

**SENATE FINANCE COMMITTEE  
HIGHER EDUCATION SUBCOMMITTEE  
PROVISO RECOMMENDATIONS FOR FY 2021-22**

**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 “2019” to “2021.”  
**HOU:** ADOPT proviso as amended.  
**SFC 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, ~~2019~~ 2021, 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, ~~2019~~ 2021. 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, ~~2019~~ 2021.

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.

- 3.4 DELETE** (FY 2020-21 Lottery Funding) Directs expenditure of lottery funds for Fiscal Year 2020-21.  
**WMC:** DELETE proviso. *Technical.*  
**HOU:** ADOPT deletion.  
**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT deletion.

**3.4. (LEA: FY 2020-21 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. For cash flow purposes, the Executive Budget Office may facilitate limited transfers from the general~~

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deposits of the state for the exclusive purpose of ensuring the timely distribution of scholarships and tuition assistance payments as provided below. Any use of this transfer allowance must include full reimbursement from the Education Lottery Account to the general deposit accounts of the state prior to the close of the fiscal year.

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 2020 21, certified net lottery proceeds and investment earnings for the current fiscal year, Fiscal Year 2019 20 certified surplus, and Fiscal Year 2018 19 surplus are appropriated as follows:

- ~~(1) Commission on Higher Education LIFE Scholarships as provided in Chapter 149, Title 59 ..... \$ 240,102,429;~~
- ~~(2) Commission on Higher Education HOPE Scholarships as provided in Section 59 150 370..... \$ 14,557,008;~~
- ~~(3) Commission on Higher Education Palmetto Fellows Scholarships as provided in Section 59 104 20 ..... \$ 61,809,959;~~
- ~~(4) Commission on Higher Education and State Board for Technical and Comprehensive Education Tuition Assistance.... \$ 51,100,000;~~
- ~~(5) Commission on Higher Education Need Based Grants..... \$ 20,000,000;~~
- ~~(6) Higher Education Tuition Grants Commission Tuition Grants ..... \$ 10,000,000;~~
- ~~(7) Commission on Higher Education National Guard Tuition Repayment Program as provided in Section 59 111 75..... \$ 2,631,129;~~
- ~~(8) State Board for Technical and Comprehensive Education South Carolina Workforce Industry Needs Scholarship ..... \$ 17,000,000;~~
- ~~(9) South Carolina State University ..... \$ 2,500,000;~~
- ~~(10) State Board for Technical and Comprehensive Education ReadySC Direct Training..... \$ 10,000,000;~~
- ~~(11) State Board for Technical and Comprehensive Education High Demand Job Skill Training Equipment..... \$ 12,500,000;~~
- ~~(12) Commission on Higher Education Technology Public Four Year Institutions, Two Year Institutions, and State Technical Colleges as provided in Section 59 150 356 ..... \$ 8,000,000;~~
- ~~(13) Commission on Higher Education SREB Program and Assessments..... \$ 236,195;~~
- ~~(14) Department of Education Instructional Materials ..... \$ 20,000,000;~~
- ~~(15) Department of Alcohol and Other Drug Abuse Services Gambling Addiction Services..... \$ 50,000;~~
- ~~(16) Department of Education School Bus Lease/Purchase..... \$ 19,363,280; and~~
- ~~(17) Department of Education Reading Partners ..... \$ 250,000.~~

For Fiscal Year 2020 21, funds certified from unclaimed prizes are appropriated as follows:

- ~~(1) State Board for Technical and Comprehensive Education Workforce Scholarships and Grants..... \$ 11,000,000;~~
- ~~(2) Commission on Higher Education Higher Education Excellence Enhancement Program..... \$ 6,072,473;~~
- ~~(3) Department of Alcohol and Other Drug Abuse Services Gambling Addiction Services ..... \$ 50,000;~~

