suggested alternatives to mitigate the projected impact, if any, to the State's merit based scholarship programs. Alternatives, if any, may include potential changes to the State's merit based scholarship criteria including GPA or testing requirements. Any lottery revenue in excess of the total amount of money appropriated by this proviso shall be held for appropriation by the General Assembly in the future to offset scholarship needs as a result of population growth and changes to the state's grading scale by the Department of Education.”</i></p>
<p>Need-based (CHE Need-based, SC Tuition Grants)</p>	<p>Need-based grants funding, which provides funding need-based grants at public institutions and Tuition Grants, was increased by \$4.5 million (\$1,937,078 increase for CHE Need-based grants and \$2,534,474 for SC Tuition Grants). Additionally, need-based funding provided for College Transition Programs was increased by \$170,822, bringing the total to \$350,000 (see proviso 11.12).</p>
<p>Lottery Tuition Assistance (LTA)</p>	<p>Level funding of \$51.1 million as requested.</p>
<p>SC National Guard College Assistance Program (SCNG CAP)</p>	<p>Level funding, as requested, of \$4,634,968 is provided.</p>
<p>Southern Regional Education Board (SREB) Programs</p>	<p>SC's continued participation in the SREB programs, including student contract programs for Veterinary Medicine and Optometry, is increased to meet on-going assessments. In FY17, the budget shifts \$71,444 in General Fund appropriations for SREB to the lottery in addition to increasing program funds with lottery funds. Total SREB funding in FY17 is \$4,098,639 of which \$313,456 is lottery. The net increase is \$242,212.</p>
<p>Technical College System – Workforce Scholarships & Grants</p>	<p>For the second year, lottery funds of \$5,000,000 are provided for a scholarship and grant program for workforce training administered by the State Technical College Board. The funding source is anticipated FY16 lottery proceeds surplus that will be available on a pro-rata basis if funding is not fully realized. The following provision is also included in the lottery expenditure proviso regarding these funds: <i>“The funds appropriated to State Board for Technical and Comprehensive Education for Workforce Scholarships and Grants shall be used to provide grants for tuition, fees, transportation, or textbook expenses to South Carolina residents enrolled in a career education program that meets all eligibility guidelines promulgated by the State Board for Technical and Comprehensive Education in consultation with the Department of Education. Grants may be awarded from the fund in an amount not exceeding ten thousand dollars or the total cost of attendance, whichever is less, for students to attend the program of their choice at a South Carolina technical school or professional certification program. By March 15th of the academic year provided, the State Board for Technical and Comprehensive Education shall provide a report to the Chairman of House Ways and Means Committee and the Chairman of the Senate Finance Committee containing a list of programs, amount of funding spent per program, number of students that received grants, and the grant amount per student.”</i></p>

State Supported Scholarship and Grants Summary, FY17 compared to FY16

Scholarships and Grants	FY 2015-16 Total All Sources	FY 2016-17 By Source and Total			Difference, FY17 Total minus FY16 Total
		Part 1A	Lottery	Total	
¹ Palmetto Fellows	\$ 59,131,300	\$ 12,000,000	\$ 49,274,030	\$ 61,274,030	\$ 2,142,730
LIFE	\$ 196,226,726	\$ -	\$ 199,754,741	\$ 199,754,741	\$ 3,528,015
SC HOPE	\$ 8,797,100	\$ -	\$ 9,552,955	\$ 9,552,955	\$ 755,855
Lottery Tuition Assistance 2-Year	\$ 51,100,000	\$ -	\$ 51,100,000	\$ 51,100,000	\$ -
CHE Need-Based Grants					
¹ Need-Based Grants	\$ 27,600,000	\$ 12,000,000	\$ 17,537,078	\$ 29,537,078	\$ 1,937,078
College Transition Need-Based Grants	\$ 179,178	\$ 350,000		\$ 350,000	\$ 170,822
³ Tuition Grants	\$ 31,754,158	\$ 25,958,624	\$ 8,330,008	\$ 34,288,632	\$ 2,534,474
National Guard College Tuition Assistance	\$ 4,634,968	\$ 89,968	\$ 4,545,000	\$ 4,634,968	\$ -
⁵ SREB Programs and Assessments	\$ 3,856,427	\$ 3,785,183	\$ 313,456	\$ 4,098,639	\$ 242,212
⁶ Tech System - Workforce Scholarships & Grants	\$ 5,000,001		\$ 5,000,000	\$ 5,000,000	\$ (1)
TOTAL	\$ 388,279,858	\$ 54,183,775	\$ 345,407,268	\$ 399,591,043	\$ 11,311,185

¹ Includes allocation from Education Endowment appropriation of \$24 million which is divided equally between Palmetto Fellows and Need-based Grants.

² See Proviso 11.12

³ Includes only those Part 1A state appropriations directly allocated to the SC Tuition Grants Commission for student grants. Tuition Grants also receives a portion of CHE Need-based grants relative to enrollment of eligible independent institutions which is in Need-based numbers here and not reflected in the Tuition Grants numbers.

⁵ FY16 includes \$7,177 for SREB Arts program for which participation ended as of the end of FY15. The allocation was used in FY16 for SREB programs and was deleted from the FY17 budget.

⁶ FY17 allocation of \$5,000,000 is appropriated from net surplus funds above certified lottery surplus funds and may not be fully realized. The funding will be determined on a pro-rata basis for items funded with such fund.

Commission on Higher Education (CHE)

CHE requested an increase of \$1,572,200 and of 16 FTEs for increased staffing for core mission agency functions. CHE received recurring funding of \$300,000 and 3 FTE. CHE also retained level authorization of \$345,000 in the lottery proviso 3.6 for administration and audit of the programs.

Other CHE requests for agency support including \$250,000 for legal staffing, \$330,000 for agency technology needs, and \$15,000 for Governor’s Professor of the Year were not funded.

As described above under scholarships and grants, CHE requests were met for SREB contract program assessments, need-based grants, and College Transition Program need-based grants but not for continued funding of the veteran tuition differential support that had been included in the prior year with the passage of Act 11 of 2015.

Temporary Part 1B Budget Provisos included in the FY 2016-17 Appropriations Act (H.5001)

The following includes a listing of **select** budget provisos of interest for higher education or related to all agencies and impacting higher education that are NEW, AMENDED, or DELETED for FY2016-17. Provisos that are continued and remained unchanged for FY 2016-17 are not included below. The list below is in order by section number and proviso number. Readers are encouraged to access and review the full text of provisos referenced below for complete information and to review continued provisos not included here.

