



**SOUTH CAROLINA** Commission on Higher Education

# Budget Request 2020-2021

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House Ways and Means Committee

Higher Education Budget Subcommittee

January 22, 2020

## Agency Attendees



South Carolina  
Commission on Higher Education

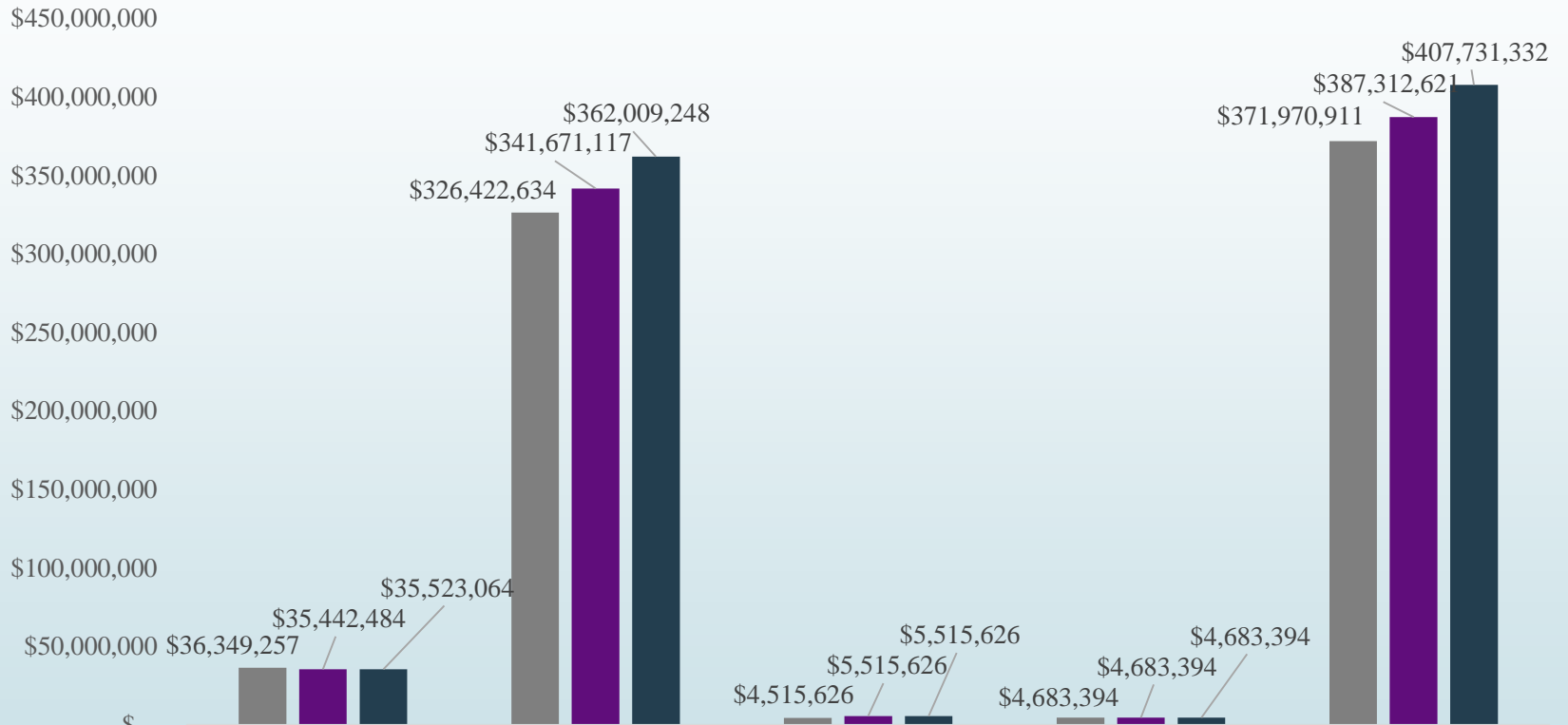
- Mr. Wes Hayes, Chairperson
- Dr. Rusty Monhollon, President and Executive Director
- Ms. Bunnie Lempestis Ward, Director of Government Affairs and Communications
- Dr. Karen Woodfaulk, Director of Student Services
- Dr. John Lane, Director of Academic Affairs
- Ms. Monica Goodwin, Information Technology and Data Manager
- Mr. Georges Tippens, Program Manager
- Mr. Rick Moul, Director of PASCAL

## FY 19/20 State Funding Recap



- ▶ No new money received for operations. All new money was non-recurring passthrough to other organizations:
  - ▶ \$613,721 in Lottery Funding for the Southern Regional Education Board (SREB).
    - ▶ These funds are being used to pay the difference between out-of-state and in-state tuition and fee rates of veterinary and optometry programs for S.C. residents attending out-of-state SREB-member institutions. For Fall 2019, 112 S.C. residents attended veterinary or optometry programs in four other SREB states.
  - ▶ \$1,500,000 in Lottery Funding for PASCAL
    - ▶ These funds have been committed toward an infrastructure project, collection management support, and affordable learning initiatives, with the remainder going toward one-time content purchases.

