

Memorandum

To: President Glenn F. McConnell
College of Charleston Board of Trustees
College of Charleston Faculty and Staff

From: Shirley Hinson, Director of Government Relations
Re: 2015 Legislative Summary
Date: November 15, 2015

Below is a summary of actions taken by the SC General Assembly during the 2015 legislative session that affects the College of Charleston. General Fund revenue projections (recurring) available to the General Assembly to write the FY2015-16 Appropriations Bill (H.3701) were approximately **\$7.5** billion and **\$127** million in Capital Reserve Funds (H.3702). A Supplemental Bill (H.4230) of **\$150** million is used to fund infrastructure needs across the state. The state budget includes approximately **\$377** million from the Education Lottery Fund.

The budget addresses the needs of K-12 education, healthcare and other essential functions of government without raising taxes. New funding is included for K-12 education which increases the Base Student Cost per student to **\$2,220**, appropriates funds for new school buses and expands 4K education for at-risk children.

A total of **\$988** million, representing a 6% increase, is appropriated to the state's 33 public universities and colleges which include **\$388** million for scholarship and grant programs. Merit-based programs for LIFE, HOPE, and Palmetto Fellows Scholarships are fully funded while summer eligibility for Palmetto Fellows and LIFE Scholarships continues. Although the budget does not include a pay increase for state employees, those earning less than **\$100,000** receive a one-time bonus of **\$800** to be distributed in October by the College. The state continues to cover increases in health insurance premiums for state employees.

Base funding for the College of Charleston is **\$20,573,373** and the Lowcountry Graduate Center's base funding is **\$785,099**. The General Assembly transferred funds from the Commission on Higher Education for the LGC to the College of Charleston. The College receives **\$579,175** in new recurring funding for Computer Science and Supply Chain Management, **\$1,750,000** in nonrecurring funding for the repurposing of the Stern Center, and **\$150,000** in nonrecurring funding for the Avery Center.

Education and state infrastructure needs were major topics discussed by the legislature during the session. However, a bond bill for higher education to provide funding for needed capital projects failed. A strong effort by the business community for passage of a gasoline tax to build or replace roads and bridges also failed.

The outlook for FY 2016-17 continues to improve and the Board of Economic Advisors (BEA) issued a preliminary General Fund revenue estimate of **\$8.2** billion which represents an expected growth of 4.8 percent. The increase is due to strong employment growth and increased consumer spending.

The College is always concerned about actions related to tuition and out-of-state admissions. The General Assembly did not restrict tuition costs for students or cap out-of-state admissions.

FY2015-16 – Appropriation Issues

Recurring Funding

The College of Charleston receives **\$21,101,091** in recurring funding for FY2015-2016 compared to **\$33,252,307** received in FY 2008-2009. The following list outlines specific funding allocations for programs at the College.

	General Fund
College of Charleston Agency Base	\$20,573,373
Supply Chain Management	289,587
Computer Science Program	289,588
Lowcountry Graduate Center Agency Base	785,099
Health Insurance	163,444
Total	\$ 21,101,091

The College of Charleston receives approximately **\$878,283** from the State Technology Infrastructure Fund that was funded at **\$7,354,190**. 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 of Charleston is the largest beneficiary. Higher Education receives **\$3** million for Equipment and Repair (1.1 Match) and the College's share is **\$124,301**.

Technology Infrastructure Fund	(State Lottery)	\$ 878,283 (Estimate)
Equipment & Repair Fund	(State Lottery)	\$ 124,301 (1:1 Match)

New Recurring Funding

Total funds for higher education increased by 6% and colleges and universities receive **\$14.7** million of available new recurring funds. The College receives **\$579,175** for support of Supply Chain Management and expansion of Computer Science programs.

Computer Science Program	(State Budget)	\$289,588
Supply Chain Management	(State Budget)	\$289,587

New Non-recurring Funding

Available nonrecurring funds for the state are **\$464** million. The state's appropriation for the College is estimated at **\$1,900,000** in non-recurring funding.

Avery Center	(State Budget)	\$ 150,000
Stern Center Repurposing	(Capital Reserve Fund)	\$ 1,750,000
	Total	\$ 1,900,000

Miscellaneous Statewide Appropriations

The College participates in the following programs that receive funding for FY 2015-16 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 for each program.

