

**SENATE FINANCE COMMITTEE
HIGHER EDUCATION SUBCOMMITTEE CHAIRMAN'S
PROVISO RECOMMENDATIONS FOR FY 2015-16**

SECTION 11 - H03-COMMISSION ON HIGHER EDUCATION

- 11.27 DELETE NEW PROVISO** (Remit Endowed Chairs Commerce Awards Funds) **WMC:** ADD new proviso to direct that the \$2,900,000 of Endowed Chairs Program funds that have been set aside for "Commerce Awards" are to be remitted to the general fund by August 1, 2015.
HOU: AMEND new proviso to specify that the funds shall be remitted by CHE or its successor entity. Sponsor: Rep. Merrill.
SUBCOMMITTEE CHAIRMAN'S RECOMMENDATION: DELETE new proviso.

~~11.27. (CHE: Remit Endowed Chairs Commerce Awards Funds) The \$2,900,000 of the Endowed Chairs Program funds that have been set aside for "Commerce Awards" shall be remitted by the Commission on Higher Education, or its successor entity, to the general fund by August 1, 2015.~~

- 11.dm CONFORM TO FUNDING** (Maintenance-Critical Care and Repair 1 to 1 Match)
SUBCOMMITTEE CHAIRMAN'S RECOMMENDATION: CONFORM TO FUNDING RECOMMENDATION / ADD new proviso to direct that funds appropriated to institutions of higher learning for "Maintenance: Critical Care and Repair 1 to 1 Match" are to be used by the institutions only for critical repair and related maintenance and/or critical equipment and systems repair and maintenance necessary for safe and efficient operation of the institution's physical plant. Prohibit these funds from being used for new construction and require they be matched by the institution. Direct that matching funds exclude supplemental, capital reserve, lottery, or non-recurring state funds appropriated in either the current or a prior fiscal year for repair, maintenance or maintenance projects. Require institutions certify to CHE that they have met the match requirement and include the source of funds used for the match before they use the funds. Direct CHE report to the Chairmen of the Senate Finance and House Ways and Means Committees by 120 days after the close of the fiscal year on the use of this proviso. Authorize unexpended funds to be carried forward and used for the same purpose, subject to the same matching requirement.

11.dm. (CHE: Maintenance-Critical Care and Repair-1 to 1 Match) Of the funds appropriated to institutions of higher learning in this act entitled "Maintenance: Critical Care and Repair (1 to 1 Match)", each institution shall use the amount appropriated only for critical repair and related maintenance and/or other critical equipment and systems repair and maintenance that are necessary for the safe and efficient operation of an institution's physical plant in its support of the institution's educational purpose.

Funds must not be used for new construction and may only be utilized by an institution to the extent the funds are matched by the institution for necessary repair and maintenance projects generally.

Matching funds exclude supplemental, capital reserve, lottery, or non-recurring state funds appropriated to an institution either in the current fiscal year or from a prior fiscal year for repair and maintenance or maintenance projects.

Prior to the utilization of these funds, institutions must certify to the Commission on Higher Education, in a manner it prescribes, the extent to which they have met this requirement, including the sources of funds utilized to meet this requirement.

Not later than 120 days after the close of the fiscal year, the Commission on Higher Education shall report to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee regarding the utilization of this provision.

**SENATE FINANCE COMMITTEE
HIGHER EDUCATION SUBCOMMITTEE CHAIRMAN'S
PROVISO RECOMMENDATIONS FOR FY 2015-16**

Funds not expended in the prior fiscal year may be carried forward into the current fiscal year and utilized for the same purpose, subject to the same matching requirement.

DEPARTMENT OF ADMINISTRATION

93.18 AMEND FURTHER (Compensation - Reporting of Supplemental Salaries) Prohibits salary supplements unless approved by the agency head or designated official. Directs that any compensation, excluding travel reimbursement, that was received in the prior fiscal year from any public or private source that is supplemental to the amount appropriated for a state employee must be reported to the DOA by the employing agency by August 31. Directs the DOA to establish procedures related to the reporting requirement.

WMC: AMEND proviso to specifically include college and university presidents in the reporting requirement and require the report include the "employees base salary" as well as the amount and source of the supplement. Require copies of the report be made available, upon request, to the Chairmen of the Senate Finance and House Ways and Means Committees.

HOU: ADOPT proviso as amended.

SUBCOMMITTEE CHAIRMAN: AMEND FURTHER to separate college and university presidents with their board of trustees from other state agencies.

