

## 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: 2016 Legislative Summary  
Date: November 30, 2016

Below is a summary of actions taken by the SC General Assembly during the 2016 legislative session that affects the College of Charleston. General Fund revenue projections (recurring) available to the General Assembly to write the FY2016-17 Appropriations Bill (H.5001) were approximately \$7.5 billion and \$131 million in Capital Reserve Funds (H.5002).

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 and \$218 million is appropriated to increase the Base Student Cost per student to \$2,350 and \$23 million is included for new school buses.

A total of \$1.107 billion, representing a 10% increase, is appropriated to the state's 33 public universities and colleges which include \$399 million for scholarship and grant programs. Merit-based programs for LIFE, HOPE, and Palmetto Fellows Scholarships are fully funded. The budget includes \$54.3 million to allow a 3.25% pay increase for state employees. As in previous years, the state continues to cover increases in health insurance premiums for state funded FTEs at a cost of \$26 million for FY2016-17.

Base funding for the College of Charleston is now \$24,101,091 which includes a \$2 million recurring appropriation. Nonrecurring funding is as follows: Computer Science receives \$650,000, Avery Center receives \$250,000 and the Gibbs Museum receives \$350,000 (pass through).

Public education and state infrastructure needs were major topics and legislators approved a Roads Bill that reforms the Department of Transportation and allocates \$4 billion to repair roads and bridges. The Charleston Metro Chamber joined with other chambers across the state and members from the business community to lobby for passage of a gasoline tax to address infrastructure needs. However, combined efforts failed to convince the General Assembly during an election year.

The outlook for FY 2017-18 is expected to be a tighter year with an expected downturn in revenue growth. When members of the General Assembly return on January 10, 2017, the focus is expected to revolve around critical needs of the state's infrastructure system and the underperforming state pension. New costs associated with the K-12 ten point grading scale is expected to have an impact on lottery funds and possibly the general fund.

## FY2015-16 – Appropriation Issues

### **Recurring Funding**

The College of Charleston receives \$24,101,091 in recurring E & G funding for FY2016-2017 compared to \$33,252,307 received in FY 2008-2009. The following list outlines specific funding allocations for the College.

	General Fund
College of Charleston Agency Base	\$ 24,101,091
Pay Plan Allocation (Including Fringe)	644,052
SCRS & PORS .50% Rate Increase	82,478
Health & Dental Insurance	123,833
<b>Total</b>	<b>\$ 24,951,454</b>

The College of Charleston receives \$643,395 from the State Technology Infrastructure Fund that was funded at \$7,242,212. 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.

Technology Infrastructure Fund	(State Lottery)	\$ 643,395
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### **New Recurring Funding**

Total funds for higher education increased by 10% (primarily one-time funds) and colleges and universities receive \$28 million of available new recurring funds. The College receives \$2 million E & G funding.

E & G	(State Budget)	\$ 2,000,000
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### **New Non-recurring Funding**

Available nonrecurring funds for the state are \$639 million. Colleges and universities received \$128 million. The state's appropriation for the College is \$1,250,000 in non-recurring funding.

Avery Center	(State Budget)	\$ 250,000
Computer Science	(State Budget)	\$ 650,000
Gibbs Museum (Pass Through)	(State Budget)	\$ 350,000
	<b>Total</b>	<b>\$1,250,000</b>

**Miscellaneous Statewide Appropriations**

The College participates in the following programs that receive funding for FY 2016-17 and will receive a portion of each fund. PASCAL will receive an additional \$1.4 million from excess certified funds if revenues become available through the State Lottery Unclaimed Prizes. The amounts below represent total dollars received from the state for each program.

Electronic Library (PASCAL) Total authorization \$ 3,350,866	\$ 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.	\$ 161,314
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 \$20,667,937 in state scholarships during FY 2015-16 (See list below). The Appropriations Act for FY2016-2017 includes full funding at \$399 million to fund scholarships and grants for SC students. 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.

SC Need-Based Grant	\$ 1,289,403
HOPE	\$ 543,200
Palmetto Fellows Scholarship	\$ 3,634,135
Palmetto Fellows Enhancement-Science & Math	\$ 465,240
LIFE Scholarship	\$12,322,412
LIFE Scholarship Enhancement- Science & Math	\$ 1,107,500
SC Teaching Fellows	\$ 522,463
SC Teacher Loan	\$ 491,188
SC Teaching Fellows Prof. Experience	\$ 6,900
Call Me Mister	\$ 86,500
<b>Computer Science Opportunity Scholarship</b> (Created from state funds by department)	\$ 95,422
SC College Transition Program (REACH Students)	\$ 54,074
<i>SC National Guard</i>	\$ 58,500
<b>Total</b>	<b>\$ 20,667,937</b>

