

**SENATE FINANCE COMMITTEE
HIGHER EDUCATION SUBCOMMITTEE
PROVISO RECOMMENDATIONS FOR FY 2018-19**

SECTION 3 - H660 - LOTTERY EXPENDITURE ACCOUNT

- 3.1 AMEND** (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 Executive Budget Office to ensure that these state agencies have effective monitoring procedures in place.
WMC: AMEND proviso to update calendar year references from “2017” to “2018.”
HOU: ADOPT proviso as amended.
SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

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 October 1, ~~2017~~ 2018, 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. The annual verification and audit shall be funded from the funds appropriated to or authorized for the Commission on Higher Education and the commission shall not assess a fee or charge institutions of higher learning for performing this function. 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 by October first each year summarizing, by institution, how lottery funds were expended in the prior fiscal year, 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.

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 Budget Office by October 1, ~~2017~~ 2018. 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 October 1, ~~2017~~ 2018.

The 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.

- 3.3 DELETE** (FY 2017-18 Lottery Funding) Directs expenditure of lottery funds for Fiscal Year 2017-18.
WMC: DELETE proviso.
HOU: ADOPT deletion of proviso.
SUBCOMMITTEE RECOMMENDATION: ADOPT deletion of proviso.

3.3. (LEA: FY 2017-18 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.~~

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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 2017-18, certified net lottery proceeds and investment earnings for the current fiscal year, including the Fiscal Year 2016-17 certified surplus, are appropriated as follows:

- (1) ~~Commission on Higher Education LIFE Scholarships as provided in Chapter 149, Title 59 \$ 221,843,614;~~
- (2) ~~Commission on Higher Education HOPE Scholarships as provided in Section 59-150-370..... \$ 14,458,578;~~
- (3) ~~Commission on Higher Education Palmetto Fellows Scholarships as provided in Section 59-104-20 \$ 51,927,301;~~
- (4) ~~Commission on Higher Education and State Board for Technical and Comprehensive Education Tuition Assistance.. \$ 47,342,211;~~
- (5) ~~Commission on Higher Education Need Based Grants \$ 17,537,078;~~
- (6) ~~Higher Education Tuition Grants Commission Tuition Grants ... \$ 8,830,008;~~
- (7) ~~Department of Education School Bus Lease/Purchase \$ 609,484;~~
- (8) ~~State Board for Technical and Comprehensive Education -- Workforce Scholarship Grants \$ 8,000,000;~~
- (9) ~~Higher Education Tuition Grants Commission SREB Program and Assessments \$ 349,606;~~
- (10) ~~State Board for Technical and Comprehensive Education Allied Health..... \$ 3,000,000;~~
- (11) ~~Commission on Higher Education Technology Public Four Year Institutions, Two Year Institutions, and State Technical Colleges \$ 6,500,000;~~
- (12) ~~South Carolina State University \$ 2,500,000;~~
- (13) ~~Department of Education Reading Partners \$ 400,000;~~
- (14) ~~Commission on Higher Education Higher Education Excellence Enhancement Program \$ 567,473;~~
- (15) ~~State Library Aid to County Libraries \$ 1; and~~
- (16) ~~State Board for Technical and Comprehensive Education -- Military Education, Training and Support Program \$ 1.~~

For Fiscal Year 2017-18, net lottery proceeds and investment earnings above the Fiscal Year 2016-17 certified surplus are appropriated pro rata as follows:

- (1) ~~Department of Education School Bus Lease/Purchase \$ 17,500,000;~~
- (2) ~~State Library Aid to County Libraries \$ 800,000;~~
- (3) ~~Commission on Higher Education Carolina Career Clusters Grant (1:1 Match)..... \$ 300,000; and~~
- (4) ~~State Board for Technical and Comprehensive Education -- SPICE Program \$ 250,000.~~

For Fiscal Year 2017-18, funds certified from unclaimed prizes are appropriated as follows:

- (1) ~~Commission on Higher Education Higher Education Excellence Enhancement Program \$ 5,505,000;~~
- (2) ~~Department of Alcohol and Other Drug Abuse Services -- Gambling Addiction Services..... \$ 50,000;~~

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- ~~(3) Commission on Higher Education – National Guard Tuition Repayment Program as provided in Section 59-111-75 \$ 4,634,968;~~
- ~~(4) School for the Deaf and the Blind – Technology \$ 200,000;~~
- ~~(5) School for the Deaf and the Blind – Bus/Lease \$ 800,000;~~
- ~~(6) Department of Education – School Bus Lease/Purchase \$ 2,810,032; and~~
- ~~(7) State Board for Technical and Comprehensive Education – Critical Training Equipment \$ 3,000,000.~~

If the lottery revenue received from certified unclaimed prizes for Fiscal Year 2017-18 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 Bus Lease/Purchase \$ 3,000,000; and~~
- ~~(2) Department of Education – School Bus Lease/Purchase remaining balance.~~

Fiscal Year 2017-18 funds appropriated to the Commission on Higher Education and the State Board for Technical and Comprehensive 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.