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- ~~(4) Commission on Higher Education—SREB Program and Assessments ..... \$ 377,526;~~
- ~~(5) Commission on Higher Education—PASCAL..... \$ 1,500,000;~~
- ~~(6) Commission on Higher Education—Need Based Grants..... \$ 1; and~~
- ~~(7) Department of Education—School Bus Lease/Purchase..... \$ All Remaining.~~

~~If the lottery revenue received from certified unclaimed prizes for Fiscal Year 2020-21 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.~~

~~Fiscal Year 2020-21 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 2020-21 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 2020-21 are fully funded.~~

~~If the lottery revenue received for Fiscal Year 2020-21 certified net lottery proceeds and investment earnings for the current fiscal year, Fiscal Year 2019-20 certified surplus, and Fiscal Year 2018-19 surplus are 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 the State Board for Technical and Comprehensive Education (SBTCE) for Workforce 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 SBTCE in consultation with the Department of Education. Funds shall not be used for continuing education courses that do not lead to a degree, professional certificate, or industry recognized credential (IRC).~~

~~(A) Prior to disbursement of funds and no later than July 30, SBTCE must provide the colleges with a Board approved list, compiled based on regional and statewide industry needs of the programs and credentials for which the colleges are allowed to award grants for the current fiscal year.~~

~~(B) Grants shall be awarded from the fund in an amount not exceeding five thousand dollars or the total cost of attendance, whichever is less, for students to attend the program of~~

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their choice, including a professional certification program, at a South Carolina public technical college. Priority for grant awards shall be given to students seeking a degree, professional certificate, or industry recognized credential (IRC) in an industry sector with critical workforce needs as identified and recommended by the SBTCE and ratified by the Coordinating Council for Workforce Development.

(C) By April fifteenth, the SBTCE shall provide a report to the Chairman of House Ways and Means Committee and the Chairman of the Senate Finance Committee detailing use of funds received in the prior fiscal year. The report must include at minimum for each technical college: a list of programs that received funding, amount spent per program, number of students that received grants, grant amount per student, names of credentials completed by students receiving grants, amount of each type of credential completed, and job placement rates for students who completed programs and/or credentials.

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 .....	\$ 267,228;
(2) University of Charleston .....	\$ 607,631;
(3) Coastal Carolina University .....	\$ 591,366;
(4) Francis Marion University.....	\$ 260,984;
(5) Lander University.....	\$ 224,174;
(6) South Carolina State University .....	\$ 224,476;
(7) USC Aiken Campus .....	\$ 243,662;
(8) USC Upstate.....	\$ 330,928;
(9) USC Beaufort Campus.....	\$ 183,437;
(10) USC Lancaster Campus.....	\$ 145,010;
(11) USC Salkehatchie Campus .....	\$ 145,010;
(12) USC Sumter Campus .....	\$ 145,010;
(13) USC Union Campus .....	\$ 145,010;
(14) Winthrop University .....	\$ 362,400; and
(15) State Technical Colleges and State Board for Technical and Comprehensive Education.....	\$ 4,123,674.

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 to the State Board for Technical and Comprehensive Education for the South Carolina Workforce Industry Needs Scholarship, the board shall administer the South Carolina Workforce Industry Needs Scholarship as outlined below:

(A) (1) In the current fiscal year, a student attending a two year public technical college and majoring in a critical workforce area program, as defined and recommended by the State Board for Technical and Comprehensive Education (SBTCE) and ratified by the South Carolina Coordinating Council for Workforce Development, and who is receiving a Lottery Tuition

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~~Assistance Program Scholarship (LTAP) for the current fiscal year, shall receive an additional South Carolina Workforce Industry Needs Scholarship (SC WINS). A student who is attending a two-year public technical college, who meets the income eligibility guidelines for free and reduced-priced meals as established by the United States Department of Agriculture (USDA) and who is receiving a LTAP scholarship for the current fiscal year, shall receive a SC WINS scholarship regardless of the student's major. The SC WINS scholarship is equal to the cost of tuition and mandatory fees after applying all other scholarships or grants, not to exceed two thousand five hundred dollars.~~

