

Memorandum

To: P. George Benson
College of Charleston Board of Trustees
College of Charleston Faculty and Staff

From: Shirley Hinson, Director of Government Relations
Re: Legislative Summary
Date: December 1, 2013

Below is a summary of actions taken by the SC General Assembly during the 2013 legislative session that affects the College of Charleston. General Fund revenue projections (recurring) available to the General Assembly to write the FY2013-2014 Appropriations Bill (H.3710) were approximately \$6.3 billion in recurring state general funds and \$106 million in capital reserve funds. The budget is 2.74% below FY2012-2013 levels.

The 2013-2014 state budget addresses the needs of K-12 education, healthcare, and other essential functions of government without raising taxes. The budget adds \$77 million for K-12 education which increases the Base Student Cost from \$2,012 per student to \$2,100, appropriates funds for new school buses and expands 4K education for at-risk children. The General Assembly approved a school choice initiative for special needs students allowing tax credits for students attending independent schools.

The state has 33 public colleges and universities and the budget includes a total of \$885 million for higher education including scholarship and grant programs. Merit-based programs including LIFE, HOPE, and Palmetto Fellows Scholarships are fully funded for anticipated growth. Total appropriations for these programs are \$228,288,535 with 65% funded with the state lottery and 35% general fund. Need-based grant statewide funding totals \$25 million. Over 7.5 million is provided to work force training programs through Ready SC at the state's 16 technical colleges.

The Department of Commerce receives \$16 million for the recruitment of new businesses and economic development. Commerce also receives funding in the amount of \$6 million for Technology Incubator Pilot Projects. Participation in the program is open to the College through an application process for \$2 million with a 1:1 match. The first significant funding increase for roads and bridges since 1987 was approved by the General Assembly with an investment of \$600 million. In addition, full funding is provided for financial reserve accounts that are used by the state when budget shortfalls occur.

While state employees will not pay additional premiums for the state health insurance plan, they could see up to 20% increase in coinsurance payments and deductibles. Employers will see an increase in rates of 6.8%. Members chose not to expand Medicaid but to redirect up to \$35 million to the Healthy Outcomes Initiatives.

The College of Charleston's beginning base funding for 2013-14 is \$19,022,659 and the Lowcountry Graduate Center's base funding is \$785,099. The College receives \$2 million in non-recurring funds for the Rita Hollings Science Center construction project and \$826,265 from the state lottery for deferred maintenance requiring a 1:1 match. The Computer Science Academic Department receives a one-time appropriation of \$100,000 and recurring funding of \$400,000 to further develop the department and increase the number of graduates needed to meet the demands of the business community. An additional appropriation of \$300,000 is directed to the Avery Center.

The General Assembly did not restrict tuition costs for students or cap out of state admissions. Members will reconvene on January 14, 2014.

FY2013-2014– Appropriation Issues

Recurring Funding

The College of Charleston received \$19,022,659 in recurring funding for FY2013-14 compared to \$33,252,307 received in FY 2008-2009. The following list outlines specific funding allocations for programs at the College beyond base funding. **The Computer Science Department received \$400,000 in new recurring funds.**

	General Fund
College of Charleston Agency Base	\$19,022,659
Lowcountry Graduate Center Agency Base	785,099
Health Insurance	237,357
Computer Science Department	400,000 (New Recurring Funds)

The College of Charleston will receive approximately \$878,283 from the State Technology Infrastructure Fund. This funding is appropriated from lottery proceeds for all of the state’s four year teaching universities and two year colleges and technical colleges. The College is the largest beneficiary of this fund.

Technology Infrastructure Fund (State Lottery)	\$ 878,283 (Estimate)
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New Non-recurring Funding

The state’s appropriation is estimated at \$3,225,970 in non-recurring funding for FY2013-14 for the College. Funding will come from the Capital Reserve Fund (H.3711) and the state lottery. Maintenance Funds are included for the 2nd year in the State Lottery. There is a total of \$13,994,883 that will be spread to Research, Comprehensives and USC 2-yr institutions for maintenance and require a 1:1 match (Proviso 3.5)

Rita Hollings Science Center	(Capital Reserve Fund)	\$ 2,000,000
Deferred Maintenance	(State Lottery)	\$ 825,970 (Estimate)
Avery Center	(State Budget)	\$ 300,000
Computer Science Program	(Capital Reserve Fund)	\$ 100,000
		\$ 3,225,970

Miscellaneous Statewide Appropriations

The College participates in the following programs that received funding for FY 2013-14 and will receive a portion of each fund. PASCAL will receive an additional \$1.5 million from excess certified funds if revenues become available through the State Lottery Unclaimed Prizes. Last year, \$1.2 million was realized from excess unclaimed prize funds. The amounts below represent total dollars received from the state.

Electronic Library (PASCAL)	\$ 164,289
Total authorization \$3,850,866	

GEAR-UP	\$ 177,201
This is a federal grant program that includes a state matching component. CHE has authorization of Federal GEAR-UP funds of \$3,620,801.	

EPSCoR	\$ 1,279,329
SC Experimental Program to Stimulate Competitive Research is a federal-state university partnership that includes a state matching component.	

EEDA	\$ 1,180,576
Projects supported by EEDA are the SC Transfer and Articulation Center, SCTRAC.org, and the SC Course Alignment Project	

Charleston Transition College Connection	\$ 179,178
REACH (non-degree seeking students) Funds are being transferred to need-based to be used for students in college transition programs through Proviso 11.19.	

