

**PROVISO SUBCOMMITTEE
HIGHER EDUCATION, TECHNICAL, AND CULTURAL
RECOMMENDATIONS FOR FY 2014-15
TO THE HOUSE WAYS AND MEANS COMMITTEE**

SECTION 3 - H66-LOTTERY EXPENDITURE ACCOUNT

3.4 DELETE (FY 2013-14 Lottery Funding) Directs expenditure of lottery funds for Fiscal Year 2013-14.

SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *Technical.*

~~3.4. (LEA: FY 2013-14 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 Budget and Control Board as directed below. These appropriations must be used to supplement and not supplant existing funds for education.~~

~~The Budget and Control Board 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 2013 14 certified net lottery proceeds and investment earnings and any other proceeds identified by this provision are appropriated as follows:~~

- ~~(1) Commission on Higher Education and State Board for Technical and Comprehensive Education Tuition Assistance \$ 47,400,000;~~
- ~~(2) Commission on Higher Education LIFE Scholarships as provided in Chapter 149, Title 59 \$ 109,306,354;~~
- ~~(3) Commission on Higher Education HOPE Scholarships as provided in Section 59 150 370 \$ 7,779,856;~~
- ~~(4) Commission on Higher Education Palmetto Fellows Scholarships as provided in Section 59 104 20 \$ 30,777,240;~~
- ~~(5) Commission on Higher Education Need Based Grants \$ 13,000,000;~~
- ~~(6) Tuitions Grants Commission Tuition Grants \$ 8,000,000;~~
- ~~(7) Commission on Higher Education National Guard Tuition Repayment Program as provided in Section 59 111 75 \$ 4,545,000;~~
- ~~(8) South Carolina State University \$ 2,500,000;~~
- ~~(9) Technology Public Four Year Universities, Two Year Institutions, and State Technical Colleges \$ 7,301,816;~~
- ~~(10) Department of Education K 5 Reading, Math, Science & Social Studies Program as provided in Section 59 1 525 \$ 26,291,798;~~
- ~~(11) Department of Education Grades 6 8 Reading, Math, Science & Social Studies Program \$ 2,000,000;~~
- ~~(12) School for the Deaf and the Blind Technology \$ 200,000;~~
- ~~(13) Commission on Higher Education Higher Education Excellence Enhancement Program \$ 1,028,053;~~
- ~~(14) Commission on Higher Education Public Four Year Universities, Two Year Branch Campuses, and State Technical Colleges Academic Facility Building, Repair and Maintenance, and Training \$ 10,509,883;~~
- ~~(15) Department of Education Digital Instructional Material \$ 4,000,000;~~
- ~~(16) Department of Education New School Buses \$ 3,510,000;~~
- ~~(17) State Library Union County Carnegie Library Renovations \$ 1,250,000; and~~
- ~~(18) Department of Education New Carolina Transformation in~~

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Education \$ 100,000.

~~Fiscal Year 2013-14 funds appropriated to the Commission on Higher Education for Tuition Assistance must be distributed to the technical colleges and two year institutions as provided in Section 59-150-360. Annually the State Board for Technical and Comprehensive Education and the Commission on Higher Education shall develop the Tuition Assistance distribution of funds appropriated.~~

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

~~The funds appropriated above in subitem (14) to the Commission on Higher Education for Public Four Year Universities, Two Year Branch Campuses, and State Technical Colleges— Academic Facility Building, Repair and Maintenance, and Training shall be distributed as follows:~~

- ~~(1) Four Year University and Two Year Branch Campus Repair and Maintenance 1:1 Match..... \$ 1,919,883;~~
- ~~(2) Spartanburg Community College— Academic Student Center/Industrial Training..... \$ 840,000;~~
- ~~(3) Midlands Technical College— Quick Jobs Program..... \$ 500,000;~~
- ~~(4) Francis Marion University— Health Sciences Building 2:1 Match.. \$ 3,250,000;~~
- ~~(5) Horry Georgetown Technical College— Culinary Arts Academic Building 1:1 Match \$ 2,000,000; and~~
- ~~(6) Tri-County Technical College— Oconee Economic Development and Workforce Center 1:1 Match \$ 2,000,000.~~

~~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 2013-14 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 2013-14 are fully funded.~~

~~If the lottery revenue received for Fiscal Year 2013-14 is less than the amounts appropriated, the projects and programs receiving appropriations for any such year shall have their appropriations reduced on a pro-rata basis, except that a reduction must not be applied to the funding of LIFE, HOPE, and Palmetto Fellows Scholarships.~~

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

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

~~For Fiscal Year 2013-14, of the funds certified from unclaimed prizes, \$1,700,000 shall be appropriated to the Department of Education for the purchase of new school buses; \$1,700,000 shall be appropriated to the Commission on Higher Education and State Board for Technical and Comprehensive Education for Tuition Assistance Two Year Institutions; \$50,000 shall be appropriated to the Department of Alcohol and Other Drug Abuse Services for gambling addiction services; \$2,950,000 shall be appropriated to the Commission on Higher Education~~

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for the Higher Education Excellence Enhancement Program; and \$1,600,000 shall be appropriated to the Department of Education for K-5 Reading, Math, Science & Social Studies Program as provided in Section 59-1-525.