To access full text of the FY 2016-17 Part 1B Provisos in the budget as ratified, see http://www.scstatehouse.gov/sess121_2015-2016/appropriations2016/gab5001.php . Note that as of 6/27/2016, vetoes and subsequent action of the General Assembly on June 15 are not marked.

To access provisos marked to show amendments from the prior year, see the Conference Report as adopted by the House and Senate as of June 1, 2016, http://www.scstatehouse.gov/sess121_2015-2016/appropriations2016/cr16ndx.php . Note that if this source is used, it is consistent with the budget as ratified by the General Assembly but prior to vetoes of the Governor and subsequent action of the General Assembly (i.e., vetoes not marked).

(Temporary Part 1B Budget Provisos included in the FY 2016-17 Appropriations Act (H.5001))

FY 17 Proviso	Proviso Title	Proviso Status Brief Summary Notes (Provisos continued unchanged are not included below)
1.3	SDE: EFA Formula /Base Student Cost Inflation Factor	AMENDED: Annual proviso regarding K-12 formula funding. The proviso includes updates relating to applicable years and appropriations. Among the various updates, the following new language was also added: <i>“Students identified for dual credit enrollment must be identified in PowerSchool as taking a course that will lead to both high school credit and post-secondary credit. Districts must assist students in accessing Lottery Tuition Assistance when applicable.”</i>
1.55	SDE: Felton Lab Allocation	DELETED. Proviso related to EFA funds distributed to the Felton Laboratory at SC State university.
1.90	SDE: Highly Qualified Teachers	NEW. Full Text: <i>“For the current fiscal year teacher certification requirements for highly qualified educators aligned to No Child Left Behind shall be suspended. The department shall report to the General Assembly by February 1 on the updated Federal requirements under the Every Student Succeeds Act.”</i>
1A. 64	SDE-EIA: Rural Teacher Recruiting Incentive	AMENDED. Proviso initially adopted in FY16 to establish and provide direction for a program at CERRA (Center for Educator Recruitment, Retention, and Advancement) for the purposes of recruiting and retaining classroom educators in rural and underserved districts. The proviso was updated for continued applicability and to amend program criteria relating to eligibility and incentives including loan forgiveness and related minimum incentives.
1A.72	SDE-EIA: College and Career Readiness	NEW. Proviso directs use of funds appropriated to SDE for District College and Career Readiness Assistance.
1A.73	SDE-EIA: Industry Certifications/Credentials	NEW. Proviso relates to allocations to districts of the funds appropriated for Industry Certifications/Credentials. Includes related provisions requiring SDE to identify national industry exams to be funded and directs work by SDE with Commerce, DEW, state and local chambers of commerce and economic development offices and the Tech Board to ensure student awareness of industries and certifications.
1A.80	SDE-EIA: College Readiness Assessments	NEW. Proviso relates to funds appropriated for college readiness assessments and provides further direction to SDE regarding such assessments.
3.1	LEA: Audit	AMENDED. Proviso relates to the procedures for monitoring expenditures of lottery funds to ensure that they are spent within applicable state laws, rules and regulations. It was amended to update the year for continued applicability and to delete the requirement for a study to be submitted by CHE by January 15, 2016 regarding the cost to establish a statewide scholarship and grant tracking system. The proviso continues to include requirements for reporting by October 1 to the Executive Budget Office and Chairs of the House and Senate finance committees with reports by CHE for higher education, SDE for K-12, and by all other agencies.
3.4	LEA: Higher Education Excellence Enhancement Program Additions	DELETED – Provision Codified. The deleted proviso enabled Converse and Columbia Colleges to participate in the HEEEP program which provides lottery funding for the state’s four-year historically black colleges and universities. These two colleges may continue to be eligible through legislation that was passed in 2016 – See Act 143 of 2016 (H.3534).
3.5	LEA: Transfer for Veteran Differential Reimbursement Fund	DELETED. This proviso was added in FY16 to direct prior year carry forward funds to be used for reimbursement of public institutions relating to Act 11 of 2015 that enables certain out-of-state veterans and those using VA educational benefits to receive in-state tuition. The proviso was deleted as the non-recurring funding source was transferred and expended in FY16. (See also Proviso 11.19)

FY 17 Proviso	Proviso Title	Proviso Status Brief Summary Notes (Provisos continued unchanged are not included below)
3.6	LEA: FY2015-16 Lottery Funding	AMENDED. Proviso directing the expenditure of lottery programs for K-12 and higher education and was amended to include FY17 allocations and direction. (Proviso replaces stricken Proviso 3.3 which had directed FY16 lottery expenditures.) See Appendix B of this report for detailed appropriations. See also proviso text for changes included within the proviso as to direction related to certain items including: CHE administration, SC State funds, K-12 technology funds, and higher education technology and maintenance funds. Among new items is a provision that SDE working with CHE provide a report by December 31 to the House and Senate finance committees regarding the impact of the change made by SDE in April 2016 to adopt a 10-point grading scale.
7.6	JDLH: Transition	NEW. Proviso provides direction relating to the transition of John de la Howe school and programs. Clemson University is among entities to provide technical assistance.
8.3	ETV: Antenna and Tower Placement	NEW. (Note that the same provision was previously under the Department of Administration and was deleted. See deleted 93.21.) Full Text: “All leases for antenna and tower operations within institutions of higher learning campuses must conform to master plans for such property, as determined solely by the institution of higher learning.”
8.4	ETV: Wireless Communications Tower	NEW. (Note that this provision was previously under the Department of Administration and was deleted. See deleted 93.16.) Full Text: “The Educational Television Commission is directed to coordinate tower and antenna operations within South Carolina state government. The commission shall (1) approve all leases regarding antenna placement on state-owned towers and buildings, (2) coordinate all new tower construction on state-owned property, (3) promote and market excess capacity on the State’s wireless communications infrastructure, (4) generate revenue by leasing, licensing, or selling excess capacity on the State’s wireless communications infrastructure, and (5) construct new communications assets on appropriate state-owned property for the purpose of generating revenue pursuant to this proviso. The commission shall retain and expend such funds for agency operations. The commission shall be authorized to carry forward unexpended funds from the prior fiscal year into the current fiscal year. The commission shall annually report to the Chairmen of the Senate Finance and House Ways and Means Committees by October first of each year all revenue collected and disbursed.”
11.12	CHE: College Transition Need-Based Grants	AMENDED. Proviso continued but amended to reflect increase in program funding from \$179,178 to \$350,000.
11.14	CHE: Other Funded FTE Revenue	AMENDED. Proviso was first included in FY16 to provide direction to higher education institutions relating to requests for additional other funded full-time equivalent positions. The proviso is amended as of FY17 to provide clarification regarding institutional requests for other funded FTE. Full Text: “When institutions of higher learning request additional other funded full-time equivalent positions, the Executive Budget Office shall inform the Commission on Higher Education of its decision regarding the request and whether or not sufficient revenues exist to fund the salary and fringe benefits for the positions.”

