

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

**SECTION 3 - H66-LOTTERY EXPENDITURE ACCOUNT**

- 3.1 AMEND FURTHER** (Audit) Directs each state agency that receives lottery funds to develop and implement procedures to monitor lottery expenditures to ensure that lottery funds are expended in accordance with applicable state laws, rules, and regulations. Directs the State Auditor to ensure that these state agencies have effective monitoring procedures in place.
- WMC:** AMEND proviso to direct institutions of higher learning to report the procedures they have adopted to monitor the expenditure of lottery funds to CHE and the Executive Budget Office by August 1, 2015 and state that these expenditures are subject to annual verification and audit by the commission on a rotating basis, not to exceed three years. Direct CHE to provide a report to the EBO and the Chairmen of the Senate Finance and House Ways and Means Committees on how each institution spent prior year lottery funds. Direct the Department of Education to report adopted procedures and guidelines to monitor expenditures of lottery funds allocated to school districts and other recipient institutions to the EBO by August 1, 2015. Direct SDE report to the EBO and the Chairmen of the Senate Finance and House Ways and Means Committees on the amount of lottery funds distributed to each entity in the prior fiscal year. Require all other state agencies submit their adopted procedures to monitor lottery funds expenditure to the EBO by August 1, 2015. Change responsibility for ensuring state agencies have effective procedures in place to monitor lottery expenditures from the Office of the State Auditor to the Executive Budget Office.
- HOU:** ADOPT proviso as amended.
- SUBCOMMITTEE RECOMMENDATION:** AMEND FURTHER to change reporting dates from "August" to "October." Delete the requirement that CHE report on how each institution spent their prior fiscal year lottery funds and instead direct they provide a report that summarizes by institution, each institutions issues and concerns along with their responses, if any were discovered as a result of the commission's verification and/or audit activity during the prior fiscal year. Require the commission, by January 15, 2016, to provide a detailed estimate of the cost to establish a statewide state scholarship and grant tracking system for students to the Chairmen of the Senate Finance and House Ways and Means Committees.

**3.1. (LEA: Audit)** Each state agency receiving lottery funds shall develop and implement procedures to monitor the expenditures of lottery funds in order to ensure that lottery funds are expended in accordance with applicable state laws, rules, and regulations.

*For institutions of higher learning, adopted procedures to monitor expenditures of lottery funds shall be reported to the Commission on Higher Education and the Executive Budget Office by ~~August~~ **October**, 1, 2015, and these expenditures are subject to annual verification and audit by the Commission on Higher Education on a rotational schedule not to exceed three years. In addition, the Commission on Higher Education shall provide a report to the Executive Budget Office, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee ~~on how each institution expended their lottery funds in the prior fiscal year~~ **by October 1 each year summarizing, by institution, issues and concerns as well as institution responses to those issues and concerns discovered as a result of the commission's verification and/or audit activity during the prior fiscal year, if any. In addition, by January 15, 2016, the commission shall provide the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee a detailed estimate of the cost for the commission to establish a statewide state scholarship and grant tracking system for students.***

*For the Department of Education, adopted procedures to monitor expenditures of lottery funds that are allocated to the South Carolina school districts and other recipient institutions according to law and Department of Education guidelines shall be reported to the Executive*

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Budget Office by ~~August~~ **October** 1, 2015. In addition, the Department of Education shall provide a report to the Executive Budget Office, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee on the amount of lottery funds the department distributed to each entity in the prior fiscal year.

All other state agencies must submit their adopted procedures to monitor expenditures of lottery funds to the Executive Budget Office by ~~August~~ **October** 1, 2015.

The ~~Office of the State Auditor~~ *Executive Budget Office* shall ensure that state agencies receiving lottery funds have procedures in place to monitor expenditures of lottery funds and that the monitoring procedures are operating effectively.

- 3.2 DELETE** (Technology Lottery Funds) Directs that \$125,000 of lottery technology funds designated for two-year institutions be transferred to the portion designated for four-year institutions for each USC 2-year institution that has moved to a 4-year status since 2000.

**WMC:** DELETE proviso.

**HOU:** ADOPT deletion of proviso.

**SUBCOMMITTEE RECOMMENDATION:** ADOPT deletion of proviso.

~~3.2. (LEA: Technology Lottery Funds) For the purposes of the allocation of technology funds from the lottery proceeds, \$125,000 shall be transferred from the portion designated for two year institutions to the portion designated for four year institutions for each University of South Carolina two year institution that has moved to a four year status since 2000.~~

- 3.4 DELETE** (FY 2014-15 Lottery Funding) Directs expenditure of lottery funds for Fiscal Year 2014-15.

**WMC:** DELETE proviso. *Technical.*

**HOU:** ADOPT deletion of proviso.

**SUBCOMMITTEE RECOMMENDATION:** ADOPT deletion of proviso.

~~3.4. (LEA: FY 2014-15 Lottery Funding) There is appropriated from the Education Lottery Account for the following education purposes and programs and funds for these programs and purposes shall be transferred by the Executive Budget Office as directed below. These appropriations must be used to supplement and not supplant existing funds for education.~~

~~The Executive Budget Office is directed to prepare the subsequent Lottery Expenditure Account detail budget to reflect the appropriations of the Education Lottery Account as provided in this section.~~

~~All Education Lottery Account revenue shall be carried forward from the prior fiscal year into the current fiscal year including any interest earnings, which shall be used to support the appropriations contained below.~~

~~For Fiscal Year 2014-15 certified net lottery proceeds and investment earnings and any other proceeds identified by this provision are appropriated as follows:~~

- ~~(1) Commission on Higher Education and State Board for Technical and Comprehensive Education Tuition Assistance..... \$ 47,400,000;~~
- ~~(2) Commission on Higher Education LIFE Scholarships as provided in Chapter 149, Title 59 ..... \$140,824,027;~~
- ~~(3) Commission on Higher Education HOPE Scholarships as provided in Section 59-150-370 ..... \$ 8,476,245;~~
- ~~(4) Commission on Higher Education Palmetto Fellows Scholarships as provided in Section 59-104-20 ..... \$ 37,648,288;~~
- ~~(5) Commission on Higher Education Need Based Grants ..... \$ 13,000,000;~~
- ~~(6) Tuitions Grants Commission Tuition Grants ..... \$ 8,258,764;~~

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- ~~(7) Commission on Higher Education – National Guard Tuition  
Repayment Program as provided in Section 59-111-75 ..... \$ 4,545,000;~~
- ~~(8) South Carolina State University ..... \$ 2,500,000;~~
- ~~(9) Technology – Public Four-Year Universities, Two-Year Institutions,  
and State Technical Colleges ..... \$ 1,127,825;~~
- ~~(10) Department of Education – K-5 Reading, Math, Science & Social  
Studies Program as provided in Section 59-1-525 ..... \$ 24,591,798;~~
- ~~(11) Department of Education – Grades 6-8 Reading, Math, Science  
& Social Studies Program ..... \$ 2,000,000;~~
- ~~(12) School for the Deaf and the Blind – Technology ..... \$ 200,000; and~~
- ~~(13) Commission on Higher Education – Higher Education Excellence  
Enhancement Program ..... \$ 1,028,053.~~

~~Fiscal Year 2014-15 funds appropriated to the Commission on Higher Education for Tuition Assistance must be distributed to the technical colleges and two-year institutions as provided in Section 59-150-360. Annually the State Board for Technical and Comprehensive Education and the Commission on Higher Education shall develop the Tuition Assistance distribution of funds appropriated.~~

~~Of the funds appropriated to South Carolina State University, \$250,000 may be used for the BRIDGE Program.~~

~~The provisions of Section 2-75-30 of the 1976 Code regarding the aggregate amount of funding provided for the Centers of Excellence Matching Endowment are suspended for the current fiscal year.~~

~~The Commission on Higher Education is authorized to temporarily transfer funds between appropriated line items in order to ensure the timely receipt of scholarships and tuition assistance. It is the goal of the General Assembly to fund the Tuition Assistance program at such a level to support at least \$996 per student per term for full-time students.~~

~~Fiscal Year 2014-15 net lottery proceeds and investment earnings in excess of the certified net lottery proceeds and investment earnings for this period are appropriated and must be used to ensure that all LIFE, HOPE, and Palmetto Fellows Scholarships for Fiscal Year 2014-15 are fully funded.~~

~~If the lottery revenue received for Fiscal Year 2014-15 is less than the amounts appropriated, the projects and programs receiving appropriations for any such year shall have their appropriations reduced on a pro-rata basis, except that a reduction must not be applied to the funding of LIFE, HOPE, and Palmetto Fellows Scholarships.~~

~~The Commission on Higher Education is authorized to use up to \$260,000 of the funds appropriated in this provision for LIFE, HOPE, and Palmetto Fellows scholarships to provide the necessary level of program support for the scholarship award process.~~

~~The Higher Education Tuition Grants Commission is authorized to use up to \$70,000 of the funds appropriated in this provision for Tuition Grants to provide the necessary level of program support for the grants award process.~~

~~For Fiscal Year 2014-15, funds certified from unclaimed prizes are appropriated as follows:~~

- ~~(1) Department of Alcohol and Other Drug Abuse Services – Gambling  
Addiction Services ..... \$ 50,000;~~
- ~~(2) Commission on Higher Education – Higher Education Excellence  
Enhancement Program ..... \$ 2,950,000;~~
- ~~(3) Department of Education – K-5 Reading, Math, Science & Social  
Studies Program as provided in Section 59-1-525 ..... \$ 2,300,000;~~
- ~~(4) Commission on Higher Education and State Board for Technical  
and Comprehensive Education – Tuition Assistance ..... \$ 1,700,000; and~~
- ~~(5) Department of Education – New School Buses ..... \$ 1,000,000.~~

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If the lottery revenue received from certified unclaimed prizes for Fiscal Year 2014-15 is less than the amounts appropriated, the projects and programs receiving appropriations for any such year shall have their appropriations reduced on a pro rata basis.

Any unclaimed prize funds available in excess of the Board of Economic Advisors estimate shall be appropriated as follows:

- (1) ~~Commission on Higher Education—Partnership Among South Carolina Academic Libraries (PASCAL) Program ..... \$ 1,500,000;~~
- (2) ~~Department of Education—New School Buses ..... \$ 1,000,000;~~
- (3) ~~Department of Education—Instructional Materials ..... \$ 3,000,000;~~
- (4) ~~State Library—Aid to County Libraries ..... \$ 2,000,000;~~
- (5) ~~Commission on Higher Education—Technology Public Four Year Universities, Two Year Institutions, and State Technical Schools.. \$ 5,335,897;~~
- (6) ~~Commission on Higher Education—Higher Education Excellence Enhancement Program..... \$ 1,000,000;~~
- (7) ~~State Board for Technical and Comprehensive Education—Allied Health Initiative ..... \$ 4,000,000; and~~
- (8) ~~Commission on Higher Education—Critical Needs Nursing Program. \$ 1,000,000.~~

All additional revenue in excess of the amount certified by the Board of Economic Advisors for unclaimed prizes shall be distributed to the Commission on Higher Education for LIFE, HOPE, and Palmetto Fellows Scholarships.