State Scholarships

College of Charleston students received a total of **\$18,863,162** in state scholarships during FY 2012-2013 (See list below). Palmetto Fellows, LIFE, and SC HOPE merit based scholarships were fully funded. Palmetto Fellows received \$51.2 million, LIFE received \$169 million, HOPE received \$8 million, and Need-Based received \$25 million. Lottery Tuition Assistance received \$49 million, Tuition Grants received \$31.6 million, and National Guard College Assistance Program received \$4.6 million based on the members participating last fall.

A freshman recipient is awarded \$5,000 for the LIFE Scholarship, \$2,800 for HOPE, \$6,700 for Palmetto Fellows (\$7,500 upperclassmen) and a maximum award of \$2,500 for a Need-based scholarship.

Need-Based Grants	\$ 1,193,040
HOPE	\$ 277,200
Palmetto Fellows Scholarship	\$ 3,841,748
Palmetto Fellows Enhancement-Science & Math	\$ 406,688
LIFE Scholarship	\$11,312,546
LIFE Scholarship Enhancement- Science & Math	\$ 774,293
SC Teaching Fellows	\$ 391,391
SC Teacher Loan	\$ 506,256
Subtotal	\$18,703,162
Call Me Mister	\$ 160,000
Total	\$18,863,162

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

The following includes a listing of select budget provisos of interest for higher education for FY 2013-14.

FY 14 Proviso	Brief Summary Notes Concerning Proviso Status
1A.9	Proviso directs expenditure of funds appropriated to teacher recruitment programs. The proviso was amended to establish the SC Teacher Loan Advisory Committee, provide for its membership and responsibilities.
1A.36	Proviso amended to include a provision to provide Clemson University \$1 million from EIA carry forward to fund a summer reading pilot for low income elementary students.
1A.52	NEW proviso to denote EIA-funded programs at USC to be under the one umbrella center, the Center for Educational Partnerships at the College of Education at USC.
1A.53	NEW proviso to direct all EIA-funded entities that provide professional development and science programming to teachers and students should be included in the state's science, technology, engineering and mathematics education strategic plan.
1A.56	NEW proviso which provides direction for CERRA in considering additional Teaching Fellows programs at other public four-year institutions who wish to be considered to host a Teaching Fellow program.
1A.58	NEW proviso which directs that additional funds provided to CERRA in FY 2013-14 to be used only in support of the Teaching Fellows and Teacher Cadet programs.
11.16	NEW proviso that directs CHE to study the issue of parity funding for all state institutions of higher learning.
11.19	NEW proviso to direct funds that flow through CHE's budget to a non-profit entity focused on higher education programs for adults with intellectual disabilities. FY 2013-14, funding is \$179,178 and will be directed to provide need-based grants for SC students enrolled in the college transition programs initiated at Clemson, USC, Coastal Carolina University, College of Charleston, and Winthrop University.
11.21	NEW proviso to require CHE to work with state colleges and universities to prepare a report inventorying all state mandated reporting requirements. The report is due to the Governor and chairs of the House and Senate finance committees by December 1, 2013.
117.78	Proviso amended to clarify that an agency head is not required to take a mandatory furlough if there is a reorganization to accomplish organizational efficiencies.
117.96	Proviso amended to include new provisions with respect to the process for state agencies for recovery audits.
117.125	NEW proviso related to funds provided to the Budget and Control Board. Directs the Board to use the funds to develop and implement a statewide information security program.
117.136	New proviso that provides direction to state agencies, including institutions of higher learning, with respect to the process and requirements for providing disclosure and notification of any computer security breach.
118.9	Proviso continued but amended to delete the amounts of funding transferred from agencies to the General Fund. The proviso continues to prohibit state agencies from using State General Funds for lobbyist or for entering into contracts for such purposes.

Bills Enacted by the General Assembly

2013 is the first year of a two-year continuing session. Bills not enacted retain their position from the 2013 session and may be considered in the upcoming 2014 legislation session. The list below includes bills specific to higher education.

Bill #	Bill Title	Bill Summary
H.3502 (Act 79)	Citadel Board of Visitors relating to transfer of funds and property	ENACTED 6/13/2013. Amends §59-121-55 relating to the transfer of funds or property by the Citadel Board of Visitors to a nonprofit eleemosynary corporation. It removes a limit on the amount of funds and property that the board may transfer to the corporation, and to provide that the board may transfer funds and property privately donated to the college, and income and proceeds derived from those funds and property.
H.3829 (Act 32)	Greenville Technical College Area Commission	ENACTED 5/21/2013. Amends §59-53-1500, 1510 and 1520 relating to the membership, powers, and duties of the Greenville Technical College Area Commission so as to reconstitute the membership of the commission
S.127	Brain Injury Leadership Council	ENACTED 6/13/2013. Adds §44-38-610 et seq. to create the SC Brain Injury Leadership Council and repeals §44-20-225 relating to Consumer Advisory Boards for individuals with certain intellectual disabilities and brain and spinal cord injuries. The Council includes representation from various state agencies, including MUSC and USC schools of medicine.
S.417 (Act 45)	Military Service Occupation, Education, and Credentialing Act	ENACTED 6/7/2013. This bill provides for consideration of the award of educational credit for students honorably discharged from the US Armed Forces and for the licensing of active duty military personnel and their spouses. Under the legislation, 59-101-400 is added and provides that state-supported-post-secondary educational institutions, including a technical and comprehensive educational institution, may award educational credit to a student honorably discharged from the Armed Forces of the United States for a course that is part of the military training or service of the student. It also requires the state postsecondary institutions to adopt policies relating to the award of such credit for the 2013-14 academic year by January 1, 2014.
S.438 (Act 46)	Government Contracts	ENACTED 6/7/2013. AN ACT TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 8-15-70 SO AS TO PROVIDE FOR THE FAIR AND OPEN COMPETITION IN GOVERNMENTAL CONTRACTS