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 2017-18 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 2017-18 are fully funded.

If the lottery revenue received for Fiscal Year 2017-18 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 \$345,000 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 and to provide for a Scholarship Compliance Auditor.

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.

The funds appropriated to State Board for Technical and Comprehensive Education for Workforce Pathways Scholarships and Grants shall be used to provide grants for tuition, fees, transportation, or textbook expenses to South Carolina residents enrolled in a career education program that meets all eligibility guidelines promulgated by the State Board for Technical and Comprehensive Education in consultation with the Department of Education, except that funds shall not be used for continuing education courses that do not lead to a degree or professional certificate. Grants may be awarded from the fund in an amount not exceeding ten thousand dollars or the total cost of attendance, whichever is less, for students to attend the program of their choice at a South Carolina technical school or professional certification program. By March

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fifteenth of the academic year provided, the State Board for Technical and Comprehensive Education shall provide a report to the Chairman of House Ways and Means Committee and the Chairman of the Senate Finance Committee containing a list of programs, amount of funding spent per program, number of students that received grants, and the grant amount per student.

Of the funds appropriated to the Commission on Higher Education for institutions of higher learning entitled "Technology Public Four Year Institutions, Two Year Institutions, and State Technical Colleges," (Technology) the commission shall allocate the realized funds on a proportional basis as follows:

(1) The Citadel	\$ 265,119;
(2) University of Charleston.....	\$ 554,488;
(3) Coastal Carolina University.....	\$ 494,175;
(4) Francis Marion University.....	\$ 252,940;
(5) Lander University.....	\$ 259,785;
(6) South Carolina State University	\$ 238,205;
(7) USC Aiken Campus	\$ 232,679;
(8) USC Upstate.....	\$ 315,898;
(9) USC Beaufort Campus	\$ 172,940;
(10) USC Lancaster Campus.....	\$ 129,652;
(11) USC Salkehatchie Campus.....	\$ 129,652;
(12) USC Sumter Campus.....	\$ 129,652;
(13) USC Union Campus	\$ 129,652;
(14) Winthrop University	\$ 334,496; and
(15) State Technical Colleges and State Board for Technical and Comprehensive Education.....	\$ 2,860,667.

Unless otherwise provided herein, each institution shall use the amount appropriated only for technology repair and related technology maintenance and/or upgrades that are necessary to support an institution's educational purpose.

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

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

Funds not expended in the prior fiscal year may be carried forward into the current fiscal year and utilized for the same purpose, subject to certification from the Commission on Higher Education they continue to meet the requirement of this provision.

Of the funds appropriated above to the State Board for Technical and Comprehensive Education for "Critical Training Equipment," the State Board shall allocate the realized funds on a proportional basis as follows:

(1) Aiken Technical College	\$ 153,422;
(2) Central Carolina Technical College.....	\$ 160,719;
(3) Denmark Technical College	\$ 81,152;
(4) Florence Darlington Technical College.....	\$ 167,588;
(5) Greenville Technical College	\$ 262,438;
(6) Horry Georgetown Technical College.....	\$ 207,701;
(7) Midlands Technical College	\$ 215,503;
(8) Northeastern Technical College	\$ 125,460;
(9) Orangeburg Calhoun Technical College	\$ 324,216;
(10) Piedmont Technical College.....	\$ 194,843;
(11) Spartanburg Community College	\$ 168,289;
(12) Technical College of the Lowcountry	\$ 137,227;

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(13)Tri County Technical College	\$ 187,241;
(14)Trident Technical College	\$ 328,138;
(15)Williamsburg Technical College	\$ 117,874; and
(16)York Technical College	\$ 168,189.

Funds appropriated within this provision to the State Board for Technical and Comprehensive Education for Technology and/or Critical Training Equipment may be utilized in whole or in part for repair or replacement of Allied Health related equipment at the discretion of each individual technical college.

~~Of the funds appropriated to the Commission on Higher Education for Research University STEM Equipment, the commission shall disburse the funds to Clemson University, the University of South Carolina Columbia, and the Medical University of South Carolina proportionally based on each institution's proportion of general fund appropriation in Part 1A of Act 284 of 2016 as compared to the general fund appropriation in that Act for the three institutions in total.~~

~~Of the funds appropriated to the Commission on Higher Education for Carolina Careers Cluster Grant (1:1 match), upon application by an eligible institution as defined in this paragraph, the commission shall equally disburse funds to eligible independent HBCU's domiciled in this State that were each recipients of a single competitive grant from a private sector endowment of not less than \$1,000,000 in the immediately preceding fiscal year, the proceeds of which are intended to better prepare students for employment in high paying job clusters across the State. Funds must be spent on students and/or student support services directly related to the private sector grantor's initiative and for no other purpose. Prior to disbursement, the commission shall verify that an eligible institution will provide no less than a 1 to 1 match of the funds to be disbursed.~~