~~(2) If the student is a freshman, the student must be enrolled in at least six credit hours of instruction each semester, including at least three credit hours of instruction in one of the critical workforce areas defined by the SBTCE. A student who meets the income guidelines for free and reduced-priced meals as established by the USDA, must be enrolled in at least six credit hours of instruction each semester for the purpose of meeting the required minimum level of instruction in the student's major courses. To receive the additional SC WINS scholarship, the student must receive the underlying LTAP scholarship for that fiscal year and must be making acceptable progress towards receiving a degree in one of the majors pursuant to this proviso. For purposes of meeting this required minimum level of instruction in the freshman's major courses, dual enrollment courses taken in high school in these critical workforce area programs count toward the fulfillment of the minimum requirement.~~

~~(B) The SBTCE shall adopt rules to define what constitutes a critical workforce program area. Nothing herein prevents a student from changing majors within the acceptable disciplines. Additionally, the SBTCE shall communicate with high school guidance counselors regarding the list of qualifying majors. Critical workforce program additions or deletions must be ratified by the South Carolina Coordinating Council for Workforce Development.~~

~~(C) If the additional SC WINS scholarship is lost, it may be regained in the same manner the underlying LTAP scholarship is regained.~~

~~(D) In order for a student to be eligible after attempting twenty four academic credit hours, the student must have earned a grade point average of 2.0 or better on a 4.0 grading scale.~~

~~(E) A student may not be eligible to receive the SC WINS scholarship for more than one certificate, diploma, or degree unless the additional certificate, diploma, or degree constitutes progress in the same field of study.~~

~~(F) A dual enrollment student in high school who is majoring in one of the critical workforce areas at a technical college qualifies for the SC WINS scholarship. A dual enrollment student in high school who receives a LTAP scholarship at a technical college and qualifies for free and reduced-priced meals, also qualifies for the SC WINS scholarship regardless of the student's major.~~

~~(G) Additionally, an up to three hundred dollar book allowance is applied to a SC WINS recipient's account, who is majoring in one of the critical workforce areas, for expenses towards the cost of textbooks.~~

~~(H) If a critical workforce area program is placed on suspension during the SBTCE's program evaluation process, that program no longer qualifies for SC WINS funds at that specific college. Students must be advised on how to complete their program by transferring to another technical college or serving as a transient student at another technical college to complete specified courses.~~

~~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 15 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~~

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~~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, 2020 on the impact of the program.~~

**SECTION 11 - H030 - COMMISSION ON HIGHER EDUCATION**

- 11.18 AMEND** (Suspend Governor’s Professor of the Year Award) Suspends the Governor’s Professor of the Year Award for FY 2020-21.  
**WMC:** AMEND proviso to update fiscal year reference to “2021-22.”  
**HOU:** ADOPT proviso as amended.  
**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

**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 ~~2020-21~~ 2021-22.

- 11.20 AMEND NEW PROVISO** (Doctoral/Professional University Classification) **WMC:** ADD new proviso to direct CHE to study and implement a classification system for public institutions of higher education that includes a Doctoral/Professional classification.  
**HOU:** ADOPT new proviso.  
**SFC SUBCOMMITTEE RECOMMENDATION:** AMEND new proviso to add a requirement that nothing in the approval process of new degrees or programs proposed by institutions pursuant to this proviso may be construed to waive the current statutory or regulatory requirements of the commission.

*11.20. (CHE: Doctoral/Professional University Classification) In the current fiscal year, the Commission on Higher Education is directed to study and implement a classification system for South Carolina public institutions of higher education that includes a classification of a Doctoral/Professional University. Institutions in this classification shall have a mission or focus to advance the post-secondary educational opportunities for South Carolina citizens. These institutions shall be permitted to offer college-level baccalaureate, master’s, and no more than a combined five terminal professional or Ph.D. degrees that lead to continued education or employment. Nothing herein shall be construed to waive the current statutory or regulatory requirements of the commission with regards to the approval process of new degrees or programs that may be proposed by institutions pursuant to this provision.*

**SECTION 15 - H150 - UNIVERSITY OF CHARLESTON**

- 15.1 ADD** (Institutional Capital Resources) **WMC:** ADD new proviso to allow the University of Charleston to use institutional capital resources to make repairs to McAlister Hall. Require recoveries from ongoing litigation to first be used to repay allocations made from their capital improvement fee for the renovation.  
**HOU:** ADOPT new proviso.  
**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT new proviso.