If the lottery revenue received from certified unclaimed prizes for Fiscal Year 2013-14 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.

Of any unclaimed prize funds available in excess of the Board of Economic Advisors estimate, the first \$3,300,000 shall be directed to the Department of Education for new school buses. The next \$1,500,000 shall be directed to the Commission on Higher Education for the Partnership Among South Carolina Academic Libraries (PASCAL) Program. The next \$5,470,093 shall be directed for Technology: Public Four Year Universities, Two Year Institutions, and State Technical Colleges. The next \$2,000,000 shall be directed to the State Library for Aid to County Libraries. The next \$1,000,000 shall be directed to the Commission on Higher Education for the Higher Education Excellence Enhancement Program. The next \$4,000,000 shall be directed to the State Board for Technical and Comprehensive Education for the Allied Health Initiative. The next \$1,000,000 shall be directed to the Commission on Higher Education for the Critical Needs Nursing Program. All additional revenue in excess of the amount certified by the Board of Economic Advisors for unclaimed prizes shall be distributed to the Commission on Higher Education for LIFE, HOPE, and Palmetto Fellows Scholarships.

For Fiscal Year 2013-14, net lottery proceeds and investment earnings realized in the prior fiscal year above the amounts needed to fund the appropriations in this provision are appropriated as follows on a pro-rata basis:

- (1) Department of Education New School Buses..... \$ 3,500,000;
- (2) Department of Education Textbooks \$ 1,500,000;
- (3) Commission on Higher Education Public Four Year
Universities, Two Year Branch Campuses Repair and
Maintenance 1:1 Match \$ 12,075,000;
- (4) State Board for Technical and Comprehensive Education—
Manufacturing Skills Standards Council Initiative \$ 1,275,000;
- (5) Commission on Higher Education Technology Public
Four Year Universities, Two Year Institutions, and State
Technical Colleges..... \$ 2,275,000;
- (6) Department of Alcohol and Other Drug Abuse Services for
Gambling Addiction Services \$ 100,000;
- (7) School for the Deaf and the Blind Technology \$ 200,000; and
- (8) University of South Carolina Aiken Science Center/Building—
Roof and HVAC Repair/Replacement \$ 575,000.

Based on the methodology described below, funds allocated in this provision to the Commission on Higher Education for repair and maintenance at public four year universities and two year branch campuses may only be distributed to an institution to the extent the funds are matched by the institution for repair and maintenance. Matching funds exclude supplemental, capital reserve, lottery, or other non-recurring state funds appropriated to an institution either in the current fiscal year or from a prior fiscal year for repair and maintenance or deferred maintenance projects. Prior to the distribution of these funds, institutions must certify to the commission, in a manner it prescribes, the extent to which they have met this requirement, including the sources of funds utilized to meet this requirement. The commission shall notify the Joint Bond Review Committee of the certification received pursuant to this provision. Upon certification, the funds shall be distributed to institutions on a pro-rata basis.

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~~based on the distribution methodology described below provided that the distribution does not exceed an institution's pro-rata share or the amount matched by the institution if less than that share. The distribution methodology to be used by the commission shall be based on each institution's proportion of general fund appropriation in Part IA of Act 288 of 2012 as compared to the total general fund appropriation in that Act for all public four-year universities and two-year branch campuses. Funds not matched and distributed shall be carried forward by the commission and used for LIFE, HOPE, and Palmetto Fellows Scholarships. Not later than one hundred twenty days after the close of the fiscal year, the commission shall report to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee regarding the utilization of this provision specifically, as well as the amount spent in the current fiscal year by each public institution of higher learning, by source of funds, on repair and maintenance projects generally, including restoration and renewal of existing facilities or infrastructure, and the amount of repair and maintenance, including restoration and renewal projects, deferred to a subsequent fiscal year by each institution, if any, and the reasons for the deferral.~~

SECTION 11 - H03-COMMISSION ON HIGHER EDUCATION

11.14 DELETE (Parity Funding) Directs CHE to study parity funding for all state institutions of higher learning and to submit findings and recommendations to the General Assembly by January 3, 2014.

SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *The report has been submitted.* Requested by Commission on Higher Education.

~~**11.14.** (CHE: Parity Funding) The Commission on Higher Education is directed to study the issue of parity funding for all state institutions of higher learning. Findings and recommendations shall be submitted to the members of the General Assembly by January 3, 2014.~~

11.16 AMEND (College Transition ~~Connection~~ Need-Based Grants) Directs that College Transition Connection funds be transferred to the CHE Need-Based Grant program and be used to provide grants to S.C. resident students enrolled in an established college transition program that serves students with intellectual disabilities. Directs that guidelines be developed for awarding and allocating the funds and requires the number of grant recipients be tracked to evaluate the effectiveness of the program.

SUBCOMMITTEE RECOMMENDATION: AMEND proviso to delete references to "College Transition Connection" and direct that no more than \$179,178 of need-based grants funding be used to provide need-based grants at an established college transition program.

~~**11.16.** (CHE: College Transition ~~Connection~~ Need-Based Grants) Funds appropriated for the College Transition Connection shall be transferred to the Commission on Higher Education Need-Based Grant program. These funds Of the currently appropriated need-based grants funding, no more than \$179,178 shall be used to provide need-based grants to South Carolina resident students enrolled at a public institution of higher education in an established college transition program that serves students with intellectual disabilities. The Commission on Higher Education, in consultation with College Transition Connection, shall develop guidelines for awarding these need-based grants and shall allocate the available funds to eligible institutions on the basis of student need and enrollment in the established college transition~~

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programs. All other grants and gift aid for which these students are eligible must be applied first to the cost of attendance prior to using the need-based grant funding. If the cost of attendance for an eligible student is met with all other grants and gift aid, the need-based grant shall not be used. The participating institutions, in cooperation with the Commission on Higher Education and ~~College Transition Connection~~, shall track the number of grant recipients and other information determined necessary to evaluate the effectiveness of these grants in assisting students with intellectual disabilities in college transition programs. ~~No more than the amount transferred in Fiscal Year 2013-14 for College Transition Connection may be expended from currently appropriated Commission on Higher Education Need-Based Grant funding for grants for students in college transition programs.~~

- 11.17 DELETE** (Inventory of State-Mandated Reporting Requirements) Directs CHE to work with colleges and universities to prepare a report that inventories all state mandated reporting requirements, including those imposed by CHE on institutions of higher learning. Directs the report be provided to the Governor and the Chairmen of the Senate Finance and House Ways and Means Committees by December 1, 2013.

SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *The report has been submitted. Requested by Commission on Higher Education*

~~11.17. (CHE: Inventory of State-Mandated Reporting Requirements) To help reduce the cost of higher education and institutions' compliance burdens by eliminating conflicting, redundant, or other excessive reporting requirements, the Commission on Higher Education is directed to work with the state's colleges and universities to prepare a report inventorying all state mandated reporting requirements, including those of the Commission on Higher Education, imposed on South Carolina's institutions of higher education. This report shall be provided to the Governor, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee by December 1, 2013.~~

- 11.ar ADD** (SC Higher Education Efficiency, Effectiveness and Accountability Review) **PROVISO SUBCOMMITTEE RECOMMENDATION:** ADD new proviso to create a 9 member steering committee to oversee procurement, execution, and implementation of the S.C. Higher Education, Efficiency, Effectiveness and Accountability Review and direct that the committee is the primary client for the vendor that is selected to complete the review. Require every college and university to provide funds necessary to complete the review, upon the committee's request, and limit the amount of the funds to those provided by this act for that purpose. Direct that initial findings must be provided to the Governor and the General Assembly by February 1, 2015. Require colleges and universities to implement process improvement strategies the review identifies.

11.ar. (CHE: SC Higher Education Efficiency, Effectiveness and Accountability Review) There is created a nine member steering committee to oversee the procurement, execution, and implementation of the South Carolina Higher Education Efficiency, Effectiveness and Accountability Review. The committee shall serve as the primary client for the vendor selected to complete the review. Appointments to the committee shall include:

- (1) the Speaker of the House of Representatives or his designee;*
- (2) the Chairman of the House Ways and Means Committee or his designee;*
- (3) the President Pro Tempore of the Senate or his designee;*
- (4) the Chairman of the Senate Finance Committee or his designee;*
- (5) the Governor or her designee;*

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(6) the Executive Director of the Commission on Higher Education; and
(7) a college or university president, a college or university trustee and a college or university chief financial officer, each selected by a majority vote of the Commission on Higher Education.

Upon request of the committee, every college and university shall provide funds necessary to complete the review, not to exceed the amount provided in this act for this purpose; and the Budget and Control Board shall provide assistance with the procurement process. The committee shall deliver initial findings to the Governor and the General Assembly by February 1, 2015. Every college and university must implement process improvement strategies identified by the review.