For Fiscal Year 2014-15, net lottery proceeds and investment earnings realized from Fiscal Year 2013-14 estimated surplus are appropriated as follows on a pro rata basis:

- (1) ~~Department of Education—K-12 Technology Initiative..... \$ 29,288,976;~~
- (2) ~~Commission on Higher Education—Technology Public Four Year Institutions, Two Year Institutions, and Technical Colleges..... \$ 5,558,670;~~
- (3) ~~Department of Education—Instructional Materials ..... \$ 3,904,095;~~
- (4) ~~Commission on Higher Education—Summer Semester Eligibility..... \$ 1,718,902; and~~
- (5) ~~Department of Education—Digital Instructional Materials..... \$ 5,000,000.~~

Funds appropriated to the Department of Education for the K-12 Technology Initiative shall be distributed to the public school districts of the state, the special schools of the state and the South Carolina Public Charter School District, per pupil, based on the previous year's 135-day average daily membership, according to the below calculations: (1) For a school district with a poverty index of less than 75: \$35 per ADM; (2) For a school district with a poverty index of at least 75 but no more than 85: \$50 per ADM; or (3) For a school district with a poverty index of 85 or greater or a special school with no defined poverty index: \$70 per ADM.

The Department of Education may adjust the per ADM rates for each of the three classes defined above in order to conform to actual levels of student attendance and available appropriations, provided that the per ADM rate for each class is adjusted by the same percentage.

Funds distributed to a school district through the K-12 Technology Initiative may only be used for the following purposes: (1) To improve external connections to schools, with a goal of reaching at least 100 kilobits per second, per student in each school by 2017; (2) To improve internal connections within schools, with a goal of reaching at least 1 megabit per second, per student in each school by 2017; or (3) To develop or expand one-to-one computing initiatives.

A school district that has achieved each of the above goals may submit a plan to the K-12 Technology Initiative Committee for permission to expend its allocation on other technology-related uses; such permission shall not be unreasonably withheld and the K-12 Technology Committee must permit districts to appeal any process should a district not receive approval and must provide technical assistance to districts in developing plans should the district request such.

Funds appropriated for the K-12 Technology Initiative may not be used to supplant existing school district expenditures on technology. By June 30, 2015, each school district that receives

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funding through the K-12 Technology Initiative during Fiscal Year 2014-15 must provide the K-12 Technology Initiative Committee with an itemized report on the amounts and uses of these funds, using a form developed by the Education Oversight Committee. In this report, a school district must provide information on its efforts to obtain reimbursements through the "E-Rate" Schools and Libraries Program administered by the Universal Service Administrative Company. Within its available resources, the K-12 Technology Initiative Committee shall support school districts' efforts to obtain these reimbursements.

A student may receive a Palmetto Fellows or LIFE scholarship award during the summer, in addition to fall and spring semesters of an academic year, provided continued eligibility requirements are met as of the end of the spring semester. Students must enroll full time, which for purposes of the summer award will require enrollment in at least twelve hours over the course of the summer. The summer is defined as the period between the end of the spring term and prior to the opening of the fall term. The total summer award per student may not exceed half of the allowable academic year award up to the cost of attendance and must be reimbursed if less than twelve hours for academic credit are not completed by the student during summer sessions. If awarded in the summer, a student's total award during his or her enrollment may not exceed the amount that would otherwise be provided under current semester limits applied for the scholarship awards. The Commission on Higher Education may provide additional guidelines necessary to ensure uniform implementation.

For Fiscal Year 2014-15, net lottery proceeds and investment earnings realized in the prior fiscal year above the amount needed to fund the appropriations in this provision (including the net lottery proceeds and investment earnings realized from Fiscal Year 2013-14 estimated surplus) are appropriated as follows on a pro-rata basis:

- (1) ~~Commission on Higher Education—Public Four-Year Universities,  
Two-Year Branch Campuses, and State Technical Colleges—  
Critical Equipment Repair and Replacement..... \$ 10,351,128;~~
- (2) ~~Department of Education—New School Buses..... \$ 2,571,519;~~
- (3) ~~Commission on Higher Education—Technology Public Four-Year  
Universities, Two-Year Institutions, and State Technical Colleges \$ 1,400,000;~~
- (4) ~~Department of Education—K-5 Reading, Math, Science and Social  
Studies Program as provided in Section 59-1-525..... \$ 1,000,000;~~
- (5) ~~Commission on Higher Education—Higher Education Excellence  
Enhancement Program..... \$ 650,000;~~
- (6) ~~Commission on Higher Education—Nonprofit, Four-Year Institution  
of Higher Learning, Founded in 1956, is a Member of ACSI,  
Whose Campus Has Been Continuously Situated in the Same  
Location in this State Since 1961 Maintenance and  
Improvement in Classroom, Library, Laboratory, or  
Other Institutional Facilities..... \$ 150,000;~~
- (7) ~~Commission on Higher Education—Nonprofit, Bachelors Level  
Institution of Higher Learning, Established in 1894, is a Member  
of TRACS, with sixty percent or More Low Income Students  
—Maintenance and Improvement in Classroom, Library,  
Laboratory, or Other Institutional Facilities..... \$ 150,000; and~~
- (8) ~~Commission on Higher Education—Nonprofit, Four-Year  
Comprehensive Institution of Higher Learning, First Established  
as a College in 1908, is SACS Accredited, with forty percent  
or More Minority Enrollment Support for Memorial  
Professorships for the Purpose of Helping the College  
Recruit and Retain Faculty Members Whose Research,~~

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Teaching and Service Uniquely Contribute to the  
Mission of the College..... \$ 150,000.

~~Of the funds appropriated in sub item (1) above for the Commission on Higher Education—Public Four Year Universities, Two Year Branch Campuses, and State Technical Colleges—Critical Equipment Repair and Replacement, \$8,351,128 is designated for critical equipment repair and replacement at public four year universities and two year branch campuses and must be distributed based on the methodology described below, and \$2,000,000 is to be transferred by the commission to the State Board for Technical and Comprehensive Education for distribution to each of the State's sixteen technical colleges for critical STEM equipment repair and replacement. Distribution of the \$2,000,000 is to be made by a formula to be developed by the State Board for Technical and Comprehensive Education in consultation with the colleges Chief Business Officers for approval by the State Board's Presidents Council. Based on the methodology described below, funds designated in this provision to the Commission on Higher Education for critical equipment repair and replacement at public four year universities and two year branch campuses may only used for the repair, maintenance or replacement of life, safety, and/or other critical equipment and systems 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 distributed to 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 other nonrecurring state funds appropriated to an institution either in the current fiscal year or from a prior fiscal year for repair and maintenance or deferred maintenance projects. Prior to the distribution of these funds, institutions must certify to the commission, in a manner it prescribes, the extent to which they have met this requirement, including the sources of funds utilized to meet this requirement. The commission shall notify the Joint Bond Review Committee of the certification received pursuant to this provision. Upon certification, the funds shall be distributed to institutions on a pro rata basis based on the distribution methodology described below provided that the distribution does not exceed an institution's pro rata share or the amount matched by the institution if less than that share. The distribution methodology to be used by the commission shall be based on each institution's proportion of general fund appropriation in Part IA of Act 101 of 2013 as compared to the total general fund appropriation in that Act for all public four year universities and two year branch campuses. Funds not matched and distributed shall be carried forward by the commission and used for LIFE, HOPE, and Palmetto Fellows Scholarships. Not later than one hundred and twenty days after the close of the fiscal year, the commission 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 specifically, as well as the amount spent in the current fiscal year by each public institution of higher learning, by source of funds, on repair and maintenance projects generally, including restoration and renewal of existing facilities or infrastructure, and the amount of repair and maintenance, including restoration and renewal projects, deferred to a subsequent fiscal year by each institution, if any, and the reasons for the deferral.~~

- 3.5 DELETE NEW PROVISO** (Higher Education Allocations) **WMC:** ADD new proviso to direct that lottery funds shall only be spent by and/or allocated to higher education institutions that are domiciled in this state.  
**HOU:** ADOPT new proviso.  
**SUBCOMMITTEE RECOMMENDATION:** DELETE new proviso.

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~~3.5. (LEA: Higher Education Allocations) Education Lottery Account funds provided to institutions of higher learning shall only be expended by and/or allocated to higher education institutions domiciled in this state.~~

- 3.6 CONFORM TO FUNDING** (FY 2015-16 Lottery Funding) **WMC:** ADD new proviso to direct expenditure of lottery funds certified by the BEA for FY 15-16 as follows: \$47,400,000 to CHE and State Board for Tec and Comp Ed for Tuition Assistance; \$171,896,844 to CHE for LIFE Scholarships; \$8,565,373 to CHE for HOPE Scholarships; \$38,691,990 to CHE for Palmetto Fellows Scholarships; \$13,000,000 to CHE for Need-Based Grants; \$1,053,764 to Tuition Grants Commission for Tuition Grants; \$1,028,053 to CHE for Higher Education Excellence Enhancement Program; and \$29,288,976 to Dept. of Education for K12 Technology Initiative. Require Tuition Assistance funds appropriated to CHE be distributed to technical colleges and 2-year institutions as required by Section 59-150-360 and require the State Board for Tec and Comp Ed and CHE to annually develop how the funds are to be distributed. Suspend, for the current fiscal year, the provisions of Section 2-75-30 regarding the aggregate amount of funding provided for the Centers of Excellence Matching Endowment. Authorize CHE to temporarily transfer funds between line items to ensure scholarships and tuition are received in a timely manner. State that the goal is to fund the Tuition Assistance program at a level to support at least \$996 per student per term for full-time students. Direct that net lottery proceeds and investment earnings in excess of certified net lottery proceeds and investment earnings are appropriated and must be used to ensure that LIFE, Palmetto Fellows, and HOPE scholarships are fully funded for FY 15-16. Provide for lottery appropriations to be reduced on a pro rata basis, excluding LIFE, HOPE, and Palmetto Fellows Scholarships, if lottery revenue is less than the amounts appropriated. Authorize Higher Ed Tuition Grants to use up to \$70,000 of Tuition Grants funds to support the award process. Provide for the distribution of K-12 Technology Initiative funds. Direct that these funds may not be used to supplant existing school district technology expenditures. Direct expenditure of certified unclaimed prize funds certified by the BEA for FY 15-16 as follows: \$7,205,000 to Higher Education Tuition Grants for Tuition Grants; \$4,545,000 to CHE for National Guard Tuition Repayment Program; \$50,000 to DAODAS for Gambling Addiction Services; and \$200,000 to the School for the Deaf and the Blind for Technology. Direct that if revenue received is less than these appropriations, the items shall be reduced on a pro rata basis. Direct that any unclaimed prize funds in excess of the amount certified by the BEA is appropriated as follows: \$6,000,000 to SDE for School Buses; and \$6,000,000 to SDE for Instructional Materials. Direct that net lottery proceeds and investment earnings realized in the prior fiscal year that are above the amount needed to fund appropriations in this provision are appropriated as follows on a pro rata basis: \$4,000,000 to SDE for School Buses; \$2,000,000 to State Library for Aid to County Libraries; and \$4,000,000 to St Board for Tec and Comp Ed for STEM Curriculum and Equipment.
- HOU:** AMEND new proviso to change certified unclaimed prizes to add item (5) to provide \$2,950,000 to CHE for HEEP. Sponsor: Rep. Cobb-Hunter.
- SUBCOMMITTEE RECOMMENDATION:** CONFORM TO FUNDING RECOMMENDATION.