*15.1. (UOC: Institutional Capital Resources) In the current fiscal year, the University of Charleston may use any institutional capital resources necessary to make repairs to McAlister*

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*Hall. Any recovery from ongoing litigation must first be used to repay allocations made from the institution's capital improvement fee for this renovation.*

**SECTION 18 - H210 - LANDER UNIVERSITY**

- 18.1**     **ADD** (Lander Fund Repurpose) **WMC:** ADD new proviso to redirect funds remaining of the \$3,313,400 appropriated in Act 92 of 2019 for Lander University - Roof Replacement to be used for campus renovations and improvements. Direct that unexpended funds may be carried forward for the same purpose.  
**HOU:** ADOPT new proviso.  
**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT new proviso.

*18.1. (LU: Lander Fund Repurpose) Funds remaining of the \$3,313,400 appropriated in Act No. 92 of 2019, Section 2, Item (9) to Lander University - Roof Replacements shall be redirected to be used for campus renovations and improvements. Unexpended funds may be carried forward to be expended for the same purpose.*

**SECTION 19 - H240 - SOUTH CAROLINA STATE UNIVERSITY**

- 19.1**     **DELETE** (Enrollment Loan Forgiveness) Directs that references to full-time student enrollment at S.C. State University related to loan forgiveness to the state shall mean total headcount enrollment as determined by CHE.  
**WMC:** DELETE proviso. Requested by South Carolina State University.  
**HOU:** ADOPT deletion.  
**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT deletion.

*~~19.1. (SCSU: Enrollment Loan Forgiveness) Any reference to full time student enrollment at South Carolina State University that is related to a loan forgiveness to the state, shall mean total headcount enrollment, as determined by the Commission on Higher Education.~~*

**SECTION 25 - H590 - STATE BOARD FOR TECHNICAL AND COMPREHENSIVE EDUCATION**

- 25.5**     **DELETE** (Aeronautics Training Center) Authorizes the State Board for Tec and Comp Education to carry forward S.C. Aeronautics Training Center funds and to use the funds for the same purpose.  
**WMC:** DELETE proviso. Requested by State Board for Technical and Comprehensive Education.  
**HOU:** ADOPT deletion.  
**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT deletion.

*~~25.5. (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.~~*

- 25.6**     **DELETE** (Florence Darlington Fund Repurposed) Directs that funds previously appropriated in Fiscal Years 2015 and 2016 for the Academic and Workforce Development Building be redirected and used for campus renovations and improvements and authorizes these funds to be carried forward.

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**WMC:** DELETE proviso. Requested by State Board for Technical and Comprehensive Education.

**HOU:** ADOPT deletion.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT deletion.

~~25.6. (TEC: Florence Darlington Fund Repurpose) Funds remaining of the \$1,000,000 appropriated in Act No. 91 of 2015, by proviso 118.14, Item (B)(19)(f) to the State Board for Technical and Comprehensive Education for the Florence Darlington Technical College Academic and Workforce Development Building, the \$3,500,000 appropriated in Act No. 284 of 2016, by proviso 118.16, Item (B)(23)(j) to the State Board for Technical and Comprehensive Education for the Florence Darlington Technical College Academic Building, and the \$2,000,000 appropriated in Act No. 285 of 2016, Section 1, Item (24) to the State Board for Technical and Comprehensive Education for the Florence Darlington Technical College Academic Building shall be redirected to be used for campus renovations and improvements. Unexpended funds may be carried forward to be expended for the same purpose.~~

**25.7 DELETE** (Health Science Capital Project) Directs that funds appropriated for the Technical College of the Lowcountry - New River Workforce Development Center be redirected and used for the Beaufort campus Health Science capital project and authorizes the funds to be carried forward.