~~Funds appropriated to the Department of Education for Reading Partners shall be allocated to Reading Partners and must be used to increase the number of reading interventions for students in low performing schools in grades K-5. The Office of Early Learning and Literacy shall specify planning criteria to be submitted by Reading Partners no later than July fifteenth of the current fiscal year. Planning criteria shall include, but is not limited to, pre and post assessment data, parental and family literacy engagement, summer learning support and building school level capacity for intervention. The department shall report to the Governor, the Chairman of the Senate Finance Committee, the Chairman of the Senate Education Committee, the Chairman of the House Ways and Means Committee and the Chairman of the House Education Committee by June 15, 2018 on the impact of the program.~~

~~Of the funds appropriated to the Commission on Higher Education for Memorial Professorship, the Commission shall disburse the funds to the State's only non-profit, four year comprehensive institution of higher learning that was first established as a college in 1908, provided that the college is SACS accredited and has at least forty percent or more minority enrollment. The college must utilize the funds in support for a memorial professorship(s) for the purpose of helping the college recruit and retain faculty members whose research, teaching and service uniquely contribute to the mission of the college.~~

~~Of the funds appropriated to the State Board for Technical and Comprehensive Education for SPICE Program, the board shall transfer the funds to Greenville Technical College, upon which the college, from the entirety of the funds allocated to it pursuant to this Act, must dedicate no less than \$250,000 annually towards the creation and/or maintenance of a "Self Paced In-Classroom Education" (SPICE) program designed to prepare eligible citizens for re-entry into the workforce through gainful employment in skilled and other professions.~~

3.5 DELETE NEW PROVISO (Debit Card Transactions) WMC: ADD new proviso to suspend Section 59-150-70(D)(2) for the current fiscal year. Authorize the Lottery Commissioners to

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promulgate regulations which must specify the price of lottery game tickets or shares and the manner of the sale. Allow individuals to use cash or debit cards to purchase lottery tickets. Prohibit the use of checks, credit cards, charge cards, or other forms of deferred payment to purchase lottery tickets.

HOU: ADOPT new proviso.

SUBCOMMITTEE RECOMMENDATION: DELETE new proviso.

~~*3.5. (LEA: Debit Card Transactions) For the current fiscal year Section 59-150-70(D)(2) of the 1976 code shall be suspended. The Board of Commissioners of the South Carolina Lottery Commission may promulgate regulations which must specify the sale price of lottery game tickets or shares and the manner of sale. Individuals shall be allowed to use cash and debit cards to purchase lottery tickets. The use of checks, credit cards, charge cards, or any other form of deferred payment to purchase lottery tickets shall be prohibited.*~~

SECTION 11 - H030 - COMMISSION ON HIGHER EDUCATION

11.17 AMEND (Longitudinal Data Reports) Directs CHE provide a report by December 1st on tuition and required fee trends submitted to them by the state's public colleges and universities. Provides for a baseline for the report. Directs the commission to also provide comparable data and trends for SREB states for the same time period and to provide a calculation of the level of recurring base state operating funds each college and university received.

SUBCOMMITTEE RECOMMENDATION: AMEND proviso to direct CHE to also provide a calculation of the level of recurring and/or non-recurring funds the state provided to each college and university for capital related needs, including facilities and/or equipment, as measured on an in-state student basis as well as the average of such funding provided in each SREB state for the same time period.

11.17. (CHE: Longitudinal Data Reports) By December first each year, the Commission on Higher Education is directed to provide a report to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee on tuition and required fee trends submitted to the commission by the state's public colleges and universities. The baseline of the report must be the most recent fall semester compared to the previous five fall semesters. The commission shall also provide comparable data and trends for and among SREB states for the same period of time. ~~In addition, for~~ *For* the same time periods noted above, the commission shall also calculate in the report the level of recurring base state operating funding received by each college and university as measured on an in-state student basis as well as the average of such funding provided in each SREB state. *In addition, for the same time periods noted above, the commission shall also provide in the report a calculation of the level of recurring and/or non-recurring funding provided by the state to each college and university for capital related needs, including facilities and/or equipment related capital funding, as measured on an in-state student basis as well as the average of such funding provided in each SREB state.*

11.18 AMEND (Suspend Governor's Professor of the Year Award) Suspends the Governor's Professor of the Year Award for FY 2017-18.

WMC: AMEND proviso to update fiscal year reference to "2018-19."

HOU: ADOPT proviso as amended.

SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

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11.18. (CHE: Suspend Governor's Professor of the Year Award) The requirements of Section 59-104-220 of the 1976 Code pertaining to the Governor's Professor of the Year Award shall be suspended for Fiscal Year ~~2017-18~~ 2018-19.

11.19 DELETE (SmartState Review Board Study) Directs the Research Centers of Excellence Review Board to submit written recommendations by December 31, 2017, for a plan to sunset the SmartState Board and transition its responsibilities.

WMC: DELETE proviso. *Recommendations have been submitted.*

HOU: ADOPT deletion of proviso.

SUBCOMMITTEE RECOMMENDATION: ADOPT deletion of proviso.