93.18. (DOA: Compensation - Reporting of Supplemental Salaries) No supplement shall be paid to an agency's employee, ~~including presidents of colleges and universities,~~ unless the agency head or designated official of the employing agency, or in the case of colleges and universities supplements paid to college and university presidents, their board of trustees, has approved the conditions and amount of salary supplement. Any compensation, excluding travel reimbursement, from an affiliated public charity, foundation, clinical faculty practice plan, or other public source or any supplement from a private source to the salary appropriated for a state employee and fixed by the State must be reported by the employing agency to the Department of Administration. The report must include the employee's base salary, amount of the supplement, source of the supplement, and any condition of the supplement. The employing agency must report this information on or before August thirty-first of each year and must include the total amount and source of the salary supplement received by the employee during the preceding fiscal year (July first through June thirtieth). The Department of Administration shall formulate policies and procedures to ensure compliance with the reporting provisions of this proviso. Copies of the reports shall be made available to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee, upon request.

SECTION 98 - E16-OFFICE OF STATE TREASURER

98.vt ADD (Out of State Veteran Tuition Differential Reimbursement Fund) **SUBCOMMITTEE CHAIRMAN'S RECOMMENDATION:** ADD new proviso to direct the State Treasurer to establish a College and University Out of State Veteran Tuition Differential Reimbursement Fund that is separate and distinct from the general fund and all other funds and which shall retain accrued interest in the fund. Direct that the fund is to be used to reimburse public institutions of higher learning for lost revenue resulting from Section 59-112-50 [TUITION RATES FOR MILITARY PERSONNEL AND THEIR DEPENDENTS]. Direct that institutions seeking reimbursement must submit an application to the State Treasurer by March 1st and limit reimbursement to the difference between the amount the institution would have charged if not for Section 59-112-50 and the amount actually charged. Require the State Treasurer disburse the funds by June 15th and direct

**SENATE FINANCE COMMITTEE
HIGHER EDUCATION SUBCOMMITTEE CHAIRMAN'S
PROVISO RECOMMENDATIONS FOR FY 2015-16**

that if requested and verified reimbursements exceed available funds, funds distributed to institutions shall be reduced on a pro rata basis.

98.vt. (TREAS: Out of State Veteran Tuition Differential Reimbursement Fund) (A) The Office of State Treasurer is directed to establish a fund, separate and distinct from the general fund and all other funds, entitled the College and University Out of State Veteran Tuition Differential Reimbursement Fund. Any funds appropriated in this act for this purpose must be deposited into the fund and interest accrued by the fund must remain in the fund.

(B) The purpose of the fund is to reimburse public institutions of higher learning, as defined in Section 59-103-5 of the 1976 Code, for revenue loss resulting from the provisions of Section 59-112-50. By March first of the current fiscal year, a public institution of higher learning seeking a reimbursement from this fund must submit an application to the State Treasurer to receive a reimbursement from the fund. The total reimbursement to a public institution may not exceed the difference between the amount the institution would have charged but for Section 59-112-50, and the amount the institution actually charged. The State Treasurer may require any proof he determines necessary to verify the veracity of the application.

(C) By June fifteenth of the current fiscal year, the State Treasurer must distribute the funds to those institutions that have applied pursuant to subsection (B). In the event that the total requested and verified reimbursements exceed the amount in the fund, the distribution to each public institution shall be reduced pro rata based on the institution's amount of verified reimbursements compared to the total amount of verified reimbursements of all institutions.

SECTION 117 - X90-GENERAL PROVISIONS

117.15 AMEND (Allowance for Residences & Compensation Restrictions) Authorizes specific state officers and employees to occupy agency-owned residences without charge. Directs that salaries be in accordance with a uniform class and compensation plan with certain exceptions and directs that commuter mileage on state vehicles be considered income and reported by the CG in accordance with IRS regulations. Authorizes agencies to expend non-appropriated funds for employee award programs.

SUBCOMMITTEE CHAIRMAN'S RECOMMENDATION: AMEND proviso to include housing maintenance night supervisors, residence life directors, temporary and transition employees, and emergency medical personnel occupying residences owned by USC to those that may occupy residences without charge.