3.6 (LEA: FY 2015-16 Lottery Funding) There is appropriated from the Education Lottery Account for the following education purposes and programs and funds for these programs and purposes shall be transferred by the Executive Budget Office as directed below. These appropriations must be used to supplement and not supplant existing funds for education.

The Executive Budget Office is directed to prepare the subsequent Lottery Expenditure Account detail budget to reflect the appropriations of the Education Lottery Account as provided in this section.

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All Education Lottery Account revenue shall be carried forward from the prior fiscal year into the current fiscal year including any interest earnings, which shall be used to support the appropriations contained below.

For Fiscal Year 2015-16 certified net lottery proceeds and investment earnings and any other proceeds identified by this provision are appropriated as follows:

- (1) Commission on Higher Education and State Board for Technical and Comprehensive Education--Tuition Assistance ..... \$ 47,400,000;
- (2) Commission on Higher Education--LIFE Scholarships as provided in Chapter 149, Title 59..... \$171,896,844;
- (3) Commission on Higher Education--HOPE Scholarships as provided in Section 59-150-370..... \$ 8,565,373;
- (4) Commission on Higher Education--Palmetto Fellows Scholarships as provided in Section 59-104-20..... \$ 38,691,990;
- (5) Commission on Higher Education--Need-Based Grants..... \$ 13,000,000;
- (6) Tuitions Grants Commission--Tuition Grants ..... \$ 1,053,764;
- (7) Commission on Higher Education--Higher Education Excellence Enhancement Program..... \$ 1,028,053; and
- (8) Department of Education--K12 Technology Initiative ..... \$ 29,288,976.

Fiscal Year 2015-16 funds appropriated to the Commission on Higher Education for Tuition Assistance must be distributed to the technical colleges and two-year institutions as provided in Section 59-150-360. Annually the State Board for Technical and Comprehensive Education and the Commission on Higher Education shall develop the Tuition Assistance distribution of funds appropriated.

The provisions of Section 2-75-30 of the 1976 Code regarding the aggregate amount of funding provided for the Centers of Excellence Matching Endowment are suspended for the current fiscal year.

The Commission on Higher Education is authorized to temporarily transfer funds between appropriated line items in order to ensure the timely receipt of scholarships and tuition assistance. It is the goal of the General Assembly to fund the Tuition Assistance program at such a level to support at least \$996 per student per term for full time students.

Fiscal Year 2015-16 net lottery proceeds and investment earnings in excess of the certified net lottery proceeds and investment earnings for this period are appropriated and must be used to ensure that all LIFE, HOPE, and Palmetto Fellows Scholarships for Fiscal Year 2015-16 are fully funded.

If the lottery revenue received for Fiscal Year 2015-16 is less than the amounts appropriated, the projects and programs receiving appropriations for any such year shall have their appropriations reduced on a pro rata basis, except that a reduction must not be applied to the funding of LIFE, HOPE, and Palmetto Fellows Scholarships.

The Higher Education Tuition Grants Commission is authorized to use up to \$70,000 of the funds appropriated in this provision for Tuition Grants to provide the necessary level of program support for the grants award process.

Funds appropriated to the Department of Education for the K-12 Technology Initiative shall be distributed to the public school districts of the state, the special schools of the state and the South Carolina Public Charter School District, per pupil, based on the previous year's 135-day average daily membership, according to the below calculations: (1) For a school district with a poverty index of less than 75: \$35 per ADM; (2) For a school district with a poverty index of at least 75 but no more than 85: \$50 per ADM; or (3) For a school district with a poverty index of 85 or greater or a special school with no defined poverty index: \$70 per ADM.



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The Department of Education may adjust the per-ADM rates for each of the three classes defined above in order to conform to actual levels of student attendance and available appropriations, provided that the per-ADM rate for each class is adjusted by the same percentage.

Funds distributed to a school district through the K-12 Technology Initiative may only be used for the following purposes: (1) To improve external connections to schools, with a goal of reaching at least 100 kilobits per second, per student in each school by 2017; (2) To improve internal connections within schools, with a goal of reaching at least 1 megabit per second, per student in each school by 2017; or (3) To develop or expand one-to-one computing initiatives.

A school district that has achieved each of the above goals may submit a plan to the K-12 Technology Initiative Committee for permission to expend its allocation on other technology-related uses; such permission shall not be unreasonably withheld and the K-12 Technology Committee must permit districts to appeal any process should a district not receive approval and must provide technical assistance to districts in developing plans should the district request such.

Funds appropriated for the K-12 Technology Initiative may not be used to supplant existing school district expenditures on technology. By June 30, 2016, each school district that receives funding through the K-12 Technology Initiative during Fiscal Year 2015-16 must provide the K-12 Technology Initiative Committee with an itemized report on the amounts and uses of these funds, using a form developed by the Education Oversight Committee. In this report, a school district must provide information on its efforts to obtain reimbursements through the "E-Rate" Schools and Libraries Program administered by the Universal Service Administrative Company. Within its available resources, the K-12 Technology Initiative Committee shall support school districts' efforts to obtain these reimbursements.

For Fiscal Year 2015-16, funds certified from unclaimed prizes are appropriated as follows:

- (1) Higher Education Tuition Grants Commission--Tuition Grants..... \$ 7,205,000;
- (2) Commission on Higher Education--National Guard Tuition  
Repayment Program as provided in Section 59-111-75..... \$ 4,545,000;
- (3) Department of Alcohol and Other Drug Abuse Services--  
Gambling Addiction Services..... \$ 50,000;
- (4) School for the Deaf and the Blind--Technology ..... \$ 200,000; and.
- (5) Commission on Higher Education--Higher Education  
Excellence Enhancement Program..... \$ 2,950,000.

If the lottery revenue received from certified unclaimed prizes for Fiscal Year 2015-16 is less than the amounts appropriated, the projects and programs receiving appropriations for any such year shall have their appropriations reduced on a pro rata basis.

Any unclaimed prize funds available in excess of the Board of Economic Advisors estimate shall be appropriated as follows:

- (1) Department of Education--School Buses..... \$ 6,000,000; and
- (2) Department of Education--Instructional Materials..... \$ 6,000,000.

For Fiscal Year 2015-16, net lottery proceeds and investment earnings realized in the prior fiscal year above the amount needed to fund the appropriations in this provision are appropriated as follows on a pro-rata basis:

- (1) Department of Education--School Buses..... \$ 4,000,000;
- (2) State Library--Aid to County Libraries ..... \$ 2,000,000; and
- (3) State Board for Technical and Comprehensive Education--  
STEM Curriculum and Equipment ..... \$ 4,000,000.

**3.7 DELETE NEW PROVISO** (Higher Education Excellence Enhancement Program Eligibility)  
**HOU:** ADD new proviso to direct that Converse and Columbia Colleges are eligible to receive lottery funds under the Higher Education Excellence Enhancement Program. Sponsor: Rep. White.

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**SUBCOMMITTEE RECOMMENDATION:** DELETE new proviso.

~~3.7. (LEA: Higher Education Excellence Enhancement Program Eligibility) *Converse College and Columbia College shall be eligible to receive lottery funds under the Higher Education Excellence Enhancement Program.*~~

**SECTION 11 - H03-COMMISSION ON HIGHER EDUCATION**

**11.1 RESTORE ORIGINAL PROVISO** (Contract for Services Program Fees) Provides for South Carolina's participation in the Southern Regional Education (SREB) program and services and to ensure that appropriated funds are available for and dedicated to that purpose.

**HOU:** AMEND proviso to specify that the funds are from carry forward funds authorized to CHE or funds appropriated to its successor entity. Sponsor: Rep. Merrill.

**SUBCOMMITTEE RECOMMENDATION:** RESTORE original proviso.

**11.1.** (CHE: Contract for Services Program Fees) ~~The *From the carry forward funds authorized to the Commission on Higher Education or funds appropriated to its successor entity, the*~~ amounts appropriated in this section for "Southern Regional Education Board Contract Programs" and "Southern Regional Education Board Dues" are to be used by the commission to pay to the Southern Regional Education Board the required contract fees for South Carolina students enrolled under the Contract for Services program of the Southern Regional Education Board, in specific degree programs in specified institutions and the Southern Regional Education Board membership dues. The funds appropriated may not be reduced to cover any budget reductions or be transferred for other purposes.

**11.2 REINSERT/AMEND** (Out-of-State School of the Arts) Directs that Out-of-State School of the Arts funds must be spent for a SREB Contract Program that will offset the difference between out-of-state and in-state costs for artistically talented high school students at the North Carolina School of the Arts.

**WMC:** DELETE proviso.

**HOU:** ADOPT deletion of proviso.

**SUBCOMMITTEE RECOMMENDATION:** REINSERT original proviso and amend to insert "For Fiscal Year 2015-16."

**11.2.** (CHE: Out-of-State School of the Arts) ~~The *For Fiscal Year 2015-16, the*~~ funds appropriated herein for Out-of-State School of the Arts must be expended for an SREB Contract Program, administered by the Commission, which will offset the difference between the out-of-state cost and in-state cost for artistically talented high school students at the North Carolina School of the Arts.