SECTION 28 - H91-ARTS COMMISSION

28.5 **AMEND** (Distribution to Subdivisions) Directs the Arts Commission to use appropriated and or authorized funds to distribute Distribution to Subdivision funds for specific purposes in the same manner they were distributed in the prior fiscal year and designates funding.

PROVISO SUBCOMMITTEE RECOMMENDATION: AMEND proviso to update all the allocations.

28.5. (ARTS: Distribution to Subdivisions) Of the funds appropriated and/or authorized to the Arts Commission for Distribution to Subdivisions, the following amounts shall be distributed in the same manner as the funds were distributed in the prior fiscal year: ~~\$11,420~~ 4,358 for Alloc Mun-Restricted; ~~\$3,381~~ \$7,672 for Alloc Cnty-Restricted; ~~\$78,376~~ \$110,470 for Alloc School Dist; ~~\$12,336~~ \$12,300 for Alloc Other State Agencies; ~~\$429,845~~ \$551,930 for Alloc-Private Sector; ~~\$29,494~~ \$2,899 for Alloc - Private Sector; ~~\$31,581~~ \$70,500 for Aid Mun-Restricted; ~~\$15,485~~ \$46,439 for Aid Cnty-Restricted; ~~\$358,344~~ \$317,619 for Aid School Districts; ~~\$205,138~~ \$395,928 for Aid Other State Agencies; ~~\$794,598~~ \$1,478,322 for Aid To Private Sector; and ~~\$3,168~~ \$24,500 for Aid To Private Sector-Reportable.

SECTION 29 - H95-STATE MUSEUM COMMISSION

29.1 **DELETE** (Duplicate Materials) Allows the commission to give away, but not sell, natural history materials for educational purposes if the materials are not museum quality or if they are duplicative.

SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *Adding "accessioned" objects to proviso 29.2, renders this proviso unnecessary.*

29.1. (MUSM: Duplicate Materials) ~~The commission may give away, but not sell, natural history materials in its possession for educational purposes, such materials being less than museum quality or duplicative of materials owned by the Museum Commission.~~

29.2 **AMEND** (Removal From Collections) Allows the commission to remove, under certain circumstances, objects from its museum collections and to retain such funds in a special revolving account to be used for obtaining collections for the State Museum.

SUBCOMMITTEE RECOMMENDATION: AMEND proviso to specify that the commission may remove "accessioned" objects from its collection.

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29.2. (MUSM: Removal From Collections) The commission may remove *accessioned* objects from its museum collections by gift to another public or non-profit institution, by trade with another public or non-profit institution, by public sale, by transfer to the commission's education, exhibit, or study collections or to its operating property inventory; or as a last resort, by intentional destruction on the condition that the objects so removed meet with one or more of the following criteria: (1) they fall outside the scope of the South Carolina Museum Commission's collections as defined in the Collection Policy ; (2) they are unsuitable for exhibition or research; (3) they are inferior duplicates of other objects in the collection; or (4) they are forgeries or were acquired on the basis of false information; funds from the sale of such objects will be placed in a special revolving account for the commission to use solely for the purpose of purchasing objects for the collections of the State Museum.

29.5 **DELETE** (Across-the-Board Cut Exemption) Exempts the Museum's rent from the base in applying B&C Board or General Assembly mandated across the board reductions.
SUBCOMMITTEE RECOMMENDATION: DELETE proviso.

29.5. (MUSM: Across-the-Board Cut Exemption) ~~In the calculation of any across the board cut mandated by the Budget and Control Board or General Assembly, the amount of the museum's rent which the commission pays to General Services shall be excluded from the museum's base budget.~~

SECTION 117 - X90-GENERAL PROVISIONS

117.102 **AMEND** (USC Greenville Medical School) States the intent of the General Assembly to not appropriate general funds for the new medical school at USC Greenville during FY 2013-14 and limits the amount and type of funds that may be transferred from USC to the new medical school.
SUBCOMMITTEE RECOMMENDATION: AMEND proviso to update fiscal year reference to 2014-15.

117.102. (GP: USC Greenville Medical School) It is the intent of the General Assembly that during Fiscal Year ~~2013-14~~ 2014-15, no general funds shall be appropriated for the new medical school at the University of South Carolina in Greenville. In addition, no state funds may be transferred from state earmarked or restricted funds held by the University of South Carolina to the medical school except for grants, contributions, contractual payments, and tuition and required fees for students attending the new medical school at the University of South Carolina in Greenville that are specifically designated for the medical school at the University of South Carolina in Greenville.

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