**WMC:** DELETE proviso. Requested by State Board for Technical and Comprehensive Education.

**HOU:** ADOPT deletion.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT deletion.

~~25.7. (TEC: Health Science Capital Project) Funds remaining of the \$3,500,000 appropriated in Act No. 285 of 2016, Section 1, Item (31) to the State Board for Technical and Comprehensive Education for the Technical College of the Lowcountry - New River Workforce Development Center shall be redirected to be used for the Health Science capital project at the Technical College of the Lowcountry - Beaufort campus. Unexpended funds may be carried forward to be expended for the Health Science capital project.~~

**25.8 DELETE** (Tech Awareness and Education) Directs the state board to used \$500,000 to develop and implement a comprehensive awareness and education campaign to enhance the perception of technical education and opportunities it affords South Carolinians. Requires the state board to obtain a 2:1 private entity match before using these funds. Requires a report be submitted on the proposed expenditure of funds and outcome measures to the House Ways and Means and Senate Finance Committees by June 30th.

**WMC:** DELETE proviso. Requested by State Board for Technical and Comprehensive Education.

**HOU:** ADOPT deletion.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT deletion.

~~25.8. (TEC: Tech Awareness and Education) Of the funds appropriated to the State Board for Technical and Comprehensive Education, \$500,000 shall be used to enhance the perception of technical education and the opportunities it can afford South Carolinians across the state. Prior to utilizing these funds for this purpose, the State Board for Technical and Comprehensive Education shall be required to obtain a 2:1 private entity match. The funds shall be used to develop and implement a comprehensive awareness and education campaign. The State Board for Technical and Comprehensive Education shall submit a report by June 30th of the current~~



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fiscal year to the House Ways and Means Committee and the Senate Finance Committee. This report shall include information on the proposed expenditure of funds and outcome measures.

- 25.9 DELETE** (Northeastern Tech Repurpose) Directs that the \$3,500,000 appropriated for the Northeastern Technical College-Instructional Building in Act 284 of 2016 be redirected for construction and renovation of critical industry training space and authorizes the funds to be carried forward and used for the same purpose.  
**WMC:** DELETE proviso. Requested by State Board for Technical and Comprehensive Education.  
**HOU:** ADOPT deletion.  
**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT deletion.

~~**25.9.** (TEC: Northeastern Tech Repurpose) The \$3,500,000 appropriated in Act No. 284 of 2016, by Proviso 118.16, Item (B)(23)(n) to the State Board for Technical and Comprehensive Education for the Northeastern Technical College—Instructional Building shall be redirected to be used to construct and renovate space for critical industry training. Unexpended funds may be carried forward and expended for the same purpose.~~

- 25.10 ADD** (Aiken Fund Repurpose) **WMC:** ADD new proviso to direct that the \$640,000 appropriated for the Aiken Technical College Academic Building in Support of STEM and Engineering in Act 104 of 2013 be redirected for campus renovations and improvements and authorize unexpended funds to be carried forward and used for the same purpose.  
**HOU:** ADOPT new proviso.  
**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT new proviso.

~~**25.10.** (TEC: Aiken Fund Repurpose) Funds remaining of the \$640,000 appropriated in Act No. 104 of 2013, Section 1, Item (29) to the State Board for Technical and Comprehensive Education for the Aiken Technical College Academic Building in Support of STEM and Engineering shall be redirected to be used for campus renovations and improvements. Unexpended funds may be carried forward to be expended for the same purpose.~~

**SECTION 105 - F270 - SFAA, OFFICE OF STATE AUDITOR**

- 105.5 DELETE NEW PROVISO** (Special Study of Long-Term Obligations) **WMC:** ADD new proviso to direct the State Auditor to identify certain long-term obligations by state institutions of higher learning and reports its findings to the General Assembly. Direct that obligations to be identified are those which are long-term debt or equivalent to long-term debt or debt which, if not honored, might result in a negative credit rating for the institution or State. Direct that these obligations would not include general obligation debt or bonded indebtedness issued directly by an institution. Define long-term obligation for this purpose. Direct the State Auditor to issue a final report no later than 120 days after the beginning of the current fiscal year.  
**HOU:** ADOPT new proviso.  
**SFC SUBCOMMITTEE RECOMMENDATION:** DELETE new proviso.