~~**11.19.** (CHE: SmartState Review Board Study) Of the funds appropriated to the Commission on Higher Education, on or before December 31, 2017, the Research Centers of Excellence Review Board shall submit to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, and the Governor, written recommendations regarding a plan to sunset the SmartState Board and how best to transition some of its responsibilities to an appropriate entity of state government for any continuing administrative program management, including a minimum budget necessary for administration, as well as for oversight and/or accountability responsibilities related to awards made on or before August 1, 2017, that may remain after the SmartState Board sunsets.~~

SECTION 17 - H180 - FRANCIS MARION UNIVERSITY

17.1 ADD (Honors Learning Center) **WMC:** ADD new proviso to direct that the funds remaining from the following appropriations to FMU in 2001 and 2015, respectively: \$750,000 for the Schools of Education and Business Bldg and \$100,000 for the Business/Education School Building be redirected for the Honors Learning Center. Authorize unexpended funds to be carried forward and used for the Honors Learning Center. Fiscal Impact: \$255,932.21 is remaining from the original \$750,000 appropriation.

HOU: ADOPT new proviso.

SUBCOMMITTEE RECOMMENDATION: ADOPT new proviso.

17.1. (FMU: Honors Learning Center) Funds remaining from the \$750,000 appropriated in Act No. A1 of 2001, Part II, Section I, Item (3)(e) to Francis Marion University for the Schools of Education and Business Bldg and the \$100,000 appropriated in Act 91 of 2015, by proviso 118.14, Item (13) to Francis Marion University for the Business/Education School Building shall be redirected to be used for the Honors Learning Center. Unexpended funds may be carried forward into the current fiscal year to be expended for the Honors Learning Center.

SECTION 18 - H210 - LANDER UNIVERSITY

18.1 REINSERT (Renovation and Repairs) Allows Lander University to use Montessori Education Building funds for university renovation and repairs.

WMC: DELETE proviso. Requested by Lander University.

HOU: ADOPT deletion of proviso.

SUBCOMMITTEE RECOMMENDATION: REINSERT original proviso.

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18.1. (LU: Renovation and Repairs) Funds appropriated to Lander University for the Montessori Education Building may be used for university renovation and repairs.

SECTION 20 - H450 - UNIVERSITY OF SOUTH CAROLINA

20.3 CONFORM TO FUNDING / AMEND (Child Abuse Medical Response Program)) Establishes the minimum level of funding for the Child Abuse and Neglect Medical Response Program at \$750,000 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 “\$750,000” to “\$2,075,000.”

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 ~~\$750,000~~ \$2,075,000 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.

SECTION 23 - H510 - MEDICAL UNIVERSITY OF SOUTH CAROLINA

23.3 DELETE (Procurement Efficiency Study) Directs MUSC, MUHA and SFAA Procurement Services to work together to study and make recommendations regarding opportunities to create efficiencies by combining similar operations. Directs that findings and recommendations be submitted to the Chairmen of the Senate Finance and House Ways and Means Committees by October 1, 2017.

WMC: DELETE proviso. *Findings and recommendations have been submitted.*

HOU: ADOPT deletion of proviso.

SUBCOMMITTEE RECOMMENDATION: ADOPT deletion of proviso.

23.3. (MUSC: Procurement Efficiency Study) ~~The Medical University of South Carolina (MUSC), the Medical University Hospital Authority (MUHA), and Procurement Services of the State Fiscal Accountability Authority are directed to work together to study and make recommendations regarding the opportunity, if any, to create efficiencies, cost savings, and/or economies of scale by combining some or all of any similar operations and/or procurements of the MUSC and MUHA. Findings and recommendations must be submitted to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee by October 1, 2017.~~

SECTION 25 - H590 - STATE BOARD FOR TECHNICAL & COMPREHENSIVE EDUCATION

25.4 DELETE (MSSC) Prohibits funds appropriated for the Manufacturing Skills Standards Council Initiative from being used for consulting.

WMC: DELETE proviso.

HOU: ADOPT deletion of proviso.

SUBCOMMITTEE RECOMMENDATION: ADOPT deletion of proviso.

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~~25.4. (TEC: MSSC) The funds appropriated to the State Board for Technical and Comprehensive Education for the Manufacturing Skills Standards Council Initiative may not be used for consulting associated with the Initiative.~~

25.7 AMEND (Workforce Pathways Funding Distribution) Directs the State Board to distribute Workforce Pathways Program funds as follows: \$740,000 to Tri-County Technical College and \$602,000 to Central Carolina Technical College for those schools to maintain operations of their existing Workforce Pathways programs and directs that any remaining funds be set-aside in a separate account until the State Board develops a distribution formula. Specifies that certain criteria that must be included in the formula and directs the State Board to report the distribution formula and required criteria to the Chairmen of the Senate Finance and House Ways and Means Committees by August 31, 2017.

WMC: AMEND proviso to update report due date from August 31, “2017” to “2018.”

HOU: ADOPT proviso as amended.

SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

25.7. (TEC: Workforce Pathways Funding Distribution) Of the funds appropriated to the State Board for Technical and Comprehensive Education (board) for the Workforce Pathways Program, the board must first distribute \$740,000 to Tri-County Technical College and \$602,000 to Central Carolina Technical College in order for each school to maintain operations of the existing Workforce Pathways programs established pursuant to Act 286 of 2014. Of the remaining funds after accounting for the allocations noted above, the board shall separately distribute \$350,000 to Orangeburg-Calhoun Technical College for expansion of its professional truck driving certificate program for the express purpose of increasing the number of professional truck drivers in the State.

Any remaining funds shall be set aside in a separate and distinct account until a formula for distribution is developed by the State Board. The formula shall specify criteria for the Workforce Pathways program that each technical school must adhere to in order to receive their respective share of the set aside funding. At a minimum, each Workforce Pathways program must expand current best practices in technical career pathways for youth and unemployed or underemployed adults leading to immediate employment in high skill, high demand jobs with emphasis in STEM fields. The program shall utilize all credit and non-credit delivery systems within the technical college, include cohort training options for adults, provide dual credit for youth via college courses taught by college faculty, provide opportunities for prior learning credit for adults, include structured work-based learning or other apprenticeship training approaches, and result in industry-recognized work certifications as well as stackable postsecondary credentials. Workforce Pathways programs shall establish or build on existing collaborative design and coordination efforts with area school districts and career centers and with area employers. All technical colleges receiving funding through the Workforce Pathways must provide comprehensive evaluation and reporting mechanisms that include long-range tracking of individual and economic impacts as well as return-on-investment analyses.

The State Board shall report the formula for distribution and required criteria to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee by August 31, ~~2017~~ 2018.

25.8 DELETE (Northeastern Technical College) Directs that unexpended funds appropriated for the Northeastern Technical College Industrial Training Center in Act 93 of 2015 (CRF) shall be eligible to be spent for an alternate facility and/or location if the facility is used for a similar purpose and is more cost effective than the original concept.

WMC: DELETE proviso.

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HOU: ADOPT deletion of proviso.

SUBCOMMITTEE RECOMMENDATION: ADOPT deletion of proviso.

~~**25.8.** (TEC: Northeastern Technical College) Unexpended funds appropriated to the State Board for Technical and Comprehensive Education for Northeastern Technical College Industrial Training Center in Act 93 of 2015, Section 1, item number 19, shall be eligible for expenditure in the current fiscal year for an alternate facility and/or location provided that the facility's use and purpose is similar and is demonstrably more cost effective than originally conceived.~~

- 25.9** **ADD** (York Tech Fund Repurpose) **WMC:** ADD new proviso to direct that \$900,000 and \$5,600,000 appropriated to TEC for the York Technical College Health and Human Service Building in 2016 by Act 284 and Act 25 be redirected for the H-Building and K-Building Renovations. Authorize unexpended funds to be carried forward and used for the H-Building and K-Building Renovations.

HOU: ADOPT new proviso.

SUBCOMMITTEE RECOMMENDATION: ADOPT new proviso.

25.9. (TEC: York Tech Fund Repurpose) The \$900,000 appropriated in Act No. 284 of 2016, by proviso 118.16, Item (23)(bb) to the State Board for Technical and Comprehensive Education for the York Technical College Health and Human Service Building and the \$5,600,000 appropriated in Act 25 of 2016, Section 1, Item (37) to the State Board for Technical and Comprehensive Education for the York Technical College Health and Human Service Building shall be redirected to be used for H-Building Renovations and K-Building Renovations. Unexpended funds may be carried forward into the current fiscal year to be expended for H-Building Renovations and K-Building Renovations.

- 25.dt** **ADD** (Denmark Tech) **SUBCOMMITTEE RECOMMENDATION:** ADD new proviso to direct that all Denmark Technical College Area Commission's powers, duties and obligations are devolved to the State Board for Technical and Comprehensive Education from November 1, 2018, to January 1, 2019 and direct the state board to consult with and receive input from Denmark Technical College Area Commission. Direct that effective January 2, 2019, all powers, duties, and obligations shall revert back to Denmark Technical College Area Commission.

25.dt. (TEC: Denmark Tech) Notwithstanding any provision of law to the contrary, during the time period beginning November 1, 2018, and ending January 1, 2019, all powers, duties, and obligations vested in the Denmark Technical College Area Commission, as provided in Article 8, Chapter 53, Title 59 of the 1976 Code, are devolved upon and become the powers, duties, and obligations of the State Board for Technical and Comprehensive Education. The state board shall consult with and receive input from the Denmark Technical College Area Commission. On January 2, 2019, all powers, duties, and obligations vested in the state board pursuant to this section shall revert back to the Denmark Technical College Area Commission.

SECTION 117 - X900 - GENERAL PROVISIONS

- 117.72** **AMEND** (Printed Report Requirements) Directs that for Fiscal Year 2017-18, certain state agencies and higher education institutions shall not be required to submit printed reports and shall only submit the reports electronically and waives the submission of certain reports. Authorizes

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DOT to combine their Annual Report and Mass Transit Report into their Annual Accountability Report.