# Appropriations History



	Recurring	Non-Recurring/Capital	Other	Federal	Total
2018	\$36,349,257	\$326,422,634	\$4,515,626	\$4,683,394	\$371,970,911
2019	\$35,442,484	\$341,671,117	\$5,515,626	\$4,683,394	\$387,312,621
2020	\$35,523,064	\$362,009,248	\$5,515,626	\$4,683,394	\$407,731,332

■ 2018 ■ 2019 ■ 2020

# Recurring Requests



Request (Overall Priority)	Amount Requested	Description
Council of Presidents' and Council of Board Chairs' Meetings (#2)	\$35,000	This request will fund the operating costs of at least two statewide meetings for both the council of presidents and a council of board chairs, including venue and allowable meal charges, and travel costs for potential nationwide experts in higher education policy.
Employee for Data Warehouse Migration (#3)	\$80,000	This request will fund one FTE position that will aid in the migration of CHE's management information system to DTO's managed server platform, and once migrated, administer the database.
Campus Safety Conferences (#5)	\$50,000	This request will fund an annual grant awarded to one public higher education institution through a competitive process. Grant funds will be used to host a statewide safety conference at the grantee's campus with the remaining funds supporting campus safety initiatives at the institution.
Agency Head Salary Alignment (#6)	\$40,357	The Agency Head Salary Commission approved a starting salary of \$200,000 for the CHE's President and Executive Director. The amount requested is the difference between his current salary and the FY 2019-20 appropriation of \$170,572, including a 37% multiplier for fringe benefits.
Professor of the Year (#9)	\$15,000	This request will fund the Governor's Professor of the Year Award as outlined in S.C. Code § 59-104-220.
Statewide Electronic Library - PASCAL (#10)	\$1,500,000	The CHE serves as the fiscal agent of PASCAL. This request is forwarded on behalf of PASCAL and will support ongoing expenditures for library content, for example e-journals and e-books, and ongoing infrastructure costs necessary to support sharing collections (rapid e-delivery costs rather than duplication of materials across libraries statewide).

# Non-Recurring Requests



Request (Overall Priority)	Amount Requested	Description
Need-Based Grants (#1)	\$32,000,000	<p>This request will provide approximately \$8,000,000 a year in supplementary funds to needy in-state students attending S.C. higher education institutions. CHE surveyed the institutions and found that students attending public colleges and universities and independent institutions had a combined unmet need of \$66 million based on current eligibility and funding requirements.</p>
Data Warehouse Migration (#4)	\$350,000	<p>Migrating the CHE management information system to DTO will allow the CHE to increase productivity and advance its mission of providing access, affordability, and quality for higher education. This request will be used to secure third-party vendors and leverage resources provided by the DTO.</p>
Financial Literacy Pilot Program (#7)	\$100,000	<p>This request will fund a temporary employee for two years to manage a pilot program aimed at helping prospective college students and their families plan for college.</p>

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# Capital Requests



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No Capital Requests

# Other Fund Requests



<b>Request (Overall Priority)</b>	<b>Amount Requested</b>	<b>Description</b>
Authority to Spend Other Funds (#8)	\$1,000,000	This request to increase Other Funds spending authority by \$1,000,000 is due to new leadership of the CHE seeking available grant funding from national foundations focused on higher education policy. Grant announcements may occur throughout the fiscal year. This spending authority would allow for the CHE to seek, obtain, and spend grant funding mid-fiscal year.



# Federal Fund Requests

No Federal Fund Requests

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# FTE Requests

No FTE Requests

# Current Agency Provisos

Proviso No.	Proviso	Action
11.1.	(CHE: Contract for Services Program Fees) The amounts appropriated in this section for “Southern Regional Education Board Contract Programs” and “Southern Regional Education Board Dues” are to be used by the commission to pay to the Southern Regional Education Board the required contract fees for South Carolina students enrolled under the Contract for Services program of the Southern Regional Education Board, in specific degree programs in specified institutions and the Southern Regional Education Board membership dues. The funds appropriated may not be reduced to cover any budget reductions or be transferred for other purposes.	Keep
11.2.	(CHE: African-American Loan Program) Of the funds appropriated to the Commission on Higher Education for the African-American Loan Program, 73.7 percent shall be distributed to South Carolina State University and 26.3 percent shall be distributed to Benedict College, and must be used for a loan program with the major focus of attracting African-American males to the teaching profession. The Commission of Higher Education shall act as the monitoring and reporting agency for the African-American Loan Program. Of the funds allocated according to this proviso, no more than ten percent shall be used for administrative purposes.	Keep
11.3.	(CHE: GEAR-UP) Funds appropriated for GEAR-UP shall be used for state grants programs to reach disadvantaged middle school students to improve their preparation for college. Eligible South Carolina public schools and public institutions of higher education shall cooperate with the Commission on Higher Education in the provision of services under the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP) grant.	Keep