FY 17 Proviso	Proviso Title	Proviso Status Brief Summary Notes (Provisos continued unchanged are not included below)
11.15	CHE: Abatements	<p>AMENDED. Proviso was first included in FY16 to require institutions to report certain data to CHE relating to abatements/waivers of tuition provided under §59-112-70 and also §59-101-620. The proviso was amended to change the report date from October 1 to November 1 and to clarify information to be reported.</p> <p>Full Text: “By November first of each year, state supported institutions of higher learning must submit to the Commission on Higher Education the total number of out-of-state undergraduate students during the prior fiscal year that received abatement of rates pursuant to Section 59-112-70 of the 1976 Code as well as the total dollar amount of the abatements received. The report must include the geo-origin of the student, class of the student, comprehensive listing of all financial awards received by the student, number of semesters the student has received the abated rate, as well as the athletic status of the student. The report must also include the calculation method used to determine the abatement amount awarded to students as well as the number of students that received educational fee waivers pursuant to Section 59-101-620.”</p>
11.17	CHE: Transferability	<p>DELETED. The proviso had been included in FY16 to require a report regarding transfer between two- and four-year institutions.</p>
11.18	CHE: Technical College Study	<p>DELETED. Proviso was new in FY16 to direct CHE to examine and report on the viability of a program that would allow free tuition for SC high school graduates to attend SC technical colleges without paying tuition and fees. The study was completed and available at http://www.scstatehouse.gov/reports/CommissiononHigherEd/CHE_Proviso-11.41_ExecSum&Report_Jan2016.pdf.</p>
11.19	CHE: College and University Out of State Veteran Tuition Differential Reimbursement Fund	<p>DELETED. Proviso was initially added in FY16 to provide for administration of a fund held by the State Treasurer for the purpose of institutional reimbursements relative to Act 11 of 2015. The funds which had been directed by proviso (see above 3.5) were expended fully in FY16 and new funding was not provided in FY17.</p>
14.1	CU: Electrical Infrastructure	<p>DELETED. Proviso had been included in FY16 to require a report by Clemson University.</p>
15.1	UoC: Science Center Renovation	<p>NEW. Enables University of Charleston to use funds appropriated previously for a building for the School of Science and Mathematics to be used for renovating the Rita L. Hollings Science Center.</p>
19.1	SCSU: Loan Funds	<p>VETO SUSTAINED - DELETED. See S.1166 for a Joint Resolution enacted relating to the repayment of state loan funds.</p>
19.2	SCSU: University President	<p>DELETED. This was a new proviso introduced in FY17 in the House budget. It was deleted from final recommendations.</p>
19.3	SCSU: State Fiscal Accountability Authority Loan Funds	<p>VETO SUSTAINED - DELETED. See S.1166 for a Joint Resolution enacted relating to the state loan funds.</p>
23.2	MUSC: Telemedicine	<p>AMENDED. Proviso relates to the statewide telemedicine program developed by MUSC Hospital Authority and was amended with regard to reporting.</p>
25.7	TEC: Study of Employment of Entry-Level CDL Drivers by State and Local Agencies	<p>NEW. Proviso directs a study committee established by the State Technical College Board to identify how best to facilitate and incentivize state and local government fleet operations in hiring entry-level CDL drivers.</p>
25.9	TEC: Workforce Pathways Funding Distribution	<p>NEW. Provides direction to the State Tech Board for the allocation and distribution of funds provided for the workforce pathways program established pursuant to Act 91 of 2015 (i.e., FY 2015-16 Appropriations Act).</p>

FY 17 Proviso	Proviso Title	Proviso Status Brief Summary Notes (Provisos continued unchanged are not included below)
33.25	DHHS: Healthcare Workforce Analysis	DELETED. Proviso was included in the prior year budget to direct allocation of funds transferred to AHEC for the Office of Healthcare Workforce Analysis.
33.27	DHHS: Rural Health Initiative	NEW. Proviso gives direction to DHHS regarding the use of funds appropriated for the Rural Healthcare Initiative. Among the provisions, DHHS is provided direction for facilitating provisions regarding Rural Healthcare and Education and Rural Medicine Workforce Development.
83.8	DEW: Employment Training Outcomes Data Sharing	NEW. Proviso gives direction to SC Department of Employment and Workforce relating to the development of the Workforce and Labor Market Information System and improvements required by the federal WIOA. Requirements include direction to develop model data sharing agreements with various entities including SDE, CERRA, EOC, Vocational Rehabilitation Department, CHE, SC Student Loan Corporation, LLR, and DSS.
104.10	SFAA: Compensation – Agency Head Salary Commission	NEW. Proviso includes directions and requirements relating to the setting and approval of agency head salaries and for the study of agency head compensation every four years by SFAA.
108.6	PEBA: State Health Plan	AMENDED. Provides for rates of employee and employer contributions for State Health Plan premium increases for 2017.
117.58	GP: Year-end Financial Statements – Penalties	AMENDED. Provides for requirements of agencies and institutions in submitting year-end audited financial statements for inclusion in the State’s Comprehensive Annual Financial Report (CAFR) and for penalties for noncompliance.
117.72	GP: Printed Report Requirements	AMENDED. The proviso was amended to update the date for continued applicability of the proviso. The proviso has been in existence since FY10 and provides for the suspension of or requirement for only electronic reporting of certain items including some higher education data reporting.
117.114	GP: Information Technology Information Security Plans	AMENDED. Proviso requires agency reports by October 1 on information technology and security plans and is amended by updating the date for continued applicability in FY17.
117.115	GP: SCOIS Transfer	AMENDED. Proviso initially included in FY16 to transfers SC Occupational Information Systems program in its entirety from SC DEW to SDE and is updated to continue the provision in FY17.
117.118	GP: Employee Compensation	AMENDED. Proviso relates to state employee pay plan and is amended to 3.25 percent pay increase for state employees.
117.120	GP: Comprehensive Workforce Development Coordination Initiative	DELETED. Proviso initially included in FY16 to provide direction to State Board for Technical and Comprehensive Education (SBTCE), DEW, Commerce and SDE to conduct a survey relating to workforce development needs of the state and to develop an initiative where technical colleges, school districts and career centers to work together to increase pathways to coursework, equipment and facilities that will lead to necessary workforce skills and trainings. The required reports were completed and the proviso was deleted.
117.122	GP: Energy Efficiency Repair and Related Maintenance	DELETED. Proviso enabled nonrecurring funding appropriated in FY15 to universities for the Higher Education Efficiency, Effectiveness and Accountability Review to be used for the purpose of energy efficiency repair and energy related maintenance. These funds were required to be matched and CHE is required to report not later than 120 days after the close of FY16 on the use of the funds. The proviso was deleted as funds have been transferred and expended.
117.124	GP: Capital Bond Study Committee	DELETED. Proviso was new in FY16 and directed a study committee in FY15-16 with findings reported by the end of 2015.