~~**105.5.** (SFAA-AUD: Special Study of Long-Term Obligations) (A) The State Auditor shall identify certain long-term obligations by state institutions of higher learning, as defined by Section 59-107-10 of the 1976 Code, and report his findings to the General Assembly. The intent is to identify those obligations which are long-term debt or tantamount to long-term debt, or those which, if not honored, might result in a negative rating action on the institution's or the~~

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~~State's credit rating. Such obligations would not include either general obligation debt or bonded indebtedness issued directly by an institution.~~

~~(B) "Long term obligation" means:~~

~~(1) an arrangement to acquire an interest in or a right to use, or have others use, any type of property if all or a portion of the money required to pay for the acquisition is secured through fare, toll, or user charges;~~

~~(2) an arrangement to acquire an interest in or a right to use, or have others use, any type of property if (a) the arrangement is financed, directly or indirectly, with indebtedness undertaken by another for that purpose; (b) the state institution knows or should know the acquisition is financed by indebtedness; and, (c) the state institution is obligated to make, or undertakes to have others make, recurring payments on, or that another will use to make payments on, the indebtedness; or,~~

~~(3) any of the following arrangements: (a) lease purchase agreement; (b) leaseback agreement; (c) installment purchase agreement; (d) lease with an option to purchase for other than the then current fair market value; (e) lease with option to renew for nominal or no additional consideration; (f) an agreement involving collateral, such as a mortgage or security interest; (g) a public private partnership; (h) an agreement structured as either design build-operate-maintain or design build-finance-operate-maintain, as defined in Section 11-35-2910; (i) a finance lease, as defined in Section 36-2A-103(1)(g); (j) a transaction in the form of a lease that creates a security interest, as addressed in Section 36-1-203(b); or (k) a guaranteed energy, water, or wastewater savings contract, as authorized by Section 48-52-670(A).~~

~~(C) The report should include long term obligations irrespective of the source of funds involved, if any, and whether or not the obligation is subject to the availability or appropriation of funds. The report should exclude the following: (1) general obligation debt authorized under Section 13, Article X of the Constitution of South Carolina, 1895, and debt issued by the state institution under Section 13, Article X of the Constitution of South Carolina, 1895, but not debt issued under Section 13 or 14 of Article X on its behalf or for its benefit; and (2) an institution's obligation to make payments when the total amount of money needed for the obligation is committed for that purpose, authorized for expenditure, and in hand.~~

~~(D) The report should be adequate to catalog the type, extent, and prevalence of long term obligations by state institutions. Without limitation, the report should include the following information for each obligation identified, if applicable: (1) the interest or right acquired; (2) the initial, maximum, and then outstanding amount of indebtedness involved; (3) whether a credit rating was obtained for such indebtedness; (4) the amount and frequency of payments involved, and who makes the payments; (5) the total amount of payments remaining to be made; (6) the initial and remaining duration of the obligation; (7) the source of funds used to make payments; (8) the parties to the arrangement and any associated borrowing, including without limitation, the entity lending the funds or assets associated with the financed acquisition; and (9) any counterparty or intermediary involved.~~

~~(E) The State Auditor shall conduct the study and issue a final report no later than one hundred and twenty days after the beginning of the current fiscal year. State institutions must fully respond within forty five days to any formal request for information from the State Auditor. If, in the State Auditor's judgment, a state institution does not timely submit a complete and accurate report, he may obtain the service of independent professionals to audit the institution's records and charge the institution for the associated cost. Sections 11-7-30, 11-7-35, and 11-7-45 of the 1976 Code shall apply to this special study as though it were an audit.~~

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**SECTION 117 - X900 - GENERAL PROVISIONS**

**117.69 AMEND FURTHER** (Printed Report Requirements) Directs that for Fiscal Year 2020-21, 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 DOT to combine their Annual Report and Mass Transit Report into their Annual Accountability Report.

