

Memorandum

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

From: Shirley Hinson, Director of Government Relations

Re: 2010 Legislative Summary

Date: October 26, 2010

Below is a summary of actions taken by the South Carolina General Assembly during the 2010 legislative session that affects the College of Charleston. General Fund revenue projections (recurring) available to the S.C. General Assembly to write the FY 2010-2011 Appropriations Bill were approximately \$5.1 billion. Historic declines in the State General Fund revenues have decreased approximately 25% over the past three years and the forecast for FY2010-11 remains flat. While the long range forecast for FY2011-12 is an average 2% growth rate, this is less than expected inflation and population growth. The State Budget list of obligations is \$900 million more than available resources for FY2011-12. Many state agencies have budgets reduced to threshold levels where additional cuts will trigger federal intervention.

The College of Charleston received a total of \$4,988,026 (non-recurring) in new appropriations from stimulus dollars. However, budget cuts were applied to base funding in the amount of \$4,805,653 and travel of \$182,373 for a total of \$4,988,026. Federal stimulus funds will be exhausted at the end of the FY2010-11 budget and all cuts should be considered as permanent reductions for future budget years. Recurring base funding for FY 2010-11 is \$18,764,481 This is a reduction of 21% from the previous year.

The House mandated a three week furlough for members due to budget cuts. The news media criticized the Senate for increasing its budget by \$4 million in a year when state agencies received unprecedented budget cuts. The General Assembly appropriated \$1 million to cover costs associated with reapportionment which takes place every ten years. District lines for House, Senate and Congressional members will be redrawn due to population growth in the state. After ten years of debate, legislation to increase the cigarette tax was passed. Members also recognized the need to approve legislation to restructure the Employment Security Commission. A bill to provide regulatory reform for state supported research universities and four year comprehensive institutions did not pass. This bill is a collaborative effort to provide regulatory relief in the areas of finance, procurement, HR and facilities.

The General Assembly did not place restrictions on institutions increasing tuition and fees.

A. FY 2010-11 Appropriation Issues

1. Recurring Funding

The College of Charleston received \$18,764,481 in recurring funding for FY 2010-11. The following list outlines specific funding allocations.

	Total FY 2010-11
Formula Funding	\$18,764,481
Lowcountry Graduate Center	811,963

The College of Charleston continues to receive an appropriation of approximately \$1,150,000 from the State Technology Infrastructure Fund of \$12 million. This funding is derived from state lottery proceeds for all of the state's four year teaching universities and two year colleges and technical colleges. Appropriations are based on revenue generated by the state lottery. The College continues to be the largest beneficiary of this fund.

	Total FY 2010-11
Technology Infrastructure Fund	\$ 1.150,000

2. New Non-recurring Funding

The state appropriated \$4,988,026 in non-recurring funding for FY 2010-11. Funding was based on SC receiving \$700 million in State Stabilization Funds and the General Assembly spread the amount over two years. Appropriations of \$4,692,447 received for FY 2009-10 brings the total appropriation over the two year period to \$9,680,473. The ARRA Federal Stimulus will not be available in FY2011-12.

	Total FY 2010-11
ARRA Federal Stimulus	\$ 4,988,026

3. Miscellaneous Statewide Appropriations

The following programs were funded for FY 2010-11. The College participates in these programs and will receive a portion of each fund. PASCAL will receive an additional \$1.5 million from excess uncertified funds if revenues become available through unclaimed prizes for the State Education Lottery. The amounts below represent total dollars received from the state.

		Total FY 2010-11
Electronic Library (PASCAL)		\$ 169,674
GEAR-UP		211,042
Access and Equity	(416,336 Veto Sustained)	0
EPSCOR		41,709
Academic Endowment Initiative		166,087

SCAMP	(187,410 Veto Sustained)	0
EEDA		1,213,065
Charleston Transition College Connection		185,309
Centers of Excellence		537,526

4. State Scholarships

State funding for merit based scholarships were fully funded for anticipated growth based on Budget Office growth estimates. There were no changes to the scholarship programs regarding enhancements. Scholarship programs were funded at the following levels: Palmetto Fellows received \$30.2 million, LIFE received \$87.3 million, HOPE received \$7.8 million, Need-based received \$11.6 million, and Lottery Tuition Assistance received \$47 million. An additional \$13.4 million was added in recurring funds for anticipated growth and \$7.6 million in non-recurring funds will be appropriated from Excess Unclaimed Prizes.