FY 17 Proviso	Proviso Title	Proviso Status Brief Summary Notes <i>(Provisos continued unchanged are not included below)</i>
117.133	GP: Statewide Strategic Information Technology Plan Implementation	NEW. Proviso outlines various requirements for agencies with regard to ensuring uniform implementation of the statewide strategic information technology plan developed pursuant to the Restructuring Act of 2014.
117.139	GP: Endowed Chairs Funding	NEW. Full Text: <i>"The Endowed Chairs Program funds that have been set aside for "Commerce Awards" shall be transferred by the Commission on Higher Education to the Department of Commerce's Applied Research Centers by August 1, 2016."</i>
117.141	GP: SC State University Debt Fund Balance	NEW. Full Text: <i>"On or before July 31, 2016, the Executive Director of the State Fiscal Accountability Authority shall transfer to South Carolina State University any remaining fund balance related to the debt incurred by the university from the April 30, 2014 loan to the university by the Budget and Control Board, succeeded in interest by the State Fiscal Accountability Authority, not to exceed \$145,000. The university shall only expend these funds on one-time projects necessary to meet accreditation standards and/or on critical repair and related maintenance projects that are necessary for the safe and efficient operation of the university's physical plant in its support of its educational purpose."</i>
118.16	SR: Non-recurring Revenue	NEW. Proviso directs expenditure of non-recurring FY16 surplus revenue. Several higher education institutions receive funding from this proviso. See Appendix A for information regarding higher education appropriations.
118.17	SR: One Dollar Appropriations	NEW. Full Text: <i>"Funds appropriated in the amount of one dollar by this act shall not be disbursed. The Comptroller General shall adjust the affected agency's chart of accounts accordingly, if necessary."</i>

LEGISLATION

The 2016 Session was the second year of the two-year continuing session. The SC General Assembly adjourned under the conditions of the Sine Die Resolution, [S.1336](#). Legislation not enacted as of the end of the session or as considered under the provisions of S.1336 is dead and must be re-introduced in the upcoming session for any future consideration.

The following table lists only select legislation relating to or of interest for higher education that was enacted during the 2016 Session. Bills enacted during 2016 are listed in numeric order of the bill number with House bills (denoted by H.) listed first followed by Senate bills (denoted by S.). Bill summaries and full text copies of legislation are accessible by clicking on the hyperlinked bill number.

A listing of legislation passed during the 2016 Session with information regarding the Governor's consideration is available on the General Assembly's website [Here](#). For a listing of Acts (including only those with an assigned Act number), see http://www.scstatehouse.gov/sess121_2015-2016/bills/16actsp1.php.

For CHE staff weekly summaries during the 2016 Session, [Click Here](#), and a detailed excel spreadsheet that provides tracking information on 2015-2016 Legislation that was under consideration, [Click Here](#).

Bill #	Bill Title or Brief Descriptive Title	Legislation Status <i>Enacted legislation shaded yellow; Bill #, left, is hyperlinked to full text</i>
H.3534 (Act No. 143)	HEEEP Program	Enacted 3/14/2016 effective 7/1/2016 Amends Higher Education Excellence Enhancement Program (HEEEP) program relating to institutional eligibility and monitoring by CHE.
H.3848 (Act No. 192)	K-12 Teaching of Foundational Documents	Enacted 5/26/2016. Relates to K-12 instruction and provisions regarding teaching of founding principles. <i>(Legislation for higher education was considered during the session on this topic but did not pass as of the end of Session.)</i>
H.4145 (Act No. 252)	Coordinating Council for Workforce Development	Enacted 6/8/2016 Creates a Coordinating Council for Workforce Development to be chaired by Department of Commerce and staffed with assistance of Commerce, CHE and State Board for Technical and Comprehensive Education.

Bill #	Bill Title or Brief Descriptive Title	Legislation Status <i>Enacted legislation shaded yellow; Bill #, left, is hyperlinked to full text</i>
H.4391 (Act No.)	Brain Tissue Donor Study Committee	Enacted 6/22/2016 Establishes a study committee charged with providing a process and procedure for citizens of this State to designate that upon his or her death, the person's brain tissue be donated for the purpose of research and education and to report findings by December 31, 2016. Membership includes participation by representatives of SC's public research universities among others.
H.4521 (Act No. 265)	Tucker Hipps Transparency Act	Enacted 6/9/2016 Establishes reporting requirements of SC public higher education institutions, except technical colleges, regarding investigations and violations of fraternity and sororities.
H.4632, Enacted	K-12 Student Assessment	Enacted 2/1/2016 A Joint Resolution relating to college entrance examinations for 11 th graders and other requirements for assessments of 9 th and 10 th graders and also for K4 and K5 assessments during the 2015-16 and 2016-17 School Year.
H.4639 (Act No. 146)	Higher Education Interstate Reciprocity SARA	Enacted 3/14/2016 Adds Code Section 59-103-47 to enable CHE to enter into interstate reciprocity agreements relating to distance education.
H.4940 (Act No. 178)	SDE – Office of Transformation	Enacted 5/23/2016 Establishes the Office of Transformation within the State Department of Education (SDE).
H.4936 (Act No. 195)	Standards and Achievement Goals for High School Students	Enacted 5/26/2016 Adds Code Section 59-1-50 to recognize Profile of SC Graduate.
H.4938, Enacted	Teacher Education Survey	Enacted 6/5/2016 Requires SDE and CERRA working with CHE to survey students in colleges of education relating to teacher education and recruitment by December 1, 2016 and provides for a report for recommendations relating to a survey of other college students by February 1, 2017.
H.4939 (Act No. 241)	Education Statutes	Enacted 6/5/2016 Establishes a committee chaired by the appointee of the State Superintendent of Education to review Title 59 of the SC Code of Laws and to report to the General Assembly by December 31, 2016 those laws that are obsolete or no longer applicable and to provide a cost estimate to comply with federal education statutes and regulations. In addition, provisions are included relating to technical assistance and monitoring of districts by SDE.
H.5001, Enacted with certain vetoes overridden	FY17 Appropriations Act	Passed June 2 with Governor issuing vetoes on June 8 which were considered by the General Assembly on June 15 To make appropriations for the FY beginning July 1, 2016
H.5002, Enacted with Vetoes overridden	Capital Reserve Fund Bill	Passed June 2 with Governor issuing vetoes on June 8 which were considered by the General Assembly on June 15 To make appropriations for the FY beginning July 1, 2016 from the FY2015-16 Capital Reserve Fund
H.5140 (Act No. 281)	School Opening and College and Career Readiness Assessments	Enacted 6/22/2016 Amends Code sections 59-1-425 relating to the public school calendar and 59-18-325 relating to assessments of public school students.