**WMC:** AMEND proviso to update fiscal year references to “2021-22.”

**HOU:** ADOPT proviso as amended.

**SFC SUBCOMMITTEE RECOMMENDATION:** AMEND FURTHER to change the fiscal year reference to “the current fiscal year.”

**117.69.** (GP: Printed Report Requirements) (A) For ~~Fiscal Year 2020-21~~ ~~2021-22~~ the current fiscal year, 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 2020-21~~ ~~2021-22~~ the current fiscal year, 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 2020-21~~ ~~2021-22~~ the current fiscal year, 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 2020-21~~ ~~2021-22~~ the current fiscal year, 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.

**117.152 ADD** (Transfer Student Credits) **WMC:** ADD new proviso to direct CHE to work in consultation with the State Board for Technical and Comprehensive Education and public institutions of higher learning, to develop policies by March 1, 2022, to guarantee students who have earned an Associate of Arts or Science degree from a public 2-year institution receive at least 60 transfer credits and are given a junior status at a public 4-year college or university. Direct that course prerequisites and minimum credit requirements for awarding degrees still apply. Direct that the effective date for implementation is June 1, 2022.

**HOU:** ADOPT new proviso.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT new proviso.

**117.152.** (GP: Transfer Student Credits) The Commission on Higher Education shall work in consultation with the State Board for Technical and Comprehensive Education and the public institutions of higher learning to develop policies by March 1, 2022, to guarantee students who

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have earned an Associate of Arts or Associate of Science degree from a public two-year institution of higher learning shall receive a minimum of sixty transfer credit hours at a public four-year college or university and shall be given a junior status at the college or university. Course prerequisites and minimum credit requirements for awarding degrees shall still apply. Implementation of the provisions shall be effective beginning June 1, 2022.

- 117.153 ADD** (Permanent Improvement Projects) **WMC:** ADD new proviso to exempt permanent improvement projects from the requirements of Section 2-47-50 [JBRC: ESTABLISHMENT OF PERMANENT IMPROVEMENT PROJECTS BY AUTHORITY; REVIEW OF PROPOSED REVISIONS; "PERMANENT IMPROVEMENT PROJECT" DEFINED] where the project cost is at least \$1,000,000 but not greater than \$5,000,000 at public research universities and not greater than \$2,000,000 at all other public institutions of higher learning. Direct that a project is not considered approved unless the institution's governing board has voted for approval in a public session. Require institutions provide a report of approved projects to the CHE Chairman, to JBRC, and to SFAA by September 30th. Requested by University of South Carolina

**HOU:** ADOPT new proviso.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT new proviso.

*117.153. (GP: Permanent Improvement Projects) For the current fiscal year, permanent improvement projects, as defined in Title 2, Chapter 47 of the 1976 Code, where the cost is at least one million dollars but not greater than five million dollars for public research universities and not greater than two million dollars for all other public institutions of higher learning shall be exempt from the requirements of Section 2-47-50, except that a project shall not be considered approved without an institution's governing board having first voted to approve the project in a public session. Institutions shall provide a report of projects approved by their governing boards pursuant to this provision to the Chairman of the Commission on Higher Education, the Joint Bond Review Committee, and the State Fiscal Accountability Authority by September 30th of the current fiscal year.*

- 117.154 ADD** (Fixed Rate Compensation) **WMC:** ADD new proviso to authorize public institutions of higher learning to compensate nonpermanent, non-FTE adjunct, temporary, or part-time instructors/faculty on a fixed rate basis. Direct that these employees are non-covered employees who may exceed twelve months, but are not eligible for State benefits except for the option of contributing to the State Retirement System or Health Care Plan if eligible under the Affordable Care Act guidelines.