**11.3 RESTORE ORIGINAL PROVISO** (African-American Loan Program) Provides for distribution of funds appropriated to CHE for the African American Loan Program: 73.7% to SC State University and 26.3% to Benedict College and directs that no more than 10% may be used for administrative purposes.

**HOU:** AMEND proviso to specify that the funds are from carry forward funds authorized to CHE or funds appropriated to its successor entity. Sponsor: Rep. Merrill.

**SUBCOMMITTEE RECOMMENDATION:** RESTORE original proviso.

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**11.3. (CHE: African-American Loan Program) Of the funds appropriated ~~From the carry forward funds authorized~~** to the Commission on Higher Education ~~or funds appropriated to its successor entity~~ for the African-American Loan Program, 73.7 percent shall be distributed to South Carolina State University and 26.3 percent shall be distributed to Benedict College, and must be used for a loan program with the major focus of attracting African-American males to the teaching profession. The Commission of Higher Education, ~~or its successor entity~~, shall act as the monitoring and reporting agency for the African-American Loan Program. Of the funds allocated according to this proviso, no more than ten percent shall be used for administrative purposes.

- 11.4 RESTORE ORIGINAL PROVISO (GEAR-UP)** Directs that funds appropriated for GEAR-UP be used for state grant program to reach disadvantaged middle school students to improve college preparation.

**HOU:** AMEND proviso to specify that the funds are from carry forward funds authorized to CHE or funds appropriated to its successor entity. Sponsor: Rep. Merrill.

**SUBCOMMITTEE RECOMMENDATION:** RESTORE original proviso.

**11.4. (CHE: GEAR-UP) Funds ~~From the carry forward funds authorized to the Commission on Higher Education or funds appropriated to its successor entity, funds~~** appropriated for GEAR-UP shall be used for state grants programs to reach disadvantaged middle school students to improve their preparation for college. Eligible South Carolina public schools and public institutions of higher education shall cooperate with the Commission on Higher Education, ~~or its successor entity~~, in the provision of services under the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP) grant.

- 11.5 RESTORE ORIGINAL PROVISO (EPSCoR Committee Representation)** States the intent that 4-year teaching institutions receive a portion of the Experimental Program to Stimulate Cooperative Research (EPSCoR) program funding and that the EPSCoR executive committee consist of one representative from each of the research institutions and one representative from the 4-year teaching university sector.

**HOU:** AMEND proviso to specify that the funds are from carry forward funds authorized to CHE or funds appropriated to its successor entity. Sponsor: Rep. Merrill.

**SUBCOMMITTEE RECOMMENDATION:** RESTORE original proviso.

**11.5. (CHE: EPSCoR Committee Representation) With ~~From the carry forward funds authorized to the Commission on Higher Education or funds appropriated to its successor entity, it is~~** the intent that the four-year teaching institutions receive a portion of EPSCoR funding, the State EPSCoR Committee shall have an executive committee consisting of one representative from each of the research institutions and one representative from the four-year teaching university sector.

- 11.7 AMEND (Performance Improvement Pool Allocation)** Directs that 80% of funds appropriated on the Performance Funding line be allocated to the EPSCOR program to improve the state's research capabilities and that 20% be allocated to support management education programs at SC State University School of Business.

**WMC:** AMEND proviso to change reference to Section "XI." to "III. Other Agencies & Entities." *Technical.* Requested by Commission on Higher Education.

**HOU:** ADOPT proviso as amended.

**SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

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**11.7.** (CHE: Performance Improvement Pool Allocation) Of the funds appropriated to the Commission on Higher Education under Section ~~XI~~. *III. Other Agencies & Entities*: Special Items: Performance Funding, eighty percent will be allocated to the EPSCoR program under the Commission on Higher Education to improve South Carolina's research capabilities and twenty percent will be allocated to support the management education programs of the School of Business at South Carolina State University.

**11.8**     **RESTORE ORIGINAL PROVISO** (Troop-to-Teachers) Directs that members of the Armed Forces either active-duty, retired, or separated who are admitted to and enrolled in the S.C Troop-to-Teachers Alternative Route to Certification program are entitled to pay in-state rates at participating state institutions for required program work.

**HOU:** AMEND proviso to specify that the funds are from carry forward funds authorized to CHE or funds appropriated to its successor entity. Sponsor: Rep. Merrill.

**SUBCOMMITTEE RECOMMENDATION:** RESTORE original proviso.

**11.8.** (CHE: Troop-to-Teachers) Members ~~From the carry forward funds authorized to the Commission on Higher Education or funds appropriated to its successor entity, is directed to ensure that members~~ of the Armed Forces either active-duty, retired, or separated who are admitted to and enrolled in the South Carolina Troop-to-Teachers Alternative Route to Certification program are entitled to pay in-state rates at participating state institutions for requisite program work.

**11.9**     **RESTORE ORIGINAL PROVISO** (Need-Based Grants for Foster Youth) Provides for the distribution of up to \$100,000 of available need based grants funds to foster youth in the custody of DSS who are attending a higher education institutions in the state.

**HOU:** AMEND proviso to specify CHE or "its successor entity." Sponsor: Rep. Merrill.

**SUBCOMMITTEE RECOMMENDATION:** RESTORE original proviso.

**11.9.** (CHE: Need-Based Grants for Foster Youth) For the current academic year, youth in the custody of the Department of Social Services and attending a higher education institution in South Carolina are eligible for additional need-based grants funding of up to \$2,000 above the \$2,500 maximum. Foster youth must apply for these funds no later than May first, of the preceding year. All other grants, both state and federal, for which these foster youth are eligible must be applied first to the cost of attendance prior to using the additional need-based grant funding. If the cost of attendance for a foster youth is met with other grants and scholarships, then no additional need-based grant may be used. The Department of Social Services, in cooperation with the Commission on Higher Education, ~~or its successor entity~~, will track the numbers of recipients of this additional need-based grant to determine its effectiveness in encouraging more foster youth to pursue a secondary education. No more than \$100,000 may be expended from currently appropriated need-based grants funding for this additional assistance.

**11.10**     **RESTORE ORIGINAL PROVISO** (Tuition Age) Suspends the age limitation for free tuition at state supported institutions of higher learning for children of certain war veterans that successfully appeal the Division of Veterans Affairs on the grounds of a serious extenuating health condition.

**HOU:** AMEND proviso to specify that the funds are from carry forward funds authorized to CHE or funds appropriated to its successor entity. Sponsor: Rep. Merrill.

**SUBCOMMITTEE RECOMMENDATION:** RESTORE original proviso.

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**11.10.** (CHE: Tuition Age) For ~~From the carry forward funds authorized to the Commission on Higher Education or funds appropriated to its successor entity, for~~ the current fiscal year, the age limitation for those children of certain war veterans who may be admitted to any state-supported college, university, or post high school technical education institution free of tuition is suspended for eligible children that successfully appeal the Division of Veterans Affairs on the grounds of a serious extenuating health condition.

- 11.11 RESTORE ORIGINAL PROVISO** (LIFE and Palmetto Fellows Enhancement Stipends) Provides for a verifiable procedure to confirm that students receiving the enhanced stipends for LIFE and Palmetto Fellows are fulfilling the requirements of the major and are demonstrating intent to graduate in the major.

**HOU:** AMEND proviso to specify CHE “or its successor entity.” Sponsor: Rep. Merrill.

**SUBCOMMITTEE RECOMMENDATION:** RESTORE original proviso.

**11.11.** (CHE: LIFE and Palmetto Fellows Enhancement Stipends) In the current fiscal year before fall awards are made, to continue eligibility for LIFE and Palmetto Fellows Enhancement Stipends, students shall certify and the institutions shall verify that the student is meeting all requirements as stipulated by the policies established by the institution and the academic department to be enrolled as a declared major in an eligible program and is making academic progress toward completion of the student’s declared eligible major. These determinations are subject to the verification and audit of the Commission on Higher Education, ~~or its successor entity.~~ Institutions shall return funds determined to have been awarded to ineligible students.

- 11.13 REINSERT** (Higher Education Excellence Enhancement Program Additions) Directs that Converse and Columbia Colleges shall be eligible to receive funds under HEED.

**HOU:** DELETE proviso. *Moved to Lottery section proviso 3.7.* Sponsor: Rep. Merrill.

**SUBCOMMITTEE RECOMMENDATION:** REINSERT original proviso.

**11.13.** (CHE: Higher Education Excellence Enhancement Program Additions) Converse College and Columbia College shall be eligible to receive funds under the Higher Education Excellence Enhancement Program.

- 11.14 DELETE** (SCNG CAP Carry Forward) Authorizes SC National Guard College Assistance Program funds to be carried forward and exempts the program’s funds from any mid-year budget reduction.

**WMC:** DELETE proviso. *Codified in Section 59-114-65 by Act 151 of 2014.* Requested by Commission on Higher Education.

**HOU:** ADOPT deletion of proviso.

**SUBCOMMITTEE RECOMMENDATION:** ADOPT deletion of proviso.

**11.14.** (CHE: SCNG CAP Carry Forward) ~~Funds appropriated for the South Carolina National Guard College Assistance Program may be carried forward from the prior fiscal year into the current fiscal year and expended for the same purpose. If a mid-year budget reduction is imposed by the General Assembly or the Executive Budget Office, the appropriations for the program are exempt.~~

- 11.15 RESTORE ORIGINAL PROVISO** (College Transition Need-Based Grants) Directs that no more than \$179,178 of need-based grants funding be used to provide need-based grants at an established college transition program that serves students with intellectual disabilities. Provides

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guidelines for awarding and allocating the funds and requires the number of grant recipients be tracked to evaluate the effectiveness of the program.

**HOU:** AMEND proviso to specify CHE “or its successor entity.” Sponsor: Rep. Merrill.

**SUBCOMMITTEE RECOMMENDATION:** RESTORE original proviso.

**11.15.** (CHE: College Transition Need-Based Grants) Of the currently appropriated need-based grants funding, no more than \$179,178 shall be used to provide need-based grants to South Carolina resident students enrolled at a public institution of higher education in an established college transition program that serves students with intellectual disabilities. The Commission on Higher Education, ~~or its successor entity~~, shall allocate the available funds to eligible institutions on the basis of student need and enrollment in the established college transition programs. All other grants and gift aid for which these students are eligible must be applied first to the cost of attendance prior to using the need-based grant funding. If the cost of attendance for an eligible student is met with all other grants and gift aid, the need-based grant shall not be used. The participating institutions, in cooperation with the Commission on Higher Education, ~~or its successor entity~~, shall track the number of grant recipients and other information determined necessary to evaluate the effectiveness of these grants in assisting students with intellectual disabilities in college transition programs.