117.15. (GP: Allowance for Residences & Compensation Restrictions) That salaries paid to officers and employees of the State, including its several boards, commissions, and institutions shall be in full for all services rendered, and no perquisites of office or of employment shall be allowed in addition thereto, but such perquisites, commodities, services or other benefits shall be charged for at the prevailing local value and without the purpose or effect of increasing the compensation of said officer or employee. The charge for these items may be payroll deducted at the discretion of the Comptroller General or the chief financial officer at each agency maintaining its own payroll system. This shall not apply to the Governor's Mansion, nor to guards at any of the state's penal institutions and nurses and attendants at the Department of Disabilities and Special Needs, and registered nurses providing clinical care at the MUSC Medical Center, nor to the Superintendent and staff of John de la Howe School, nor to the cottage parents and staff of Wil Lou Gray Opportunity School, nor to full-time or part-time staff who work after regular working hours in the SLED Communications Center or Maintenance Area, nor to adult staff at the Governor's School for Science and Mathematics and the Governor's

**SENATE FINANCE COMMITTEE
HIGHER EDUCATION SUBCOMMITTEE CHAIRMAN'S
PROVISO RECOMMENDATIONS FOR FY 2015-16**

School for Arts and Humanities who are required to stay on campus by the institution because of job requirements or program participation. Any state institution of higher learning may provide complimentary membership privileges to employees who work at their wellness centers. The presidents of those state institutions of higher learning authorized to provide on-campus residential facilities for students may be permitted to occupy residences on the grounds of such institutions without charge.

Any state institution of higher learning may provide a housing allowance to the president in lieu of a residential facility, the amount to be approved by the State Fiscal Accountability Authority.

That the following may be permitted to occupy residences owned by the respective departments without charge: the Farm Director, Farm Managers, and Specialists employed at the Wateree River Correctional Institution; the South Carolina State Commission of Forestry fire tower operators, forestry aides, and caretaker at central headquarters; the Department of Natural Resources' Game Management Personnel, Fish Hatchery Personnel, and Fort Johnson Superintendent; the Department of Parks, Recreation and Tourism field personnel in the State Parks Division; Director of Wil Lou Gray Opportunity School; President of the School for the Deaf and the Blind; houseparents for the Commission for the Blind; South Carolina Department of Health and Environmental Control personnel at the State Park Health Facility and Camp Burnt Gin; Residence Life Coordinators at Lander University; Residence Life Directors, temporary and transition employees, student interns, and emergency personnel at Winthrop University; Farm Superintendent at Winthrop University; Residence Hall Directors at the College of Charleston; the Department of Disabilities and Special Needs' physicians and other professionals at Whitten Center, Clemson University Off-Campus Agricultural Staff and Housing Area Coordinators; ~~and~~ TriCounty Technical College's Bridge to Clemson Resident and Area Directors; and housing maintenance night supervisors, residence life directors, temporary and transition employees, and emergency medical personnel occupying residences owned by the University of South Carolina. Except in the case of elected officials, the fair market rental value of any residence furnished to a state employee shall be reported by the state agency furnishing the residence to the Agency Head Salary Commission, and the Department of Administration by October first of each fiscal year.

All salaries paid by departments and institutions shall be in accord with a uniform classification and compensation plan, approved by the Department of Administration, applicable to all personnel of the State Government whose compensation is not specifically fixed in this act. Such plan shall include all employees regardless of the source of funds from which payment for personal service is drawn. The Department of Administration is authorized to approve temporary salary adjustments for classified and unclassified employees who perform temporary duties which are limited by time and/or funds. When approved, a temporary salary adjustment shall not be added to an employee's base salary and shall end when the duties are completed and/or the funds expire. Academic personnel of the institutions of higher learning and other individual or group of positions that cannot practically be covered by the plan may be excluded therefrom but their compensations as approved by the Department of Administration shall, nevertheless, be subject to review by the State Fiscal Accountability Authority. Salary appropriations for employees fixed in this act shall be in full for all services rendered, and no supplements from other sources shall be permitted or approved by the State Fiscal Accountability Authority. With the exception of travel and subsistence, legislative study committees shall not compensate any person who is otherwise employed as a full-time state employee. Salaries of the heads of all agencies of the State Government shall be specifically fixed in this act and no salary shall be paid any agency head whose salary is not so fixed. As long as there is no impact on appropriated funds, state agencies and institutions shall be allowed to spend public funds and/or other funds for designated employee award programs which shall have written criteria approved by the

**SENATE FINANCE COMMITTEE
HIGHER EDUCATION SUBCOMMITTEE CHAIRMAN'S
PROVISO RECOMMENDATIONS FOR FY 2015-16**

agency governing board or commission. For purposes of this section, monetary awards, if any, shall not be considered a part of an employee's base salary, a salary supplement, or a perquisite of employment. The names of all employees receiving monetary awards and the amounts received shall be reported annually to the Department of Administration.