Bill #	Bill Title or Brief Descriptive Title	Legislation Status <i>Enacted legislation shaded yellow; Bill #, left, is hyperlinked to full text</i>
S.233 (Act No. 198)	Prayer or Invocation at meetings of Public Bodies	Enacted 6/3/2016 Amends Code Section 6-1-160 relating to public bodies and prayer or invocation at meetings.
S.267 (Act No. 199)	Adjournment of the General Assembly	Enacted 6/3/2016 Amends Code section 2-1-180 to move the mandatory <i>sine die</i> adjournment of the General Assembly from the first Thursday in June to the second Thursday in May and to provide for extensions under certain circumstances. Also amends 11-9-880 to revise deadlines for the Board of Economic Advisors forecasts of economic conditions.
S.667 (Act No. 270)	SC-NC Border Clarification	Enacted 6/16/2016 and effective 1/1/2017 Provides for clarification of the SC-NC border and outlines various reciprocity provisions for affected parties including those relating to residency for fee purposes for higher education.
S.685 (Act No. 259)	Engineers and Surveyors	Enacted 6/3/2016 Amends provisions relating to requirements and regulation of the practice of engineers and surveyors.
S. 933 (Act No. 207)	Academic Standards and Assessments	Enacted 6/3/2016 Provides for an extension relating to high school diploma petitions for a person who is no longer enrolled in a public school and failed to receive a high school diploma or denied graduation on the basis of failing to meet the exit exam requirement.
S.1028 (Act No. 208)	Department of Agriculture	Enacted 6/3/2016 Adds Code 46-3-280 relating to the recruitment of veterans into higher education programs for those institutions with such programs.
S.1035 (Act No. 210)	SC Telemedicine Act	Enacted 6/9/2016 Adds Code sections to authorize and establish certain requirements relating to telemedicine.
S.1036 (Act No. 211)	State Board of Dentistry	Enacted 6/3/2016 Amends provisions relating to the issuance of instructor licenses for dentists.
S.1166 - Enacted	SC State University	Enacted 6/7/2016 and effective 7/2/2016 A Joint Resolution concerning SC State University and provisions for the repayment of state loans and for the continuation of flexibility provided for employee furloughs.
S.1177 (Act No. 215)	Architects	Enacted 6/3/2016 Amends certain provisions concerning the professional licensure and training of architects.
S.1233 (Act 182)	Educational capital improvements sales and use tax	Enacted 5/25/2016 Amends Code section 4-10-470(F) relating to the Educational Capital Improvements Sales and Use Tax and criteria for certain counties in order for them to place the question of imposing such a tax on a referendum ballot.
REGULATIONS		
<p>For a listing and information regarding State Regulations, introduced and considered during the 2016 Session, see http://www.scstatehouse.gov/registerandregs.php. The following are CHE regulations enacted during the Session and also one relating to teacher education by the State Department of Education (SDE). Other SDE regulations were introduced and considered during the session and information may be accessed from the link above.</p>		
Doc. # R4533	CHE – SC NG CAP	Approved by Regulation Expiration Date 1/13/2016. Effective 2/26/2016. CHE Regulations for the National Guard College Assistance Program which include revisions to incorporate into regulation prior statutory changes enacted for the program. Regulation passed by Senate and remained in House committee after favorable review in 2015. The regulation review period expired 1/13/2016.

Bill #	Bill Title or Brief Descriptive Title	Legislation Status <i>Enacted legislation shaded yellow; Bill #, left, is hyperlinked to full text</i>
Doc. # R4534	CHE – SC NG Loan Repayment	Approved by Regulation Expiration Date 1/13/2016. Effective 2/26/2016. Proposed regulations to repeal regulations for the National Guard Loan Repayment Program which is no longer active. Regulation passed by Senate and remained in House committee after favorable review in 2015. The regulation review period expired 1/13/2016.
Doc. # R4593	State Board of Education, Program Approval Standards for SC Teacher Education Institutions	Approved by Regulation Expiration Date 5/31/2016. Effective 6/24/2016. Regulation 43-90 governs the accreditation requirements for public and private educator preparation programs. The proposed amendments to the regulation would modify language within the regulation. Current language in the regulation is specific to an educator preparation accrediting body, the National Council for Accreditation of Teacher Education (NCATE); however, a new accrediting body, the Council for the Accreditation of Educator Preparation (CAEP) has replaced NCATE. The proposed amendments would eliminate the need for a regulation change any time an accrediting body changes.