- 11.16** **DELETE** (Mission, Ethics and Values Statements) Requires each public institution of higher learning to submit a report to the General Assembly by January 3, 2015 that specifies their mission, ethics and values statements.

**WMC:** DELETE proviso.

**HOU:** ADOPT deletion of proviso.

**SUBCOMMITTEE RECOMMENDATION:** ADOPT deletion of proviso.

**11.16.** (CHE: Mission, Ethics and Values Statements) ~~Each public institution of higher learning shall submit a report that denotes their mission, ethics, and values statements to the members of the General Assembly by January 3, 2015.~~

- 11.17** **DELETE** (Distribution of Materials on College Campuses) Prohibits public institutions of higher education from imposing restrictions on a student’s ability to distribute the U.S. or S.C. Constitution, so long as the distribution meets certain guidelines. Directs that an athletic event is not considered a class, school-wide assembly or school sponsored function.

**WMC:** DELETE proviso.

**HOU:** ADOPT deletion of proviso.

**SUBCOMMITTEE RECOMMENDATION:** ADOPT deletion of proviso.

**11.17.** (CHE: Distribution of Materials on College Campuses) ~~Public institutions of higher education shall not impose restrictions on the distribution of the Constitution of the United States or the Constitution of the State of South Carolina by students properly enrolled in the institution or otherwise eligible to enter the institution’s property, so long as the distribution does not interrupt a class in session, a school wide assembly or other school sponsored function. Distribution of copies of the Constitution of the United States or the Constitution of the State of South Carolina on which unrelated materials or paraphernalia are attached to, or that are inserted or included within copies of either Constitution are not subject to the requirements of this proviso. For purposes of this proviso, an athletic event is not considered a class, school wide assembly or school sponsored function.~~

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- 11.18 DELETE** (Required Reading Material Reporting) Requires the University of Charleston to use at least \$52,000 and for USC Upstate to use at least \$17,000 to comply with the provisions of Section 59-29-120 that requires colleges and universities that receive public funds to give instruction in the essentials of the U.S. Constitution, the Declaration of Independence, and the Federalist Papers. Requires institutions that conduct a non-elective reading program to provide alternative reading materials under certain circumstances and requires institutions that conduct mandatory lectures, seminars, or other presentations or programs other than part of an instructional class to allow a student to decline to attend or participate in the program under certain circumstances.

**WMC:** DELETE proviso.

**HOU:** ADOPT deletion of proviso.

**SUBCOMMITTEE RECOMMENDATION:** ADOPT deletion of proviso.

~~**11.18.** (CHE: Required Reading Material Reporting) (A) From the revenue appropriated or authorized by this act, the University of Charleston must utilize at least \$52,000 and USC Upstate must utilize at least \$17,000 to comply with the provisions contained in Section 59-29-120, related to instruction in the provisions and principles of the United States Constitution, the Declaration of Independence, and the Federalist Papers, including the study of and devotion to American institutions and ideals. The instruction that must given pursuant to this provision may be satisfied by providing or assigning reading materials related to the subject matter.~~

~~(B) A public institution of higher learning that conducts a non-elective reading program, other than as part of an instructional class, must provide alternative reading materials to a student who finds the required reading material objectionable based on a sincerely held religious, moral, or cultural belief. A student who requests alternative materials must not be subjected to any negative consequences or disparate treatment by any officer, official, faculty member, or other employee of the institution as a result of making the request.~~

~~(C) A public institution of higher learning that conducts a mandatory lecture, seminar, or other similar type presentation or program, other than as part of an instructional class, must allow a student who finds the program objectionable based on a sincerely held religious, moral, or cultural belief to decline to attend or otherwise participate in the program. A student who declines to attend or otherwise participate must not be subjected to any negative consequences or disparate treatment by any officer, official, faculty member, or other employee of the institution as a result of making the request.~~

- 11.19 AMEND NEW PROVISO** (Scholarship Awards) **WMC:** ADD new proviso to provide guidelines for a student to receive a Palmetto Fellows or LIFE scholarship award during the summer in addition to fall and spring semesters. Direct that the student must continue to meet eligibility requirements and be enrolled full-time, which for summer requires 12 hours. Direct that the total summer award per student may not exceed half of the allowable academic year award up to the cost of attendance and must be reimbursed if the student does not complete at least 12 hours of academic credit during the summer sessions. Direct that if a summer award is made, the student's total award during their enrollment may not exceed the amount provided under current semester limits. *Moved from the lottery proviso.*

**HOU:** AMEND new proviso to specify CHE "or its successor entity." Sponsor: Rep. Merrill.

**SUBCOMMITTEE RECOMMENDATION:** AMEND new proviso to direct that the summer award must be reimbursed if less than 12 hours of academic credit are not "attempted" rather than "completed" during summer sessions.

**11.19.** (CHE: Scholarship Awards) A student may receive a Palmetto Fellows or LIFE scholarship award during the summer, in addition to fall and spring semesters of an academic

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year, provided continued eligibility requirements are met as of the end of the spring semester. Students must enroll full-time, which for purposes of the summer award will require enrollment in at least twelve hours over the course of the summer. The summer is defined as the period between the end of the spring term and prior to the opening of the fall term. The total summer award per student may not exceed half of the allowable academic year award up to the cost of attendance and must be reimbursed if less than twelve hours for academic credit are not ~~completed~~ attempted by the student during summer sessions. If awarded in the summer, a student's total award during his or her enrollment may not exceed the amount that would otherwise be provided under current semester limits applied for the scholarship awards. The Commission on Higher Education, ~~or its successor entity~~, may provide additional guidelines necessary to ensure uniform implementation.

- 11.21 DELETE NEW PROVISO** (Other Funds Expenditure Authorization) **WMC:** ADD new proviso to prohibit state institutions of higher learning, including technical schools from spending more other funds than they are authorized in this act and/or by the Other Funds Oversight Committee to spend. Require each institution and school to prepare quarterly other fund expenditure reports that includes both quarterly and year to date expenditures and submit the reports no later than 15 days after the end of each quarter to the Senate Finance and House Ways and Means Committees, to the Executive Budget Office and to the Revenue and Fiscal Affairs Office. Direct the EOB Executive Director, upon finding that other funds authorization has been breached, to notify the Comptroller General of the amount of unauthorized spending and direct the Comptroller General to reduce an equal amount of general fund appropriations from that institution or school.
- HOU:** AMEND new proviso to direct that quarterly reports also be submitted to CHE or its successor entity. Sponsor: Rep. Merrill.
- SUBCOMMITTEE RECOMMENDATION:** DELETE new proviso.

~~11.21. (CHE: Other Funds Expenditure Authorization) State institutions of higher learning, including technical schools, shall not expend an amount of other funds in excess of the total authorized by this act and any amount approved by the Other Funds Oversight Committee. Each institution and school shall prepare a quarterly report, which includes quarterly and fiscal year to date other funds appropriations expenditure amounts, and provide the reports, no later than fifteen days after the end of the quarter, to the Senate Finance Committee, the House Ways and Means Committee, the Executive Budget Office, the Commission on Higher Education, or its successor entity, and the Revenue and Fiscal Affairs Office. Upon a finding by the Executive Budget Office that an institution or school has breached its other fund authorization, the executive director shall send a letter notifying the Comptroller General as to the amount of unauthorized spending and the Comptroller General shall reduce an equal amount from that institution or school's general fund appropriation.~~

- 11.22 DELETE NEW PROVISO** (Graduation Data) **WMC:** ADD new proviso to require institutions of higher learning to annually report graduation data in terms of a true freshman cohort who starts their college career as a freshman at the institution and graduates from that same institution. Direct that graduation data also be reported in terms of the Voluntary System of Accountability. Direct that both calculations be submitted to CHE by December 1st.
- HOU:** AMEND new proviso to specify CHE "or its successor entity." Sponsor: Rep. Merrill.
- SUBCOMMITTEE RECOMMENDATION:** DELETE new proviso.

~~11.22. (CHE: Graduation Data) Institutions of higher learning must annually report graduation data in terms of true freshman cohort: a student who starts their college career as a~~



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~~freshman at the institution and graduates from that institution. Institutions must also report graduation data in terms of the Voluntary System of Accountability (VSA). Both calculations must be submitted to the Commission on Higher Education, or its successor entity, on or before December 1st.~~

- 11.23 DELETE NEW PROVISO (Equalizing In-State Tuition) WMC:** ADD new proviso to direct CHE to study the feasibility of equalizing in-state tuition rates at all state institutions of higher learning and to report their findings to the Governor and the Chairmen of the Senate Finance and House Ways and Means Committees by December 1, 2015.

**HOU:** AMEND new proviso to specify CHE “or its successor entity.” Sponsor: Rep. Merrill.

**SUBCOMMITTEE RECOMMENDATION:** DELETE new proviso.

~~*11.23. (CHE: Equalizing In-State Tuition) The Commission on Higher Education, or its successor entity, shall study in state tuition rates at all state institutions of higher learning to determine the feasibility of equalizing in state tuition rates. The commission shall report the findings of the study to the Governor, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee by December 1, 2015.*~~

- 11.24 DELETE NEW PROVISO (Student Debt) WMC:** ADD new proviso to direct CHE, in collaboration with the Student Loan Corporation, to determine the amount of outstanding student loan debt and default rates as of July 1, 2015 for each higher education institution and to report the results annually by October 1st to the Chairmen of the Senate Finance and House Ways and Means Committees.

**HOU:** AMEND new proviso to specify CHE “or its successor entity.” Sponsor: Rep. Merrill.

**SUBCOMMITTEE RECOMMENDATION:** DELETE new proviso.

~~*11.24. (CHE: Student Debt) The Commission on Higher Education, or its successor entity, in collaboration with the Student Loan Corporation, shall determine outstanding student loan debt numbers and default rates as of July 1, 2015, for each public institution of higher learning. Results shall be reported annually to the Chairman of the Senate Finance Committee and Chairman of the House Ways and Means Committee by October 1st.*~~

- 11.25 DELETE NEW PROVISO (Other Funded FTE Revenue) WMC:** ADD new proviso require higher education institutions to ensure that sufficient revenue exists to fund the salary and fringe benefits of any new other funded full-time positions they request. Direct the institutions to also ensure that when they calculate the revenue required for the positions they take into consideration any possible future pay increases and health insurance adjustments that may be mandated by the General Assembly.

**HOU:** AMEND new proviso require each institution ensure to CHE or its successor entity that they have sufficient funds for salary and fringe benefits of the requested ftes. Sponsor: Rep. Merrill.