WMC: AMEND proviso to update fiscal year references to “2018-19.”

HOU: ADOPT proviso as amended.

SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

117.72. (GP: Printed Report Requirements) (A) For Fiscal Year ~~2017-18~~ 2018-19, state supported institutions of higher learning shall not be required to submit printed reports mandated by Sections 2-47-40, 2-47-50, and 59-103-110 of the 1976 Code, and shall instead only submit the documents electronically.

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

(B) For Fiscal Year ~~2017-18~~ 2018-19, the Department of Agriculture shall not be required to submit printed reports mandated by Section 46-49-10 of the 1976 Code. The department shall provide these reports electronically and shall use any monetary savings for K5-12 agricultural education programs.

(C) For Fiscal Year ~~2017-18~~ 2018-19, the Department of Health and Human Services shall not be required to provide printed copies of the Medicaid Annual Report required pursuant to Section 44-6-80 of the 1976 Code and shall instead only submit the documents electronically.

(D) For Fiscal Year ~~2017-18~~ 2018-19, the Department of Transportation shall not be required to submit printed reports or publications mandated by Sections 1-11-58, 2-47-55, and 58-17-1450 of the 1976 Code.

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

117.149 DELETE NEW PROVISO (Prohibition of Discriminatory Practices) **HOU:** ADD new proviso to require public colleges and universities to take the definition of anti-Semitism into consideration when reviewing religious discriminatory practices to determine if the discrimination was motivated by anti-Semitic intent. Direct that this provision does not violate anyone’s First Amendment rights [RELIGIOUS FREEDOM] provided in the U.S. and S.C. Constitutions. Provide definition of anti-Semitism. Sponsors: Reps. Clemmons, Bernstein and Rutherford.

SUBCOMMITTEE RECOMMENDATION: DELETE new proviso.

~~*117.149. (GP: Prohibition of Discriminatory Practices) (A) In the current fiscal year and from the funds appropriated to public colleges and universities, when reviewing, investigating, or deciding whether there has been a violation of a college or university policy prohibiting discriminatory practices on the basis of religion, South Carolina public colleges and universities shall take into consideration the definition of anti-Semitism for purposes of determining whether the alleged practice was motivated by anti-Semitic intent.*~~

~~*(B) Nothing in this proviso may be construed to diminish or infringe upon any right protected under the First Amendment to the Constitution of the United States or Section 2, Article I of the South Carolina Constitution, 1895.*~~

~~*(C) For purposes of this proviso, the term 'definition of anti-Semitism' includes:*~~

~~*(1) the definition of anti-Semitism set forth by the Special Envoy to Monitor and Combat Anti-Semitism of the Department of State in the fact sheet issued on June 8, 2010; and*~~

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~~(2) the examples set forth under the headings 'Contemporary Examples of Anti-Semitism' and 'What is Anti-Semitism Relative to Israel?' in the fact sheet.~~

117.Ida **ADD** (SC Student Loan Default Aversion and Financial Literacy Program) **SUBCOMMITTEE RECOMMENDATION:** ADD new proviso to direct CHE and the State Board for Tec and Comp Ed to work together to oversee a competitive procurement for a vendor to develop, implement, operate, and maintain a South Carolina Student Loan Default Aversion and Financial Literacy Program. Direct that the program, if practicable, be similar to a program that existed from December 8, 2014 through June 6, 2017. Direct that the program and services be provided at no cost to participating public or private colleges and universities whose headquarters are located in this state. Direct that funding for this program shall not be state funds but shall be paid from available funds already held for a similar purpose by the SC Education Assistance Authority which is overseen by SFAA. Provide for the release of funds and for vendor requirements. Direct that the SC Education Assistance Authority may submit a competitive bid and that eligible colleges and universities are not required to participate in the program.

117.Ida. (GP: SC Student Loan Default Aversion and Financial Literacy Program) Of the funds appropriated to the Commission on Higher Education and the State Board for Technical and Comprehensive Education, the commission and the board shall cooperatively oversee a competitive procurement in accordance with the South Carolina Consolidated Procurement Code of a vendor that will develop, implement, operate and maintain a "South Carolina Student Loan Default Aversion and Financial Literacy Program." To the extent practicable, the program shall be similar to the program previously authorized by this state during the period of December 8, 2014 through June 6, 2017. The vendor shall operate the program in accordance with United States Department of Education regulations enacted by the Higher Education Opportunity Act of 2009 and shall provide its programs and/or services at no cost to participating colleges and universities, public or private whose headquarters are located in South Carolina. For purposes of this provision, participating colleges or universities shall be referred to as "clients." Funds required by the commission and board to procure a vendor and/or funds required by the vendor in accordance with its contract to develop, implement, operate and/or maintain the program shall not be paid from state funds, but instead shall be paid from available funds already held for a similar purpose by the South Carolina Education Assistance Authority which are funds currently overseen by the Office of State Treasurer on behalf of the State Fiscal Accountability Authority. Upon application by the commission and board to the State Fiscal Accountability Authority, the authority shall release the minimum amount of necessary funds required by the commission and/or vendor to fulfill the requirements of this provision. At a minimum, the vendor shall: 1) perform various and multiple outreach efforts to contact a client's delinquent student borrowers, including, but not limited to, telephone calls, emails and other such communication methods; 2) perform skip trace efforts with the objective of locating and attempting to contact a client's delinquent student borrowers; 3) make available to a client and its student population information regarding various financial literacy topics, including but not limited to student loan repayment; 4) make available to South Carolina high schools and its student population information regarding various financial literacy topics, including awareness about student loans and related repayment of such loans; 5) assist a client, as applicable and if requested, whose official cohort default rate as determined by the United States Department of Education is thirty percent or greater for the last three reporting years, thereby placing the client at risk of being sanctioned and/or losing all Title IV funding, in developing a default management plan for submission as required by and approved by the United States Department of Education; and 6) provide reporting to a client at least monthly on contracted activities. Nothing herein requires nor prohibits the South Carolina Education Assistance Authority from submitting a competitive