Electronic Library (PASCAL) Total authorization \$ 3,850,866	\$ 164,289
GEAR-UP This is a federal grant program that includes a state matching component. CHE has authorization of Federal GEAR-UP funds of \$ 3,620,801	\$ 177,201
EPSCoR SC Experimental Program to Stimulate Competitive Research is a federal-state university partnership that includes a state matching component.	\$ 1,279,330
EEDA Projects supported by EEDA are the SC Transfer and Articulation Center, ACTRAC.org, and the SC Course Alignment Project.	\$ 1,180,576

State Scholarships

College of Charleston students received a total of **\$20,023,165** in state scholarships during FY 2014-15 (See list below). The Appropriations Act for FY2015-2016 includes full funding at **\$388** million to fund scholarships and grants. 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	\$ 1,212,886
HOPE	\$ 509,600
Palmetto Fellows Scholarship	\$ 3,621,371
Palmetto Fellows Enhancement-Science & Math	\$ 465,000
LIFE Scholarship	\$11,943,804
LIFE Scholarship Enhancement- Science & Math	\$ 946,425
SC Teaching Fellows	\$ 461,874
SC Teacher Loan	\$ 544,390
SC Teaching Fellows Prof. Experience	\$ 3,300
Call Me Mister	\$ 172,000
Computer Science Opportunity Scholarship (Created from state funds by department)	\$ 67,500
SC College Transition Program (REACH Students)	\$ 2,140
SC National Guard	\$ 52,875
Total	\$ 20,023,165

NEW Temporary Budget Provisos included in the Appropriations Act

FY 2015 Proviso	Proviso Title	Proviso Status Brief Summary Notes <i>(Provisos continued unchanged are not included below)</i>
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. The proviso was amended to add reporting requirements by October 1, 2015.
11.16	CHE: Mission, Ethics, and Value Statements	DELETED. Proviso was added in FY15 to require institutional reporting on mission, ethics, and values statements which was accomplished in January 2015.
11.17	CHE: Distribution of Materials on College Campuses	DELETED. Proviso was added in FY15 and deleted as of FY16.
11.18	CHE: Required Reading Material Reporting	DELETED. Proviso had been added to affect FY15 expenditures by University of Charleston and USC Upstate and deleted as of FY16.
11.25	CHE: Other Funded FTE Revenue	NEW. Proviso provides direction to higher education institutions relating to requests for additional other funded fulltime equivalent positions.
11.29	CHE: Abatements	NEW. Requires institutions to report certain data to CHE by October 1 relating to abatements/waivers of tuition provided under §59-112-70 and also §59-101-620.
11.30	CHE: Outstanding Institutional Debt	NEW. Requires institutional reporting by November 1 to the House and Senate finance committee chairs and CHE relating to outstanding institutional debt.
11.41	CHE: Technical College Study	NEW. Directs 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 requisite study which may include recommendations for legislation is due to the General Assembly by January 31, 2016.
11.42	CHE: College and University Out- of- State Veteran Tuition Differential Reimbursement Fund	NEW. Proviso added to provide for administration of a fund held by the State Treasurer for the purpose of institutional reimbursements relative to Act 11 of 2015 which provides that covered individuals (certain veterans and those receiving allocated GI bill benefits under Chapters 30 and 33) who are from out-of-state to receive in-state tuition and fees.
20.5	USC: Palmetto College Operating	NEW. Proviso directs the allocation by \$373,000 in new recurring funds appropriated to USC for USC's 2-year campuses and requires reporting to CHE and the House and Senate finance committee chairs of the allocations made from these funds to each school.
81.14	LLR: Wind and Structural Engineering Research Lab	NEW. Directs LLR to use \$40,000 of appropriated department funds to contract with The Citadel for a research project relating to wind and seismic residential building requirements.

93.18	DOA: Compensation – Reporting of Supplemental Salaries	AMENDED. Proviso relates to requirements for award and reporting of supplemental salaries. Language is added to include college and university presidents and to amend information relating details to be reported.
117.15	GP: Allowance for Residences & Compensation Restrictions	AMENDED. Language amended relating to those who may be permitted to occupy residences owned by various departments of the state to include certain employees occupying residences owned by USC.
117.55	GP: Employee Bonuses	AMENDED. Proviso relates to allowances for bonuses that may be awarded by agencies and is amended to provide additional direction relating to reporting requirements and establish August 31 st of each year as the date by which information must be reported by agencies.
117.82	GP: Deficit Monitoring	AMENDED. Language amended to provide further direction to the Executive Budget Office for monitoring agencies with respect to expenditures within authorized limits and direction for action taken by the Executive Budget Office and General Assembly should deficit spending or the likelihood of a deficit be identified during the fiscal year.
117.118	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 FY16.
117.125	GP: Employee Compensation	AMENDED. Proviso relates to state employee pay plan and is amended to zero percent pay increase for state employees. <i>(Note: H.4230, Supplemental Bill, provides funding and authorization relating to a one-time bonus of \$800 in FY16 for state employees earning less than \$100,000)</i>
117.127	GP: Comprehensive Workforce Development Coordination Initiative	NEW. Provides 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 survey report must be completed by September 15, 2015. Additionally, SBTCE, DEW, Commerce and SDE are directed to use the report to develop a pathways program in alignment with EEDA to facilitate seamless transfer from education to workforce industries with crucial shortages and submit the plan by February 1, 2016 to chairs of House and Senate finance, education, and commerce and industry committees.
117.131	GP: Energy Efficiency Repair and Related Maintenance	NEW. Proviso enables 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. Funds are required to be matched and CHE is required to report not later than 120 days after the close of the fiscal year on the use of the funds under this provision.
117.133	GP: Capital Bond Study Committee	NEW. Proviso establishes a committee to include three members of the Senate, three members of the House, and three members appointed by the Governor for the purpose of studying capital needs of the state's higher education system. The committee is to report its findings and recommendations, including proposed legislation to JBRC by December 31, 2015.