**SUBCOMMITTEE RECOMMENDATION:** DELETE new proviso.

~~*11.25. (CHE: Other Funded FTE Revenue) Each institution of higher learning, when requesting additional other funded full time equivalent positions shall ensure to the Commission on Higher Education, or its successor entity, that sufficient revenues exist to fund the salary and fringe benefits for the positions. In addition, the institution shall also ensure that in the calculation of the revenue required for the positions, future pay increases and future health insurance adjustments as may be mandated by the General Assembly are taken into consideration.*~~

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- 11.26 DELETE NEW PROVISO** (Federal and Other Fund Compensation Increase Exemption) **WMC:** ADD new proviso to exempt higher education institutions from having to provide state imposed pay raises to other and federal funded full-time positions.  
**HOU:** ADOPT new proviso.  
**SUBCOMMITTEE RECOMMENDATION:** DELETE new proviso.

~~*11.26. (CHE: Federal and Other Fund Compensation Increase Exemption) Notwithstanding the requirements of proviso 117.125 (Employee Compensation), institutions of higher learning shall be exempt from having to provide state imposed pay raises to other and federal funded full-time equivalent positions.*~~

- 11.28 DELETE NEW PROVISO** (4% Waivers) **WMC:** ADD new proviso to establish a formula for institutions to use across the board for fee waivers: "Total Waiver Allotment per Statute=Unduplicated headcount (full annual in-state geo tuition) x 4 percent." Direct to qualify for a fee waiver a student must be in-state based on geo-origin, be enrolled in at least 12 hours, and must maintain a 3.0 GPA per semester. Direct that formula calculation and award data be annually submitted to CHE by October 1st and require institutions identify all other financial awards the student is receiving, if the student is an athlete, and how many semesters the students has received the waiver. Direct CHE to notify the Chairmen of the Senate Finance and House Ways and Means Committees if the information is not received by October 1st and direct that those institutions shall have their general fund appropriations reduced by their total waiver allotment. Exempt state technical schools from these requirements.  
**HOU:** AMEND new proviso to specify CHE "or its successor entity." Sponsor: Rep. Merrill.  
**SUBCOMMITTEE RECOMMENDATION:** DELETE new proviso.

~~*11.28. (CHE: 4% Waivers) When each institution of higher learning establishes the allotted amount of money to be used as a fee waiver, the formula to be used across the board shall be defined as "Total Waiver Allotment per Statute=Unduplicated headcount (full annual in state geo tuition) x 4 percent." In order to qualify for a fee waiver a student must be in state (based on geo origin); must be an undergraduate; must be enrolled in at least 12 hours; and must maintain a 3.0 grade point average per semester. Formula calculation and award data must be submitted to the Commission on Higher Education, or its successor entity, by October 1 of each year. When reporting data, the institution must identify all other financial awards the student is receiving as well as if the student is an athlete and how many semesters the student has received the waiver. If the information is not provided to the Commission on Higher Education, or its successor entity, by October 1, the commission must notify the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee and those institutions shall have their general fund appropriations reduced by the total waiver allotment per the respective institution. State technical schools shall be exempt from the requirements of this provision.*~~

- 11.29 AMEND NEW PROVISO FURTHER** (Abatements and Waivers) **WMC:** ADD new proviso to direct that abatement calculations for out-of-state students be submitted annually to CHE by October 1st and require the reporting data identify the student's geo-origin, class, all other financial awards the student is receiving, whether the student is an athlete, and how many semesters the student has received the waiver.  
**HOU:** AMEND new proviso to specify CHE "or its successor entity." Sponsor: Rep. Merrill.  
**SUBCOMMITTEE RECOMMENDATION:** AMEND FURTHER to delete the data required to be reported and instead direct the commission report the number of students that received abatement of rates pursuant to Section 59-112-70 [ABATEMENT OF RATES FOR NONRESIDENTS ON

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SCHOLARSHIP. WAIVER FOR STUDENTS PARTICIPATING IN INTERNATIONAL SISTER-STATE AGREEMENT OR STUDENT EXCHANGE PROGRAMS] and the number of students that received educational fee waivers pursuant to Section 59-101-620 [EDUCATIONAL FEE WAIVERS].

~~*11.29. (CHE: Abatements **and** Waivers) Calculation of abatements for out of state students must be submitted to the Commission on Higher Education, or its successor entity, by October 1 each year. When reporting data, the institution must identify the geo origin of the student, class of the student, all other financial awards the student is receiving as well as if the student is an athlete and how many semesters the student has received the waiver. By October 1 each year, state supported institutions of higher learning shall report to the commission the number of 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 number of students that received educational fee waivers pursuant to Section 59-101-620.*~~

- 11.30 DELETE NEW PROVISO** (Outstanding Institutional Debt) **WMC:** ADD new proviso to require higher education institutions to submit data on their outstanding institutional debt by November 1st to the Chairmen of the House Ways and Means and Senate Finance Committees and require the data include, but not be limited to amount of the initial debt, year the debt was incurred, year the debt will be satisfied, repayment schedule, and purpose for which the debt was incurred.

**HOU:** AMEND new proviso to specify CHE “or its successor entity.” Sponsor: Rep. Merrill.

**SUBCOMMITTEE RECOMMENDATION:** DELETE new proviso.

~~*11.30. (CHE: Outstanding Institutional Debt) By November 1st, institutions of higher learning must submit to the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, and the Commission on Higher Education, or its successor entity, data on all outstanding institutional debt for their respective institution. Data shall include, but not be limited to, the amount of the initial debt, year in which the debt was incurred, the year in which the debt will be satisfied, the repayment schedule, and the purpose for which the debt was incurred.*~~

- 11.31 DELETE NEW PROVISO** (Personal Finances Curriculum) **WMC:** ADD new proviso to direct each higher education institution, excluding technical schools, to include information about personal finances in an institution’s general education freshman curriculum, by either offering a course on the subject or by including the information in an existing course. Direct state technical schools to include personal finances information in freshman orientation.

**HOU:** AMEND new proviso to specify CHE or its successor entity. Sponsor: Rep. Merrill.

**SUBCOMMITTEE RECOMMENDATION:** DELETE new proviso.

~~*11.31. (CHE: Personal Finances Curriculum) The Commission on Higher Education, or its successor entity shall ensure that each institution of higher learning, excluding technical schools, shall offer a course or include in an existing course designed for first year students, information regarding personal finances which must be included in an institution’s general education freshman curriculum. State technical schools shall include information regarding personal finances in freshman orientation.*~~

- 11.35 AMEND NEW PROVISO** (Transferability) **HOU:** ADD new proviso to direct that students who transfer from a 2-year public institution of higher learning with an Associate of Arts or Science degree and are accepted at a public research institution or 4-year college or university are guaranteed the award of at least 60 credit hours of transfer coursework and will have all

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general education requirements waived. Direct that course prerequisites and minimum credit requirements for awarding degrees shall still apply. Direct CHE, or its successor entity, in consultation with the State Board for Tec and Comp Ed and public institutions of higher learning to develop policies by May, 2, 2016 for implementing these provisions effective beginning in the fall of 2016. Sponsor: Rep. Merrill.

**SUBCOMMITTEE RECOMMENDATION:** AMEND new proviso to delete the previous requirements and instead direct CHE's Council of Presidents or its designees, in consultation with the State Board for Tec and Comp Ed, or its designees, to make recommendations by May 2, 2016, to the Chairmen of the Senate Education and House Education and Public Works Committees on policy options concerning the development of a more seamless transition for students with Associate Degrees from public 2-year institutions who wish to transfer to public research institutions and 4-year institutions. Require recommendations consider both costs and opportunities of the option(s) including, but not limited to, impacts on institutional core requirements and accreditation standards. Direct that this provision does not supersede current agreements, MOU, or letters of intent between institutions regarding transferability of students.

~~*11.35. (CHE: Transferability) Transfer students from two-year public institutions of higher learning accepted to public research institutions and four-year colleges and universities with an earned Associate of Arts or Associate of Science degree are guaranteed the award of at least sixty credit hours of transfer coursework and will have all general education requirements waived. Course prerequisites and minimum credit requirements for the awarding of degrees shall still apply. From the carry forward funds authorized to the Commission on Higher Education or funds appropriated to its successor entity, the commission or successor entity, in consultation with the State Board for Technical and Comprehensive Education and the public institutions of higher learning, will develop policies by May 2, 2016, for implementation of the provisions herein effective beginning in fall 2016. No later than May 2, 2016, the Commission on Higher Education's Council of Presidents, or the council's designees, in consultation with the State Board for Technical and Comprehensive Education, or its designees, shall make a recommendation(s) to the Chairman of the Senate Education Committee and the Chairman of the House Education and Public Works Committee concerning policy options for the state to consider with regards to the development of a more seamless transition for students with Associate Degrees from public two-year institutions of higher learning wishing to transfer to public research institutions and four-year colleges and universities. Recommendations must consider both the costs and opportunities of the option(s) presented including, but not limited to, impacts on institutional core requirements and accreditation standards. Nothing herein shall be construed as superseding any agreements, memorandums of understanding, or letters of intent that are in effect in the current fiscal year between or on behalf of one or more public institutions of higher learning in this state with another public institution or institutions of higher learning in this state regarding the transferability of students between institutions as described herein.*~~

**11.36 DELETE NEW PROVISO** (Uniform Acceptance Letter Deadline) **HOU:** ADD new proviso to direct CHE, or its successor entity, to work with all higher education institutions to establish a uniform deadline for fall semester acceptance letters for incoming freshmen. Sponsor: Rep. Merrill.

**SUBCOMMITTEE RECOMMENDATION:** DELETE new proviso.

~~*11.36. (CHE: Uniform Acceptance Letter Deadline) From the carry forward funds authorized to the Commission on Higher Education or funds appropriated to its successor entity,*~~

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~~the commission or successor entity, shall work with all institutions of higher learning to establish a uniform deadline for acceptance letters for the fall semester for incoming freshmen.~~

- 11.37 DELETE NEW PROVISO** (Comprehensive Academic Program Evaluation) **HOU:** ADD new proviso to prohibit CHE, or its successor entity, from granting a new academic program at a higher education institution until a comprehensive evaluation has been conducted on all academic programs at that institution. Direct CHE, or its successor entity, to develop criteria to evaluate existing academic programs to determine whether they are essential and valuable to the institution and students. Direct CHE, or its successor entity, to submit the evaluation criteria to the Chairmen of the Senate Finance and House Ways and Means Committees. Sponsor: Rep. Merrill.