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bid to develop, implement, operate and maintain this program. Likewise, nothing herein shall be construed to require an eligible college or university to participate in this program.

117.efd ADD (Enrollment and Financial Data Submission) **SUBCOMMITTEE RECOMMENDATION:** ADD new proviso to direct each public institution of higher education to submit specific information into the Commission on Higher Education Management Information System (CHEMIS) by October 1, 2018. Direct USC to report all financial information, including CAFR information, for USC-Aiken, Beaufort, Lancaster, Salkehatchie, Sumter, Upstate and Union separately from USC-Columbia.

11.efd. (CHE: Enrollment and Financial Data Submission) Each public institution of higher education shall submit the following information directly into the Commission on Higher Education Management Information System (CHEMIS) by October 1, 2018:

(1) The total amount paid by each student, and amount of any deviation from the “sticker price” itemized in the following categories:

(A) Net tuition paid (out-of-pocket by student)

(B) Abatement received

(C) Waiver received

(D) Institutional scholarship received

(E) State grant received (i.e. lottery scholarship, need-based, etc.)

(F) Federal grant received (i.e. Pell grant, etc.)

(G) Assistantships, awards/grants to reduce cost of room and board

(H) Breakdown of all fees charged

(I) Expected family contribution (reported in FAFSA)

(2) Household income per student (if such information is collected)

(3) Pre-enrollment income (if such information is collected)

(4) Electronically upload information from Consolidated Annual Financial Reports (CAFRs), from 2000 to present

(5) Debt related items:

(A) Data and reports submitted to credit rating agencies for credit worthiness evaluation, along with resulting credit reports received from credit rating agencies;

(B) Amortization schedule for debt over the next 5 years

(6) Leases - annual lease payment, capital or operating value of underlying asset, date which obligation began, end date of lease obligation, annual increment in lease payment (%) threshold for reporting data will be set on leases where the replacement cost or fair value exceeds a certain percentage of long term assets

(7) Auxiliary Enterprises, broken by category:

(A) Matching revenue and expense

(B) Debt associated with the auxiliary enterprise, debt service, and coverage ratios

(C) Percentage associated with education and general activities

(D) Deferred maintenance of the assets in that enterprise

(8) Five-Year projected increases (decreases) in:

(A) Fringe benefits, including healthcare spending

(B) Enrollments (in-state, out-of-state, undergraduates, graduates)

(C) Net tuition revenue, spending on abatements

(9) Endowment and investments (reported separately):

(A) Opening balance, additions, withdrawals, income/gains, closing balance

(B) Degree of restrictions and expendability of investments

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(10) Capital Projects

Cost estimate of projects, status, anticipated end date, changes to timeline and budget, a five-year timeline for future projects

The University of South Carolina shall report all financial information, including CAFR information, for USC-Aiken, USC-Beaufort, USC-Lancaster, USC-Salkehatchie, USC-Sumter, USC-Upstate and USC-Union separately from financial information reported for USC-Columbia.

- 117.os ADD** (Higher Education Organizational Structure Study Committee) **SUBCOMMITTEE RECOMMENDATION:** ADD new proviso to create a Higher Education Organizational Structure Study Committee to review the current roles and responsibilities of the Commission on Higher Education to clarify its advocacy, regulatory, and oversight responsibilities and to make recommendations on the future growth and coordination of higher education to ensure institutions are able to meet future workforce needs. Provide for the composition of the study committee and direct that members shall serve without compensation, but shall be allowed the usual per diem and mileage as provided by law. Direct that a meeting be convened as soon as all appointees have been named; that staff support be provided by CHE, the House Education and Public Works and Senate Education Committees; and that finding and recommendations be submitted to the General Assembly by February 1, 2019.