OTHER ITEMS OF INTEREST

CHE Appointments:

During the 2016 Session, **Mr. Tim Hofferth** of Chapin was confirmed as chair of CHE. Mr. Hofferth had been appointed in the previous year to CHE but then vacated his seat in September upon being appointed by the Governor to the seat as CHE’s chair after the former chair, John Finan resigned from the CHE. Other appointments confirmed during the Session included: re-appointments of **Ms. Allison Dean Love** of Columbia and Citadel trustee appointed as the four-year comprehensive public institution representative, **Dr. Jennifer Settlemyer** of Prosperity and statewide at-large member, **Dr. Louis Lynn** of Columbia and Clemson University trustee appointed as the research institution representative, and **Mr. Paul Batson** of Greer and Greenville Technical College area commissioner appointed as the technical college system representative, and new appointments of **Mr. Devron H. Edwards** of Chapin to the statewide at-large seat previously vacated by Mr. Hofferth and as of July 1 of **Mr. Kenneth W. Kirkland** of Greenville to the statewide at-large seat held by Mr. Clark Parker. Also during the Session, **Mr. Hood Temple** was appointed as the representative of the 7th Congressional District. Mr. Temple had been serving on CHE as the 6th Congressional District Representative. The 6th Congressional District seat is currently vacant. For more information about the Commission appointments, [Click Here](#).

Higher Education Governance:

During the 2015 Session budget deliberations, the House began a conversation about higher education governance and appointed an ad hoc committee to review governance for South Carolina higher education. The ad hoc committee met in the interim and also during the 2016 Session. Draft legislation was considered by the ad hoc committee which referred the legislation to the House Education and Public Works Higher Education Subcommittee. The subcommittee adjourned debate on the draft legislation and no other changes to governance were advanced or further considered.

For information about the deliberations of the House ad hoc committee on higher education governance, see <http://www.scstatehouse.gov/CommitteeInfo/HouseHigherEducationGovernanceAdHocCommittee/HouseHigherEducationGovernanceAdHocCommittee.php>

During the process, CHE undertook a review of its statutes and authority. The resulting information is available on CHE’s website at <http://www.che.sc.gov/AboutCHE/WhatWeDo/SCCommissiononHigherEducation-ProvidingClarity,BestPractices,andSustainability.aspx>

APPENDIX A, Higher Education Funding

FY 2016-17 Appropriations: Summary of H.5001 Part 1A and Non-Recurring Funding except Lottery

	Change: FY 2016-17 Increases/Decreases and Nonrecurring (one-time) Appropriations					
	FY 2015-16 Beginning Base, Part 1A Recurring	PART 1A - Recurring		Non-recurring (See also Lottery Summary) ²		TOTAL NonRecurring
		New Appropriations	% Change over FY16 Base	NonRecurring Part 1B Proviso 118.16	Capital Reserve Fund (H.5002)	
SC Commission on Higher Education	\$68,356,556	(\$32,601,341)	-47.7%	\$50,000	\$0	\$50,000
CHE - SREB Contract Programs (See Appx B, Lottery)		(\$71,244)				
CHE - College Transition Need Based Grants		\$170,822				
CHE - Core Agency Functions		\$300,000				
³ CHE Scholarship Transfer (See Appx B Lottery)		(\$33,000,919)				
Greenwood Promise Scholarship Program (Flow through to PTC)				\$50,000		\$50,000
SC Tuition Grants Commission - Tuition Grants	\$23,777,220	\$2,472,979	10.4%	\$0	\$0	\$0
Student Grant Increase (See Appx B, Lottery)		\$2,463,230				
Employee Reclassification		\$9,749				
Clemson	\$72,291,817	\$5,000,000	6.9%	\$2,400,000	\$0	\$2,400,000
Education and General Operating		\$5,000,000				
Outdoor Lab Facilities				\$2,400,000		
USC Columbia	\$116,388,584	\$6,500,000	5.6%	\$0	\$5,000,000	\$5,000,000
Education and General Operating		\$6,500,000				
Honors College Facility					\$5,000,000	\$5,000,000
MUSC (see note below)	\$62,149,912	\$900,000	1.4%	\$0	\$0	\$0
Education and General Operating		\$900,000				
Citadel	\$9,547,794	\$510,500	5.3%	\$0	\$0	\$0
Education and General Operating		\$510,500				
Coastal Carolina	\$10,591,478	\$1,200,000	11.3%	\$150,000	\$100,000	\$250,000
Education and General Operating		\$1,200,000				
Atmospheric and Soil Moisture Weather Stations (10)				\$150,000		
Stadium Expansion Engineering					\$100,000	\$100,000
College of Charleston	\$22,101,091	\$2,000,000	9.0%	\$1,250,000	\$0	\$1,250,000
Education and General Operating		\$2,000,000				
Computer Science Program				\$650,000		\$650,000
Gibbes Museum of Art				\$350,000		\$350,000
Avery Center				\$250,000		\$250,000
Francis Marion	\$13,591,433	\$925,000	6.8%	\$200,000	\$500,000	\$700,000
Education and General Operating		\$925,000				
Honors College				\$200,000	\$500,000	
Lander	\$6,889,072	\$500,000	7.3%	\$850,000	\$0	\$850,000
Education and General Operating		\$500,000				
Nursing and STEM Equipment				\$550,000		\$550,000
Equestrian Center for Mental Health Trt - Pass through from DDSN				\$300,000 †		\$300,000
SC State	\$13,075,021	\$150,000	1.1%	\$150,000	\$4,600,000	\$4,750,000
Education and General Operating		\$150,000				\$0
Maintenance: Critical Care and Repair (1:1 Match)				\$150,000		
Debt Payment					\$4,600,000	\$4,600,000
USC Aiken	\$7,332,805	\$400,000	5.5%	\$0	\$0	\$0
Education and General Operating		\$400,000				
USC Beaufort	\$3,031,306	\$400,000	13.2%	\$0	\$0	\$0
Education and General Operating		\$400,000				
USC Upstate	\$10,192,157	\$500,000	4.9%	\$0	\$0	\$0
Education and General Operating		\$500,000				
Winthrop	\$14,567,692	\$700,000	4.8%	\$0	\$4,500,000	\$4,500,000
Education and General Operating		\$700,000				\$0
Music Conservatory/Byrnes Auditorium					\$4,500,000	\$4,500,000
USC Lancaster	\$1,765,310	\$250,000	14.2%	\$0	\$700,000	\$700,000
Education and General Operating		\$250,000				
Health and Wellness Center Renovations					\$640,000	\$640,000
Bradley Arts and Sciences Building Repairs					\$60,000	\$60,000
USC Salkehatchie	\$1,401,534	\$176,240	12.6%	\$350,000	\$0	\$350,000
Education and General Operating		\$176,240				
Nursing and Campus Facility Roof Repairs					\$346,000	\$346,000
HVAC and Physical Plant Repairs				\$100,000		\$100,000
Science Building and Maintenance				\$250,000		\$250,000
USC Sumter	\$2,729,386	\$145,573	5.3%	\$100,000	\$1,500,000	\$1,600,000
Education and General Operating		\$145,573				
Science Building					\$1,500,000	\$1,500,000
Physical Plant Repairs				\$100,000		\$100,000
USC Union	\$664,213	\$88,174	13.3%	\$0	\$300,000	\$300,000
Education and General Operating		\$88,174				
Energy Efficiency Retrofits and Physical Plant Repairs					\$300,000	\$300,000