LEGISLATION PASSED AND SIGNED INTO LAW

2015 is the first year of the two-year continuing session

Bill #	Bill Title or Brief Descriptive Title	Legislation Status
H.3663	SC State University Board of Trustees	Legislation signed into law and effective 5/7/2015. (Act # not assigned) The bill provided for the removal and replacement of the SC State University Board of Trustees with an interim board that was appointed as required within a week of the passage of the legislation.
S.11	FOIA – Meeting Agenda	Legislation signed into law and effective 6/8/2015. Act # 70. Legislation makes changes to SC FOIA §30-4-80 to specifically require the posting of agenda and add requirements relating to postings and for consideration of any changes made subsequent to required postings.
S.47	Body Cameras	Legislation signed into law and effective 6/10/2015. Act # 71. Legislation provides for related definition, guidelines and policies and procedures, and data release requirements for body-worn cameras by state and local law enforcement officers and requires state and local law enforcement agencies under the direction of the Law Enforcement Training Council to implement the use of body-worn cameras pursuant to guidelines established by the Law Enforcement Training Council.
S.261	Free tuition for 60 years old & over	Legislation signed into law and effective 6/3/2015. Act # 50. Bill amends §59-112-320 relating to provisions authorizing institutions to offer free tuition on a space available basis to those 60 years old and over by striking the requirement that participants must not be receiving compensation as a full-time employee; thereby enabling participation of full-time employees.
S.437	James B. Edwards Civics Education	Legislation signed into law and effective 6/3/2015. Act # 52. The bill includes requirements for K-12 students with respect to taking the citizenship examination used by the US Citizenship and Immigration Services. Provisions relating to higher education that had been considered as part of the bill were not included.
S.391	In-state tuition rates for military personnel	Legislation signed into law on and effective July 1, 2015. Act # 11. Provides for “covered individuals” enrolled in public higher education institutions and receiving Veterans educational benefits under Chapters 30 and 33 of Title 38 of the United States Code to pay in-state tuition and fees without regard to the length of time the covered individual has resided in South Carolina. The new provision under Act 11 is being implemented by your institutions and is applicable to terms commencing on or after July 1, 2015.

BILLS TO WATCH IN 2016		
<u>H.3249</u>	SC College and University Board of Regents	In Committee – House Education & Public Works. Bill was pre-filed, introduced and referred to the House Education & Public Works Committee where it remains. This bill would create a board of regents governing system for higher education. The bill is under review by a special ad hoc committee of House Education & Public Works Committee that held an organizational session near the end of the 2015 Session and plans to meet in the interim to develop recommendations for the upcoming Session.
<u>H.3344</u>	SDE Uniform Grading Scale	In House Committee – House Education & Public Works. Bill relates to the uniform grading scale for public schools and proposes amendments to the §59-5-68 to require a ten point grading scale.
<u>H.3353</u>	GED Camps	On Senate Calendar. The bill was passed by the House and subsequently considered by Senate Education which passed the bill out of Committee to the Senate with a favorable report. The bill relates to a pilot program to establish campus for completion of the high school equivalency diploma.

Higher Education Governance: During budget deliberations, the House began a conversation about higher education governance after acting to defund CHE in the House budget recommendations. CHE was subsequently restored in the state’s budget that was ultimately enacted. The House Education & Public Works Committee, chaired by Representative Rita Allison, established a special ad hoc committee, Higher Education Governance Ad Hoc Committee, to review governance, including a bill ([H.3249](#)) introduced to establish a board of regents system in South Carolina. The ad hoc committee is expected to meet during the interim leading up to the January 2016 Session in order to prepare recommendations for consideration in the upcoming Session.