**NEW Temporary Budget Provisos included in the Appropriations Act**

FY 2016-17 Proviso	Proviso Title	Proviso Status Brief Summary Notes <i>(Provisos continued unchanged are not included below)</i>
1.90	SDE: Highly Qualified Teachers	<b>NEW:</b> For the current fiscal year teacher certification requirements for highly qualified education aligned to <i>No Child Left Behind</i> shall be suspended. The SDE shall report shall report to the General Assembly by February 1 on the updated Federal requirements under the <i>Every Student Succeeds Act</i> .
1A.64	SDE-EIA Rural Teacher Recruiting Incentive	<b>Amended.</b> CERRA Proviso updated to amend program criteria relating to eligibility and incentives including loan forgiveness and related minimum incentives.
3.1	LEA: Audit	<b>Amended.</b> Proviso related to procedures for monitoring expenditures of lottery funds to ensure they are spent within applicable state laws, rules and regulations. The proviso continues to include requirements for reporting by October 1 by CHE to the Executive Budget Office and Chairs of the House and Senate finance committees.
3.5	LEA: Transfer for Veteran Differential Reimbursement Fund	<b>DELETED.</b> Proviso had been added was added in FY16 to direct prior 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)
8.3	ETV: Antenna and Tower Placement	<b>NEW.</b> 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	<b>NEW.</b> ETV Commission is directed to coordinate tower and antenna operations within SC state government. The commission shall annually report to the Chairs of the Senate and House finance committees by October 1 of each year all revenue collected and disbursed.
11.12	CHE: College Transition Need-Based Grants	<b>Amended.</b> Proviso continued but amended to reflect increase in program funding from \$179,178 to \$350,000.
11.14	CHE: Other Funded FTE Revenue	<b>Amended.</b> Proviso provides clarification regarding institutional requests for other funded FTE. 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 revenue exist to fund salary and fringe benefits for the positions.
11.15	CHE: Abatements	<b>Amended.</b> Proviso was first included in FY16 and amended to change the report date to November 1 and clarify information to be reported. By November first of each year, state supported institutions of higher learning must submit to CHE 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.
11.19	College and University Out-of-State Veteran Tuition Differential Reimbursement Fund	<b>Deleted.</b> Proviso was initially added in FY16 to provide for administration of a fund held by the State Treasurer for the purpose of reimbursements relative to Act 11 of 2015. The funds which had been directed by proviso (see 3.5) were expended fully in FY16 and funding was not provided in FY17.
15.1	UofC: Science Center Renovation	<b>New.</b> 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.
104.10	SFAA: Compensation – Agency Head Salary Commission	<b>New.</b> Proviso gives 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.
117.58	GP: Year-end Financial Statements - Penalties	<b>AMENDED.</b> 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.
117.114	GP: Information Technology Information Security Plans	<b>AMENDED.</b> Proviso requires agency reports by October 1 on information technology and security plans and is amended by updating the date for continues applicability in FY17.
117.133	GP: Statewide Strategic Information Technology Plan Implementation	<b>AMENDED.</b> Proviso outlines various requirements for agencies with regard to ensuring uniform implementation of the strategic information technology plan developed pursuant to the Restructuring Act of 2014.

**LEGISLATION PASSED AND SIGNED INTO LAW**

**2016 is the second year of the two-year session.** Legislation not enacted by the end of session is considered dead and must be re-introduced for consideration.

<b>Bill #</b>	<b>Bill Title or Brief Descriptive Title</b>	<b>Legislation Status</b>
H.4521	Tucker Higgs Transparency Act	Legislation signed into law. Establishes reporting requirements of SC public higher education institutions, except technical colleges, regarding investigations and violations of fraternities and sororities.

H.4639	Higher Education Interstate Reciprocity SARA	Legislation signed into law. Adds Code Section 59-103-47 to enable CHE to enter into interstate reciprocity agreements relating to distance education.
H.4938	Teacher Education Survey	Legislation signed into law. 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 survey of other college students by February 1, 2017.
S.233	Prayer or Invocation at meetings of Public Bodies	Legislation signed into law. Amends Code Section 6-1-160 relating to public bodies and prayer or invocation at meetings.
S.685	Engineers and Surveyors	Legislation signed into law 6/3/2016. Amends provisions relating to requirements and regulation of the practice of engineers and surveyors.

**REGULATIONS (<http://www.scstatehouse.gov/registerandregs.php>)**

Doc. # R4593 State Board of Education, Program Approval Standards for SC Teacher Education Institutions

Effective 6/24/16. 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.