**SUBCOMMITTEE RECOMMENDATION:** DELETE new proviso.

~~*11.37. (CHE: Comprehensive Academic Program Evaluation) From the carry forward funds authorized to the Commission on Higher Education or funds appropriated to its successor entity, the commission or successor entity shall not grant a new academic program at an institution of higher learning until a comprehensive evaluation has been conducted on all the academic programs at that institution. The commission or its successor entity, shall develop criteria to evaluate whether existing academic programs are essential and valuable to the institution and to the students enrolled in the institution. The commission or its successor entity, shall submit the evaluation criteria to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee.*~~

- 11.38 DELETE NEW PROVISO** (Higher Education Continuous Improvement Goals) **HOU:** ADD new proviso to direct that attainment of certain goals will be considered by CHE, or its successor entity, with appropriation requests in order to encourage improvements in higher education. Direct Clemson, the Citadel, and USC-Columbia to improve their percentage of full-time in-state undergrads by 2% of total enrollment in the 2015 fall class and by 5% by 2020. Direct MUSC increase graduate percentage of in-state students by 2%. Direct Coastal Carolina, Charleston, Francis Marion, Lander, USC Aiken, USC Beaufort, USC Upstate and Winthrop Universities to increase retention by 2% over two years and increase the 4-year graduation rate by 3% over 4 years. Direct technical schools to increase job placement by 2% over two years. Sponsor: Rep. Merrill.

**SUBCOMMITTEE RECOMMENDATION:** DELETE new proviso.

~~*11.38. (CHE: Higher Education Continuous Improvement Goals) From the carry forward funds authorized to the Commission on Higher Education or funds appropriated to its successor entity, in an effort to encourage improvements in higher education, attainment of the following goals will be considered with appropriation requests. Clemson University, the Citadel, and the University of South Carolina Columbia Campus shall improve their percentage of full-time in-state undergraduate students by 2% of total enrollment in the fall class of 2015 and by 5% by 2020. The Medical University of South Carolina shall increase graduate percentage of in-state students by 2%. Coastal Carolina University, the University of Charleston, Francis Marion University, Lander University, USC Aiken, USC Beaufort, USC Upstate, and Winthrop University shall increase retention by 2% over two years and shall increase the four-year graduation rate by 3% over 4 years. The state's technical schools shall increase job placement by 2% over two years.*~~

- 11.ssd ADD** (SmartState Drawn Down) **SUBCOMMITTEE RECOMMENDATION:** ADD new proviso to authorize CHE to drawn down previously appropriated lottery funds for a SmartState

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“South Carolina Center of Economic Excellence” that have been held in trust awaiting matching funds, after they receive the dollar-for-dollar non-state match and upon Executive Budget Office approval. Direct that the required documentation along with proof that the required match is on hand must be submitted to the Executive Budget Office for approval and direct the Executive Budget Office to notify the Other Funds Oversight Committee of such approval. Direct that the requirements of proviso 91.21 (Other Funds Oversight Committee) do not apply under these circumstances.

*11.ssd. (CHE: SmartState Draw Down) The Commission on Higher Education, upon receipt of the dollar-for-dollar non-state match for a SmartState “South Carolina Center of Economic Excellence” as required by Section 2-75-50 of the 1976 Code, and after Executive Budget Office approval, shall be authorized to draw down previously appropriated lottery funds that had been held in trust until matching funds were on hand. The commission shall submit required documentation to the Executive Budget Office for approval of such draw downs, including proof that the required match is on hand, and the Executive Budget Office shall notify the Other Funds Oversight Committee of an authorization approved for this purpose. The requirements of proviso 91.20 contained in this act shall not apply to circumstances described in this proviso.*

**SECTION 14 - H12-CLEMSON UNIVERSITY - EDUCATIONAL & GENERAL**

- 14.1 DELETE** (Travel Advances and Subsistence Expenses) Authorizes Clemson to advance travel and subsistence expense monies to its employees for the financing of ordinary and necessary travel required in conducting the business of the institution and allows 30 days after the trip is completed for reimbursement.

**WMC:** DELETE proviso. *University should comply with proviso 117.20(K) (Travel-Subsistence Expenses & Mileage).*

**HOU:** ADOPT deletion of proviso.

**SUBCOMMITTEE RECOMMENDATION:** ADOPT deletion of proviso.

~~**14.1. (CU: Travel Advances and Subsistence Expenses)** Clemson University may advance travel and subsistence expense monies to its employees for the financing of ordinary and necessary travel required in the conducting of the business of the institution. Clemson University may develop and publish rules and regulations pertaining to the advancing of travel expenses. All advances for travel and subsistence monies shall be repaid within thirty days after the end of the trip.~~

- 14.2 ADD** (Electrical Infrastructure) **WMC:** ADD new proviso to direct Clemson to enter into negotiations with an appropriate entity or electric cooperative to determine the feasibility to purchase and operate the main campus electrical infrastructure and associated infrastructure maintenance, and to report the results of the negotiations to the Chairmen of the Senate Finance and House Ways and Means Committees by December 1, 2015.

**HOU:** ADOPT new proviso.

**SUBCOMMITTEE RECOMMENDATION:** ADOPT new proviso.

*14.2. (CU: Electrical Infrastructure) Clemson University is directed to enter into negotiations with an appropriate entity or an electric cooperative to determine the feasibility for the purchase and operation of the main campus electrical infrastructure and maintenance associated with said infrastructure. A report shall be submitted to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee by December 1, 2015 on the results of the negotiations.*

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**SECTION 19 - H24-SOUTH CAROLINA STATE UNIVERSITY**

- 19.1 DELETE** (BRIDGE Program) Establishes the BRIDGE program at SC State University and stipulates funds appropriated for the program are to be used to recruit minority high school students along the I-95 corridor into the teaching profession by offering them access to counseling, mentoring, on campus summer enrichment programs, and opportunities for dual enrollment credits at the university while they are still in high school.  
**WMC:** DELETE proviso. *The BRIDGE program has not existed at SC State since 2011.*  
**HOU:** ADOPT deletion of proviso.  
**SUBCOMMITTEE RECOMMENDATION:** ADOPT deletion of proviso.

~~19.1. (SCSU: BRIDGE Program) The funds appropriated to South Carolina State University for the BRIDGE Program shall be utilized to recruit minority high school students along the I-95 corridor into the teaching profession by offering them, while still in high school, access to counseling, mentoring, on campus summer enrichment programs, and opportunities for dual enrollment credits at South Carolina State University for the purpose of preparing these students to major in education and to become future teachers along the I-95 corridor.~~

- 19.3 DELETE NEW PROVISO** (Interim Governing Authority and Control) **WMC:** ADD new proviso to direct that in order to preserve the long and distinguished history of S.C. State University and faced with insufficient student enrollment revenues to cover existing expenditure obligations, the S.C. State University Board of Trustees are removed from their positions, powers and duties and an Interim Board of Trustees is created composed of the members of the State Fiscal Accountability Authority, who shall serve ex officio, or their designee, who shall serve at the pleasure of the appointing member of the authority. Direct that the duties and powers of the former board of trustees are transferred to the interim board of trustees. Direct the interim board to remove the president if it is determined the removal would be in the best interest of the university and to employ an interim president who shall serve on an at-will basis. Direct the Interim Board of Trustees to oversee the actions of the interim president and direct the interim president to review both the university's educational accreditation and the past and current financial situation and make recommendations to the Interim Board of Trustees, the State Fiscal Accountability Authority, the General Assembly, and the Executive Budget Office on the path the university must pursue to lead it out of the current financial crisis and return the university to the valuable and functional institution it has been in the past. Direct the Interim Board of Trustees and the interim president to carry out daily operational responsibilities including, but not limited to, the expenditure of funds associated with daily operations. Direct that the Interim Board of Trustees shall serve until the General Assembly elects new members and direct that they be indemnified in the same manner as members of the Retirement System Investment Commission.  
**HOU:** AMEND new proviso to specify that an Interim Board of Trustees is created and appointed upon the effective date of this act and shall be composed of the designees of the five members of the State Fiscal Accountability Authority who shall serve ex officio. Direct that the election of new members of the Board of Trustees must include a restructured Board of Trustees including, but not limited to, the members of the Interim Board of Trustees to serve staggered terms. Sponsors: Reps. White, Merrill, Cobb-Hunter, Bingham, and Mitchell.  
**SUBCOMMITTEE RECOMMENDATION:** DELETE new proviso.

~~19.3. (SCSU: Interim Governing Authority and Control) (A) The South Carolina General Assembly finds:~~

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~~(1) the members of the General Assembly of the State of South Carolina recognize the rich and diverse history of South Carolina State University founded in 1896 in Orangeburg, South Carolina, and the significant contribution that the university has made to the higher education community as well as its current students and alumni;~~

~~(2) South Carolina State University is currently experiencing student enrollment revenues that are insufficient to cover existing expenditure obligations, such that the General Assembly finds it necessary to shepherd the institution through this temporary period to restore it to the viable institution it has been in the past and, in order to preserve the long and distinguished history of South Carolina State University, the General Assembly finds it necessary to take temporary corrective action;~~

~~(3) with new, experienced management and the proper support and encouragement from the State, South Carolina State University should once again thrive as the State's only state-supported historically black university and continue to graduate distinguished alumni who will represent the university with pride and serve as the state's future professionals and leaders; and~~

~~(4) the Southern Association of Colleges and Schools has expressed concerns regarding governing board conflicts of interests and board/administration structure as well as financial stability and controls of South Carolina State University and the General Assembly recognizes that maintaining accreditation by the Southern Association of colleges and schools is of great importance. In addition, the General Assembly recognizes and acknowledges the need to follow up on this temporary action that is so critical at this juncture with permanent, statewide legislation to restructure the Board of Trustees and general governance of South Carolina State University with particular emphasis on maintaining the institutional knowledge of members of the Board of Trustees going forward and staggering terms of newly appointed Board of Trustees members to maintain that essential consistency in the university's governance as it seeks to accomplish its important educational mission;~~

~~(B) (1) The members of the Board of Trustees of South Carolina State University serving on the effective date of this act are hereby removed from their positions, powers, and duties. Upon the effective date of this act, an Interim Board of Trustees is hereby created and shall be composed of the designees of the five members of the State Fiscal Accountability Authority who shall serve ex officio and at the pleasure of the appropriate appointing member of the State Fiscal Accountability Authority. The Interim Board of Trustees must be appointed upon the effective date of this act. The duties and powers of the former board are hereby transferred to the interim board of trustees. The interim board of trustees is directed to remove the president of South Carolina State University serving on the effective date of this act, if it is determined that would be in the best interest of the university, and is directed to employ an interim president who shall be employed on an at-will basis;~~