In the case of lodging furnished by certain higher education institutions to employees, the prevailing local rate does not apply if the institution meets the exceptions for inadequate rent described in the current Internal Revenue Code Section 119(d)(2). To meet the exception, rental rates must equal the lesser of five percent of the appraised value of the qualified campus lodging, or the average of the rentals paid by individuals (other than employees or students of the educational institution) during the calendar year for lodging provided by the educational institution which is comparable to the qualified campus lodging provided to the employee, over the rent paid by the employee for the qualified campus lodging during the calendar year. The appraised value shall be determined as of the close of the calendar year in which the taxable year begins, or, in the case of a rental period not greater than one year, at any time during the calendar year in which the period begins.

- 117.55 RESTORE ORIGINAL PROVISO** (Employee Bonuses) Authorizes state agencies and institutions to provide selected employees lump sum bonuses, not to exceed \$3,000 per year, based on objective guidelines established by DOA. Directs that these bonuses are not part of the employee's base salary and are not earnable compensation for retirement system purposes. Directs that employees earning \$100,000 or more are not eligible for this bonus.

WMC: AMEND proviso to direct that college and university presidents that earn more than \$100,000 are prohibited from receiving bonuses under this provision. Require the employing agency to annually report bonus information by August 31st on bonuses received by employees during the prior fiscal year. Require the information to include the total amount received and the source funds for each employee bonus. Require the Human Resources Division of DOA formulate policies and procedures to ensure reporting compliance. Require copies of the reports be made available, upon request, to the Chairmen of the Senate Finance and House Ways and Means Committees.

HOU: ADOPT proviso as amended.

SUBCOMMITTEE CHAIRMAN'S RECOMMENDATION: RESTORE original proviso.

117.55. (GP: Employee Bonuses) State agencies and institutions are allowed to spend state, federal, and other sources of revenue to provide selected employees lump sum bonuses, not to exceed three thousand dollars per year, based on objective guidelines established by the Department of Administration. Payment of these bonuses is not a part of the employee's base salary and is not earnable compensation for purposes of employee and employer contributions to respective retirement systems. Employees, ~~including presidents of colleges and universities,~~ earning \$100,000 or more shall not be eligible to receive bonuses under this provision. ~~The employing agency must report this information on or before August 31st of each year and must include the total amount and source of the bonus received by the employee during the preceding fiscal year (July 1st through June 30th). The Human Resources Division of the Department of Administration shall formulate policies and procedures to ensure compliance with the reporting provisions of this proviso. Copies of the reports shall be made available to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee, upon request.~~

- 117.73 AMEND** (Printed Report Requirements) Directs that for Fiscal Year 2014-15, certain state agencies and higher education institutions shall not be required to submit printed reports and shall only submit the reports electronically. Waive the submission of certain reports.

**SENATE FINANCE COMMITTEE
HIGHER EDUCATION SUBCOMMITTEE CHAIRMAN'S
PROVISO RECOMMENDATIONS FOR FY 2015-16**

WMC: AMEND proviso to update the fiscal year references to "2015-16."

HOU: ADOPT proviso as amended.

SUBCOMMITTEE CHAIRMAN'S RECOMMENDATION: ADOPT proviso as amended.

117.73. (GP: Printed Report Requirements) (A) For Fiscal Year ~~2014-15~~ 2015-16, state supported institutions of higher learning shall not be required to submit printed reports mandated by Sections 2-47-40, 2-47-50, and 59-103-110 of the 1976 Code, and shall instead only submit the documents electronically.

Submission of the plans or reports required by Sections 59-101-350, 59-103-30, 59-103-45(4), and 59-103-160(D) shall be waived for the current fiscal year, except institutions of higher learning must continue to report student pass rates on professional examinations, and data elements otherwise required for the Commission on Higher Education Management Information System. The commission, in consultation with institutions, shall take further action to reduce data reporting burdens as possible.

(B) For Fiscal Year ~~2014-15~~ 2015-16, the Department of Agriculture shall not be required to submit printed reports mandated by Section 46-49-10 of the 1976 Code. The department shall provide these reports electronically and shall use any monetary savings for K5-12 agricultural education programs.

(C) For Fiscal Year ~~2014-15~~ 2015-16, the Department of Health and Human Services shall not be required to provide printed copies of the Medicaid Annual Report required pursuant to Section 44-6-80 of the 1976 Code and shall instead only submit the documents electronically.

(D) For Fiscal Year ~~2014-15~~ 2015-16, the Department of Transportation shall not be required to submit printed reports or publications mandated by Sections 1-11-58, 2-47-55, and 58-17-1450 of the 1976 Code.

The Department of Transportation may combine their Annual Report and Mass Transit Report into their Annual Accountability Report.