Continued, Summary of FY 2016-17 Higher Education Appropriations Recurring & Nonrecurring except Lottery

Change: FY 2016-17 Increases/Decreases and Non-recurring (one-time) Appropriations						
FY 2015-16	PART 1A - Recurring		Non-recurring (See also Lottery Summary) ²			
	Beginning Base, Part 1A Recurring	New Appropriations	% Change over FY16 Base	NonRecurring Part 1B Proviso 118.16	Capital Reserve Fund (H.5002)	TOTAL NonRecurring
SC Technical College System - State Board & Colleges	\$133,554,742	\$6,960,515	5.2%	\$52,380,170	\$65,950,000	\$118,330,170
ready SC				\$13,554,507		\$13,554,507
Workforce Pathways		\$500,000				\$0
Manufacturing, Healthcare, and STEM Education and Training		\$6,460,515				\$0
ATC - Life Science Building				\$650,000	\$4,000,000	\$4,650,000
ATC - Manuf., Health & STEM Educ & Training & Critical Training Equip.				\$784,216		\$784,216
CCTC - Manuf., Health & STEM Educ & Training & Critical Training Equip.				\$1,320,670		\$1,320,670
CCTC - Workforce Center					\$10,000,000	\$10,000,000
DTC - Barnwell Workforce Center				\$950,000	\$550,000	\$1,500,000
DTC - Manuf., Health & STEM Educ & Training & Critical Training Equip.				\$415,484		\$415,484
FDTC - Academic Building				\$3,500,000	\$2,000,000	\$5,500,000
FDTC - Manuf., Health & STEM Educ & Training & Critical Training Equip.				\$858,078		\$858,078
GTC - CMI Equipment				\$7,000,000		\$7,000,000
GTC - Manuf., Health & STEM Educ. & Training & Critical Training Equip.				\$778,496		\$778,496
HGTC - Advanced Manuf. Center					\$3,500,000	\$3,500,000
HGTC - Manuf., Health & STEM Educ. & Training & Critical Training Equip.				\$1,063,730		\$1,063,730
MTC - Welding Center					\$3,500,000	\$3,500,000
MTC - Quick Jobs					\$1,000,000	\$1,000,000
MTC - Manuf., Health & STEM Educ. & Training & Critical Training Equip.				\$1,107,743		\$1,107,743
NETC - Industrial Building				\$3,500,000		\$3,500,000
NETC - Manuf., Health & STEM Educ. & Training & Critical Training Equip.				\$642,679		\$642,679
OCTC - Health Sciences Nursing Building					\$5,000,000	\$5,000,000
OCTC - Manuf., Health & STEM Educ. & Training & Critical Training Equip.				\$801,512		\$801,512
OCTC - Nursing Cooperative Program with Claflin Univ.				\$400,000		\$400,000
PTC - Upstate Center for Manuf.				\$3,750,000		\$3,750,000
PTC - Manuf., Health & STEM Educ. & Training & Critical Training Equip.				\$989,767		\$989,767
SCC - Manuf., Health & STEM Educ. & Training & Critical Training Equip.				\$2,012,265	\$3,500,000	\$5,512,265
TCL - New River Workforce Development Center				\$150,000	\$3,500,000	\$3,650,000
TCL - Mobile Welding Lab				\$1,200,000		\$1,200,000
TCL - Manuf., Health & STEM Educ. & Training & Critical Training Equip.				\$717,171		\$717,171
TCTC - Industrial Technology Center Phase V					\$500,000	\$500,000
TCTC - Oconee Workforce Development Center					\$4,000,000	\$4,000,000
TCTC - Central Plant					\$500,000	\$500,000
TCTC - Manuf., Health & STEM Educ. & Training & Critical Training Equip.				\$992,641		\$992,641
TTC - Aeronautical Training Center				\$700,000	\$15,300,000	\$16,000,000
TTC - Manuf., Health & STEM Educ. & Training & Critical Training Equip.				\$1,624,725		\$1,624,725
WTC - Science and Technology Building					\$3,500,000	\$3,500,000
WTC - Manuf., Health & STEM Educ. & Training & Critical Training Equip.				\$606,872		\$606,872
YTC - Health and Human Service Building				\$900,000	\$5,600,000	\$6,500,000
YTC - Manuf., Health & STEM Educ. & Training & Critical Training Equip.				\$1,309,614		\$1,309,614
YTC - Western York Campus				\$100,000		\$100,000
AHEC (Area Health Education Consortium)	\$9,772,208	\$450,000	4.6%	\$0	\$0	\$0
Office for Healthcare Workforce Analysis and Planning		\$450,000				\$0
Subtotals						
Colleges & Universities						
Research	\$250,830,313	\$12,400,000	4.9%	\$2,400,000	\$5,000,000	\$7,400,000
4-Yr Comprehensive	\$110,919,849	\$7,285,500	6.6%	\$2,600,000	\$9,700,000	\$12,300,000
2-yr USC Regional Branch Campuses	\$6,560,443	\$659,987	10.1%	\$450,000	\$2,500,000	\$2,950,000
Subtotal	\$368,310,605	\$20,345,487	5.5%	\$5,450,000	\$17,200,000	\$22,650,000
Technical College System (Central Office & Institutions)	\$133,554,742	\$6,960,515	5.2%	\$52,380,170	\$65,950,000	\$118,330,170
AHEC	\$9,772,208	\$450,000	4.6%	\$0	\$0	\$0
Colleges & Universities Total (Incl AHEC & SBTCE)	\$511,637,555	\$27,756,002	5.4%	\$57,830,170	\$83,150,000	\$140,980,170
CHE	\$68,356,556	(\$32,601,341)	-47.7%	\$50,000	\$0	\$50,000
Tuition Grants	\$23,777,220	\$2,472,979	10.4%	\$0	\$0	\$0
¹ Total Higher Education	\$603,771,331	(\$2,372,360)	-0.4%	\$57,880,170	\$83,150,000	\$141,030,170

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

Also excluded from the Higher Education Total are \$10,750,000 in nonrecurring funds from 118.16 and CRF reflected under MUSC for the Medical University Hospital Authority (MUHA) Children's Hospital and the Helipad for the Children's Hospital.