~~(2) The interim president, whose actions must be overseen by the Interim Board of Trustees, shall review both the educational accreditation of the university and the past and current financial situation of the university and make recommendations to the Interim Board of Trustees, to the State Fiscal Accountability Authority, to the General Assembly, and to the Executive Budget Office regarding the path that the university must pursue in order to lead the university out of the current financial crisis with an emphasis on having the university return to the valuable and functional institution of higher learning that it has been in the past;~~

~~(3) Interim Board of Trustees and the interim president shall carry out the appropriate responsibilities concerning all daily operations of South Carolina State University including, but not limited to, the expenditure of funds necessary for the university's daily operations;~~

~~(4) The Interim Board of Trustees shall serve in their respective capacities until the election of new members of the Board of Trustees for South Carolina State University by the General Assembly pursuant to Chapter 127, Title 59, and such election must include a~~



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~~restructured Board of Trustees including, but not limited to, the members of the Interim Board of Trustees to serve staggered terms.~~

~~(5) The Interim Board of Trustees shall be indemnified in the same manner as members of the Retirement System Investment Commission, mutatis mutandis.~~

**SECTION 20 - H45-UNIVERSITY OF SOUTH CAROLINA**

- 20.3 CONFORM TO FUNDING** (Child Abuse Medical Response Program) Establishes the minimum level of funding for the Child Abuse and Neglect Medical Response Program at \$576,160 and prohibits USC from reducing the funds by more than a proportional amount of any mid-year or base reductions.

**WMC:** AMEND proviso to change "\$576,160" to "\$750,000."

**HOU:** ADOPT proviso as amended.

**SUBCOMMITTEE RECOMMENDATION:** CONFORM TO FUNDING RECOMMENDATION.

**20.3.** (USC: Child Abuse Medical Response Program) Of the funds appropriated to the University of South Carolina School of Medicine, not less than ~~\$576,160~~ \$750,000 shall be expended for the Child Abuse and Neglect Medical Response Program. In addition, when instructed by the Executive Budget Office or the General Assembly to reduce funds by a certain percentage, the university may not reduce the funds for the Child Abuse and Neglect Medical Response Program greater than such stipulated percentage.

- 20.4 DELETE** (Energy-Related Economic Development) Directs the USC Earth Sciences and Resources Institute to develop a plan to encourage collaborations among the State's higher education institutions, the private sector, local governments, K-12 schools, the general public, and international partners to take advantage of the unique, unexplored geophysical characteristics of the state and to create energy-related economic development opportunities. Directs that the plan be submitted by January 15, 2015 to the Director of the Energy Office, the Secretary of Commerce, the Governor, and the Chairmen of the Senate Agriculture and Natural Resources and the House Agriculture, Natural Resources, and Environmental Affairs Committees.

**WMC:** DELETE proviso.

**HOU:** ADOPT deletion of proviso.

**SUBCOMMITTEE RECOMMENDATION:** ADOPT deletion of proviso.

**20.4.** (USC: Energy-Related Economic Development) ~~During the current fiscal year and using existing resources, the Earth Sciences and Resources Institute at the University of South Carolina shall develop a plan to foster collaborations among the State's institutions of higher education, the private sector, local governments, K-12 schools, the general public, and international partners to capitalize on the unique, unexplored geophysical characteristics of South Carolina and create energy-related economic development opportunities within the State. By January 15, 2015, the report shall be provided to the Director of the South Carolina Energy Office, the Secretary of the Department of Commerce, the Governor, and the Chairmen of the Senate Agriculture and Natural Resources Committee and House Agriculture, Natural Resources and Environmental Affairs Committee.~~

- 20.5 CONFORM TO FUNDING** (Palmetto College - Operating) **WMC:** ADD new proviso to direct USC to allocate \$373,010 additional, recurring state appropriations to the USC campuses at Lancaster, Salkehatchie, Sumter, and Union to reduce the per-student funding disparity that

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exists between each of these campuses. Direct USC to determine the appropriate enrollment measure to guide the distribution of these funds and to report the allocation to CHE and the Chairmen of the Senate Finance and House Ways and Means Committees.

**HOU:** ADOPT new proviso.

**SUBCOMMITTEE RECOMMENDATION:** CONFORM TO FUNDING RECOMMENDATION.

20.5. (USC: Palmetto College - Operating) The University of South Carolina is directed to allocate additional, recurring state appropriations totaling \$373,010 to the USC campuses at Lancaster, Salkehatchie, Sumter and Union in order to reduce the per-student funding disparity that exists between each of these campuses. The university shall determine the appropriate enrollment measure to guide the distribution of these additional, recurring state appropriations. The allocation of state funds shall be reported to the Commission on Higher Education, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways & Means Committee.

**SECTION 25 - H59-STATE BOARD FOR TECHNICAL AND COMPREHENSIVE EDUCATION**

**25.1 AMEND** (Training of New & Expanding Industry) Authorizes the Executive Budget Office, in order to ensure necessary funds are available for new and/or expanding industry, to adjust the appropriation for the “Center for Accelerated Technology Training” (ReadySC) administered by the State Tech Board if projected expenditures are above appropriations and the office determines that the projected expenditures are directly related to demand for an existing program exceeding the program’s capacity, or for a new program necessary to provide direct training for new or expanding business or industry. Provides for an approval process and for notification to certain members of the General Assembly. Limits the aggregate amount of all adjustments to \$10,000,000. Allows the State Board for Tec and Comp Ed to request a supplemental appropriation from the General Assembly if projected expenditures exceed the amount appropriated or adjustments authorized.

**WMC:** AMEND proviso to change “Center for Accelerated Technology Training” to “ReadySC.”

**HOU:** ADOPT proviso as amended.

**SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

**25.1. (TEC: Training of New & Expanding Industry) (A)** Notwithstanding the amounts appropriated in this section for ~~the “Center for Accelerated Technology Training,”~~ ReadySC it is the intent of the General Assembly that the State Board for Technical and Comprehensive Education expend the funds necessary to provide direct training for new and expanding business or industry.

(B) In the event projected expenditures are above the appropriation, the appropriation in this section for ~~the “Center for Accelerated Technology Training,”~~ ReadySC may be appropriately adjusted, if and only if, the Executive Budget Office determines that the projected expenditures are directly related to:

(1) an existing technology training program where the demand for the program exceeds the program’s capacity and the additional funds are to be utilized to meet the demand; or

(2) a new program is necessary to provide direct training for new or expanding business or industry.

(C) The adjustment may occur only upon approval by the Executive Budget Office. Upon the Executive Budget Office’s approval of the adjustment, the Director of the Executive Budget

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Office must certify, in writing, that the adjustment is directly related to either subsection (B)(1) or (B)(2). The Director must immediately provide a copy of the written certification, including the amount of the adjustment, to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee.

(D) Upon the Director's written certification approving an adjustment, the State Board for Technical and Comprehensive Education must submit a statement to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee containing a detailed itemization of the manner in which funds initially appropriated for technology training were utilized, the specific purpose for the adjustment, and the ultimate recipient of the adjusted amount.

(E) The aggregate amount of all adjustments made pursuant to this section may not exceed ten million dollars.

(F) In the event that projected expenditures for ~~the Center for Accelerated Technology Training~~, *ReadySC* exceed the amounts appropriated and the amount of any adjustments authorized, the State Board for Technical and Comprehensive Education may request a supplemental appropriation from the General Assembly.

- 25.6**     **ADD** (Aeronautics Training Center) **WMC:** ADD new proviso to authorize the State Board for Tec and Comp Ed to carry forward S.C. Aeronautics Training Center funds and to use the funds for the same purpose.

**HOU:** ADOPT new proviso.

**SUBCOMMITTEE RECOMMENDATION:** ADOPT new proviso.

*25.6. (TEC: Aeronautics Training Center) Funds appropriated for the S.C. Aeronautics Training Center may be carried forward from the prior fiscal year into the current fiscal year and utilized for the same purpose.*

- 25.7**     **DELETE NEW PROVISO** (Governance) **HOU:** ADD new proviso to direct that the State Board for Tec and Comp Ed is vested with governance of state-supported technical institutions, including exclusive approval or disapproval authority for all post-secondary vocational, technical and occupational diplomas and certificates. Direct that for the current fiscal year, jurisdiction of the State Board and technical schools shall be removed from CHE. Sponsors: Reps. Merrill, White, and Thayer.

**SUBCOMMITTEE RECOMMENDATION:** DELETE new proviso.

~~*25.7. (TEC: Governance) All governance of state-supported technical institutions including exclusive approval or disapproval authority over all post-secondary vocational, technical, and occupational diplomas and certificates shall be vested in the State Board for Technical and Comprehensive Education. The State Board must utilize their appropriated and/or authorized funds to administer the functions associated with this vestment. Jurisdiction of the State Board for Technical and Comprehensive Education and the technical schools under its purview shall be removed from the Commission on Higher Education for the current fiscal year.*~~

**SECTION 117 - X90-GENERAL PROVISIONS**

- 117.62**     **DELETE** (LightRail) Establishes the LightRail project at Clemson University, MUSC, and USC-Columbia and exempts the project from the oversight and project management regulations

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of the Department of Administration. Stipulates that LightRail must not carry commercial or K-12 traffic originated in South Carolina and allows public or private organizations and entities to have access through formal documented partnerships with one or more of the three research universities. Requires an annual report to the General Assembly each year.

**WMC:** DELETE proviso. *Codified in Section 59-151-100.*

**HOU:** ADOPT deletion of proviso.

**SUBCOMMITTEE RECOMMENDATION:** ADOPT deletion of proviso.

**117.62.** (GP: LightRail) ~~Pursuant to this provision the three research universities: Clemson University, the Medical University of South Carolina, and the University of South Carolina Columbia, are authorized and directed to plan, procure, administer, oversee, and manage all functions associated with the South Carolina LightRail and are thereby exempt from the oversight and project management regulations of the Department of Administration. South Carolina LightRail is an academic network for the use of the state's three research universities for the exchange of information directly related to their mission and must not carry commercial or K-12 traffic originated in South Carolina. For the current fiscal year, public or private organizations and entities may be provided access only through formal documented partnerships with one or more of the three research universities. On February first of the current fiscal year, the entity managing the network must submit to the Chairman of the House Ways and Means Committee and the Chairman of the Senate Finance Committee a report specifically identifying each entity with access to the network and any payment, including without limitation in kind payment, that each such organization and entity is making for access to the network.~~