**HOU:** ADOPT new proviso.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT new proviso.

*117.154. (GP: Fixed Rate Compensation) The South Carolina public higher education institutions are authorized to compensate nonpermanent, non-FTE adjunct, temporary, or part-time instructors/faculty on a fixed rate basis. These individuals shall provide classroom and related instructional activities on an as needed basis depending on student enrollment per semester or academic term. Institutions may pay exempt or non-exempt employees as defined by the Fair Labor Standards Act only when they are needed to work. Adjunct, temporary, or part-time instructors/faculty employed in this category are non-covered employees who may exceed twelve months, but are not eligible for State benefits except for the option of contributing to the State Retirement System or Health Care Plan if eligible under the Affordable Care Act guidelines.*

- 117.156 DELETE NEW PROVISO** (CARES Act Federal Employment Tax Credits) **WMC:** ADD new proviso to authorize colleges, universities, and entities that provide medical and hospital care

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to contract directly with private parties to provide services related to federal employment tax credits under the Federal CARES Act of 2020 if their employees are state employees or employees of a political subdivision.

**HOU:** ADOPT new proviso.

**SFC SUBCOMMITTEE RECOMMENDATION:** DELETE new proviso.

~~*117.156. (GP: CARES Act Federal Employment Tax Credits) Colleges, universities, and entities that provide medical and hospital care, whose employees are employees of the State of South Carolina or any political subdivision thereof, shall be authorized to contract directly with private parties to provide services related to federal employment tax credits under the Federal CARES Act of 2020 as extended to such state employees under Section 207 of the Taxpayer Certainty and Disaster Tax Relief Act of 2020.*~~

**117.160 ADD** (Founding Documents Determination) **HOU:** ADD new proviso to require CHE to consult with public institutions of higher learning to determine whether they are in compliance with the provisions of Section 59-29-120(A) [STUDY OF UNITED STATES CONSTITUTION REQUISITE FOR GRADUATION; ATTENDANCE AT VETERAN'S ACTIVITIES.] Prohibit CHE from spending more than \$1,000 on the determination. Require public institutions provide the information to CHE by October 1st and for CHE to report its findings to the Chairmen of the House Education and Public Works and Senate Education Committees by November 1st. Sponsor: Rep. Magnuson.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT new proviso.

*117.160. (GP: Founding Documents Determination) From the funds appropriated to the Commission on Higher Education, in the current fiscal year, the commission shall consult with the public institutions of higher learning to determine which are in compliance of the provisions of Section 59-29-120(A) of the 1976 Code. The commission may not expend more than one thousand dollars to make such a determination. By October 1, public institutions shall provide any necessary documentation to the commission for purposes of determining compliance. By November 1, the Commission on Higher Education shall report its findings to the Chairman of the House Education and Public Works Committee and the Chairman of the Senate Education Committee.*

**SECTION 118 - X910 - STATEWIDE REVENUE**

**118.17 CONFORM TO FUNDING/ADD** (Scholarship Trust Fund) **WMC:** ADD new proviso to create the Scholarship Trust Fund within the Office of the State Treasurer. Direct that the fund be separate and distinct from the General Fund and any other lottery account. Direct that all net lottery proceeds, investment earnings, and unclaimed prize funds above amounts certified by BEA be deposited in the fund and all interest or income earned by the fund must be retained in the account unless appropriated by the General Assembly.

**HOU:** ADOPT new proviso.

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

*118.17. (SR: Scholarship Trust Fund) Effective July 1, 2021, there is created within the Office of the State Treasurer, the Scholarship 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 Scholarship Trust Fund. All interest or income earned by the fund must be*

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*retained in the account unless appropriated by the General Assembly for the purpose of increased scholarship obligations or other liabilities.*

Higher Ed Subc rec to SFC