Pursuant to FY17 Part 1B Proviso 118.17 which requires that the CG not make appropriations for items funded with \$1, appropriations of \$1 are not included.

⁽²⁾ Nonrecurring funding reported in this summary table reflects one-time funds from proviso 118.16 and the Capital Reserve Fund. SC Education Lottery Funds and EIA funding are not included in this table, and the numbers do not reflect higher education scholarships and grants and other anticipated institutional appropriations from the SC Education Lottery for higher education. See Appendix B for a summary of the FY16 Lottery appropriations for higher education.

⁽³⁾ General Fund scholarship dollars were shifted from Part 1A to the Lottery. Merit-based scholarships are fully funded in FY 2016-17 for anticipated growth through the Lottery and anticipated prior year program carry forward. For details, see summary of scholarships and grants included in this year-end summary document.

‡ Item funded by a proviso directing an appropriation from another agency.

SC Education Lottery, Summary of Allocations per FY 2016-17 Appropriations Act, Part 1B Proviso 3.6

	Total Lottery	% of Total
Higher Education		
1* Palmetto Fellows	\$49,274,030	\$49,274,030
1 LIFE	\$199,754,741	\$199,754,741
1 HOPE	\$9,552,955	\$9,552,955
1 Lottery Tuition Assistance (LTA)	\$51,100,000	\$51,100,000
1* CHE Need-based (NB)	\$17,537,078	\$17,537,078
1* Tuition Grants (TG)	\$8,330,008	\$8,330,008
3* National Guard College Assistance Program	\$4,545,000	\$4,545,000
3 SC State	\$2,500,000	\$2,500,000
Higher Education Excellence Enhancement Program (HEEEP)		\$6,072,474
3 HEEEP (Certified FY16 Unclaimed Prize Funds)	\$5,504,999	
4 HEEEP (FY16 Net Proceeds Surplus - Pro Rata)	\$567,475	
CHE - Technology - 2-& 4-yr Public		\$7,242,212
2 Technology (FY16 Net Proceeds Certified Surplus)	\$2,242,212	
4 Technology (FY16 Net Proceeds Surplus - Pro Rata Items)	\$5,000,000	tbd
2* SREB Program & Assessments (line indicates HE Tuition Grants but SREB through CHE)	\$313,456	\$313,456
SBTCE - Critical Training Equipment		\$2,912,307
2 Critical Training Equipment (FY16 Net Proceeds Certified Surplus)	\$2,000,000	
4 Critical Training Equipment (FY16 Net Proceeds Surplus - Pro Rata)	\$912,307	tbd
4 SBTCE - Workforce Scholarships & Grants (FY16 Net Proceeds Surplus - Pro Rata)	\$5,000,000	\$5,000,000 tbd
Subtotal Higher Education (includes all FY15 Net Proceeds Surplus)	\$364,134,261	83.4%
K-12 and Other Entities		
SDE, K-12 Technology Initiative		\$29,288,976
1 K-12 Technology from Certified FY16 Proceeds	\$23,822,432	
2 K-12 Technology from FY16 Net Proceeds Certified Surplus	\$5,466,544	
SDE - School Buses		\$12,100,000
2 School Bus Lease/Purchase (FY16 Net Proceeds Certified Surplus)	\$6,500,000	
4 School Buses (FY16 Net Proceeds Surplus - Pro Rata)	\$2,100,000	tbd
3 School Buses (Certified Unclaimed Prize Funds)	\$3,500,000	
2 SDE - Instructional Material	\$18,000,000	\$18,000,000
2 SDE - College and Career Readiness	\$3,000,000	\$3,000,000
2 SDE - Efficiency Study	\$3,100,000	\$3,100,000
2 SDE - Dynamic Report Card System	\$1,695,000	\$1,695,000
2 SDE - Reading Partners	\$400,000	\$400,000
2 SDE - Mobile Device Access and Management	\$3,000,000	\$3,000,000
School for Deaf & Blind, Technology (Certified FY16 Unclaimed Prize Funds)	\$200,000	\$200,000
3 DAODAS, Gambling Addiction Svces (Certified FY16 Unclaimed Prize Funds)	\$50,000	\$50,000
3 State Aid to County Libraries (Certified FY16 Unclaimed Prize Funds))	\$1,700,000	\$1,700,000
Subtotal K-12 and other entities (includes all FY16 Net Proceeds Surplus)	\$72,533,976	16.6%
TOTAL HE & K-12 (includes all FY16 Net Proceeds Surplus)	\$436,668,237	100.0%

Excess Unclaimed Prize Funds above Certified \$18 million (in priority order) **:

5 1) CHE - PASCAL	\$1,412,514	tbd
5 2) SDE - School Bus Lease/Purchase	\$1,000,000	tbd
5 3) SBTCE - Manufacturing, Healthcare, and STEM Education and Training	\$15,000,000	tbd
5 4) CHE - HEEEP	\$2,631,137	tbd
5 5) CHE - Need-Based Grants	\$3,000,000	tbd

** NOTE - Based on recent trend information, it would not be anticipated that excess unclaimed prize funds would be available to fund these items beyond possibly the first two. For FY 2015-16 as of the June 4th quarter report, \$27,000,000 in total unclaimed prize funds was appropriated. In recent past years, the total was \$14,924,184 in FY15; \$14,265,225 in FY14; \$12,436,933 in FY13; and \$13,653,581 in FY12.

Total SC Education Lottery Appropriations by Source:

1 Certified net lottery proceeds and investments for FY 2016-17	\$ 359,371,244
2 Certified FY 2015-16 surplus net lottery proceeds and investment earnings for FY 2016-17	\$ 45,717,212
3 Certified FY16 Unclaimed Fund Prize Funds	\$ 17,999,999
Total Certified Allocations	\$ 423,088,455
4 Net Proceeds & Investment Earnings above FY16 Certified Surplus - Pro Rata allocation basis if not fully realized	\$ 13,579,782
5 Excess FY17 Unclaimed Prize Funds - In Priority Order	\$ 23,043,651
Total Allocations Incl Uncertified To Be Determined (tbd)	\$ 459,711,888

* Also receives General Fund appropriation.

Other: Note that any item funded with only \$1 is not included here. Per Proviso 118,17, the CG is not to distribute \$1 appropriations.

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