117.os. (GP: Higher Education Organizational Structure Study Committee) Of the funds appropriated to the Commission on Higher Education, there is created a Higher Education Organizational Structure Study Committee. The purpose of the study committee shall be to review the current roles and responsibilities of the Commission on Higher Education in order to provide clarity regarding its advocacy, regulatory and/or oversight responsibilities as well as to make recommendations regarding the future growth of higher education within this state, and the coordination of that growth between our state's institutions of higher learning to ensure the viability of those institutions going forward in order to meet the state's future workforce demands. The study committee shall be composed of members appointed as follows:

- (1) the President Pro Tempore of the Senate or his designee;
- (2) the Speaker of the House of Representatives or his designee;
- (3) the Majority Leader of the Senate, or his designee;
- (4) the Majority Leader of the House of Representatives, or his designee;
- (5) the Minority Leader of the Senate, or his designee;
- (6) the Minority Leader of the House of Representatives, or his designee;
- (7) a president of a South Carolina Historically Black College or University, appointed by the Governor, or his designee;
- (8) the Chairman of the Commission on Higher Education or his designee;
- (9) a president of a four-year independent college, appointed by the Board of Trustees of the South Carolina Independent Colleges and Universities Association, or his designee;
- (10) a public research university president selected by a majority vote of the Council of Presidents as defined in Section 59-103-40 of the 1976 Code;
- (11) a public comprehensive college or university president selected by a majority vote of the Council of Presidents as defined in Section 59-103-40 of the 1976 Code;
- (12) a public technical college president selected by a majority vote of the Council of Presidents as defined in Section 59-103-40 of the 1976 Code; and
- (13) a chief financial officer of a public college or university, including a technical college, selected by a majority vote of the Council of Presidents as defined in Section 59-103-40 of the 1976 Code.

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Members of the committee shall serve without compensation, but are allowed the usual per diem and mileage as provided by law for members of boards, commissions, and committees while on official business.

The President Pro Tempore of the Senate and the Speaker of the House of Representatives or their designees shall serve as Co-Chairmen of the committee and shall convene a meeting as soon as practicable after all appointees have been named.

Staff support shall be provided by the Commission on Higher Education, the House Education and Public Works Committee, and the Senate Education Committee. The committee shall provide findings and recommendations to the General Assembly on or before February 1, 2019.

SECTION 118 - X910 - STATEWIDE REVENUE

118.14 DELETE NEW PROVISO (Lottery Reserve Trust Fund) **WMC:** ADD new proviso to create the Lottery Reserve Trust Fund effective July 1, 2018. Direct that the fund is separate and distinct from the General Fund and any other lottery account; direct that all net lottery proceeds, investment earnings, and unclaimed prize funds received in the current fiscal year that are above the amounts certified by the BEA or amounts appropriated by the General Assembly shall be deposited into the reserve fund; direct that interest or income earned by the fund must be retained in the fund unless the General Assembly appropriates the funds for increased scholarship obligations or other liabilities.

HOU: ADOPT new proviso.

SUBCOMMITTEE RECOMMENDATION: DELETE new proviso.

~~118.14. (SR: Lottery Reserve Trust Fund) Effective July 1, 2018, there is created, within the Office of the State Treasurer, the Lottery Reserve Trust Fund that shall be separate and distinct from the General Fund and any other lottery account. All net lottery proceeds, investment earnings, and unclaimed prize funds received in the current fiscal year above the amounts certified by the Board of Economic Advisors or any amount appropriated by the General Assembly shall be deposited into the Lottery Reserve Trust Fund. All interest or income earned by the fund must be retained in the account unless appropriated by the General Assembly for the purpose of increased scholarship obligations or other liabilities.~~

SENATOR PEELER

Substitute for 25.9 in Higher Education Subcommittee Package

SECTION 25 - H590 - STATE BOARD FOR TECHNICAL & COMPREHENSIVE EDUCATION

25.9 **AMEND NEW PROVISIO** (York Tech Fund Repurpose) **WMC:** ADD new proviso to direct that \$900,000 and \$5,600,000 appropriated to TEC for the York Technical College Health and Human Service Building in 2016 by Act 284 and Act 25 be redirected for the H-Building and K-Building Renovations. Authorize unexpended funds to be carried forward and used for the H-Building and K-Building Renovations.

HOU: ADOPT new proviso.

SUBCOMMITTEE RECOMMENDATION: AMEND new proviso to replace “H-Building Renovations” with “Campus Loop Road Completion.”

*25.9. (TEC: York Tech Fund Repurpose) The \$900,000 appropriated in Act No. 284 of 2016, by proviso 118.16, Item (23)(bb) to the State Board for Technical and Comprehensive Education for the York Technical College Health and Human Service Building and the \$5,600,000 appropriated in Act 25 of 2016, Section 1, Item (37) to the State Board for Technical and Comprehensive Education for the York Technical College Health and Human Service Building shall be redirected to be used for ~~H-Building Renovations~~ **Campus Loop Road Completion** and K-Building Renovations. Unexpended funds may be carried forward into the current fiscal year to be expended for ~~H-Building Renovations~~ **Campus Loop Road Completion** and K-Building Renovations.*