A freshman recipient is awarded \$5,000 for the LIFE Scholarship, \$3,800 for Hope, \$6,700 for Palmetto Fellows, and a maximum award of \$2,500 for the Need-based Scholarship.

For FY 2009-10, students enrolled at the College received state scholarships in the amount of \$18.5 million.

	Total FY2009-10
Need-based grants	\$ 1,135,500
HOPE	268,800
Palmetto Fellows	3,598,341
Palmetto Fellows Enhancement	338,022
LIFE	11,283,437
SC Teaching Fellows	424,357
SC Teacher Loan	663,500
Call Me Mister	70,000

5. State Employee Health Insurance

The cost of health insurance increased for state employees, but the state General Fund portion was funded through the state budget.

6. Reductions in State Funding

	Total FY 2010-11
C of C Appropriated Funding	(4,988,026)
Lowcountry Graduate Center	(263,709)

B. Legislation

1. New/Amended Provisos in the Appropriations Act 291 (Temporary legislation effective July 1, 2010 – June 30, 2011)

6.26 In-State Tuition for Military Personnel and Dependents - During the period of assignment to South Carolina, members of the armed services of the United States stationed in South Carolina and their dependents are eligible for in-state tuition rates. Additional provisions apply to dependents when the family is transferred or discharged from the military.

6.27 LIFE and Palmetto Fellows Enhancement Stipends - Continued eligibility for LIFE and Palmetto Fellows Enhancement Stipends will be dependent upon the students and institutions recertifying that all requirements are met.

80A.7 Vacant Positions – FTE positions over 12 months old may be deleted by the State Budget and Control Board.

89.16 Personal Service Reconciliation, FTEs – This proviso provides for the deletion of unfunded State FTEs based on the availability of State General Fund personal service appropriations as compared to the agencies overall state General Fund salary needs.

89.88 Voluntary Furlough – Agency heads may institute a voluntary furlough program of not more than ninety days per fiscal year if the agency is receiving fewer appropriated general funds for FY2010-11 than last fiscal year.

89.92 Reduction in Force/Agency Head Furlough – In the event of a furlough, the state agency head shall be required to take five days furlough in the current fiscal year with provisions for mid-year cuts.

89.95 Mandatory State Agency Furlough Program – Agency heads may institute a mandatory employee furlough program of not more than ten days per fiscal year with provisions for mid-year cuts.

89.98 State agencies must publish on their homepage a listing of all programs funded during the current fiscal year with funds from the ARRA of 2009 to include program name, location, starting date, and funding level. This listing must be updated quarterly to allow the public to easily identify how these funds are being used.

89.102 Fines and Fees Report – Requires each state agency to provide and release via their website, a report of all aggregate amounts of fines and fees the agency charged and collected in the prior fiscal year.

89.105 Mandatory Furlough – Directs agency heads to consider furloughing contract employees, post-TERI employees before furloughing other employees.

89.114 Cost Savings When Filling Vacancies Created by Retirements- When classified FTEs become vacant, it is the intent of the General Assembly that state agencies should realize personnel costs savings of at least 25% .

89.136 Restructuring Study Committee – The Committee shall review and recommend ways to further streamline government to realize maximum effectiveness and efficiency. The review along with cost savings recommendations will be submitted to the Chair of Senate Finance and the Chairman of the House Ways and Means Committee by December 10, 2010.

89.137 Directs all agencies, departments, and institutions of state government to provide a link to the Internet website of any agency that posts on its Internet website that agency, department, or institution's monthly state procurement card statements or monthly reports containing all or substantially all the same information contained in the monthly state procurement card statements.

2. Permanent Legislation

To view the full text of each Act, go to scstatehouse.net.

H. H.3395 - Representative Harrell - A bill to conform the SC Code of Laws to reflect any constitutional change in the amount required to be held in the General Reserve Fund - became law on May 25, 2010.

H.3396 - Representative Harrell - A Joint Resolution to increase the General Reserve Fund from three to five percent of general fund revenue of the latest completed fiscal year - became law on April 20, 2010.

H4244 - Representative Limehouse - **A bill related to the election of one additional trustee recommended by the Alumni Association for the College of Charleston. The bill became law without the signature of the Governor.**