# Current Agency Provisos Cont.



Proviso No.	Proviso	Action
11.4.	(CHE: EPSCoR Committee Representation) With the intent that the four-year teaching institutions receive a portion of EPSCoR funding, the State EPSCoR Committee shall have an executive committee consisting of one representative from each of the research institutions and one representative from the four-year teaching university sector.	Keep
11.5.	(CHE: SREB Funds Exempt From Budget Cut) In the calculation of any across the board cut mandated by the Executive Budget Office or General Assembly, the amount which the Commission on Higher Education is appropriated for Southern Regional Education Board (SREB) Professional Scholarship Programs and Fees, Dues and Assessments shall be excluded from the Commission on Higher Education's base budget. Funds appropriated for SREB programs may be carried forward into the current fiscal year and expended for the same purpose by the Commission on Higher Education.	Keep
11.6.	(CHE: Performance Improvement Pool Allocation) Of the funds appropriated to the Commission on Higher Education under Section II. Other Agencies & Entities: Special Items: Performance Funding, eighty percent will be allocated to the EPSCoR program under the Commission on Higher Education to improve South Carolina's research capabilities and twenty percent will be allocated to support the management education programs of the School of Business at South Carolina State University.	Keep
11.7.	(CHE: Troop-to-Teachers) Members of the Armed Forces either active-duty, retired, or separated who are admitted to and enrolled in the South Carolina Troop-to-Teachers Alternative Route to Certification program are entitled to pay in-state rates at participating state institutions for requisite program work.	Keep

# 13 Current Agency Provisos Cont.



Proviso No.	Proviso	Action
11.8.	<p>(CHE: Need-Based Grants for Foster Youth) For the current academic year, youth in the custody of the Department of Social Services and attending a higher education institution in South Carolina are eligible for additional need-based grants funding of up to \$2,000 above the \$2,500 maximum. Foster youth must apply for these funds no later than May first, of the preceding year. All other grants, both state and federal, for which these foster youth are eligible must be applied first to the cost of attendance prior to using the additional need-based grant funding. If the cost of attendance for a foster youth is met with other grants and scholarships, then no additional need-based grant may be used. The Department of Social Services, in cooperation with the Commission on Higher Education will track the numbers of recipients of this additional need-based grant to determine its effectiveness in encouraging more foster youth to pursue a secondary education. No more than \$100,000 may be expended from currently appropriated need-based grants funding for this additional assistance.</p>	Keep
11.9.	<p>(CHE: Tuition Age) For the current fiscal year, the age limitation for those children of certain war veterans who may be admitted to any state-supported college, university, or post high school technical education institution free of tuition is suspended for eligible children that successfully appeal the Division of Veterans Affairs on the grounds of a serious extenuating health condition.</p>	Keep

# 14 Current Agency Provisos Cont.



Proviso No.	Proviso	Action
11.10.	(CHE: LIFE and Palmetto Fellows Enhancement Stipends) In the current fiscal year before fall awards are made, to continue eligibility for LIFE and Palmetto Fellows Enhancement Stipends, students shall certify and the institutions shall verify that the student is meeting all requirements as stipulated by the policies established by the institution and the academic department to be enrolled as a declared major in an eligible program and is making academic progress toward completion of the student's declared eligible major. These determinations are subject to the verification and audit of the Commission on Higher Education. Institutions shall return funds determined to have been awarded to ineligible students.	Keep
11.11.	(CHE: SmartState) The Commission on Higher Education is prohibited from expending any source of funds on the marketing of the SmartState Program.	Delete*
11.12.	(CHE: College Transition Need-Based Grants) Of the currently appropriated need-based grants funding, no more than \$350,000 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 shall allocate the available funds to eligible institutions on the basis of student need and enrollment in the established college transition programs. All other grants and gift aid for which these students are eligible must be applied first to the cost of attendance prior to using the need-based grant funding. If the cost of attendance for an eligible student is met with all other grants and gift aid, the need-based grant shall not be used. The participating institutions, in cooperation with the Commission on Higher Education, 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.	Keep

\* The existing proviso prohibits the CHE from expending any fund to market and promote the SmartState program, thereby placing an unnecessary constraint on the SmartState Review Board.

# 15 Current Agency Provisos Cont.



Proviso No.	Proviso	Action
11.13.	<p>(CHE: Scholarship Awards) A student may receive a Palmetto Fellows or LIFE scholarship award during the summer, in addition to fall and spring semesters of an academic year, provided continued eligibility requirements are met as of the end of the spring semester. Students must enroll full-time, which for purposes of the summer award will require enrollment in at least twelve hours over the course of the summer. The summer is defined as the period between the end of the spring term and prior to the opening of the fall term. The total summer award per student may not exceed half of the allowable academic year award up to the cost of attendance and must be reimbursed if less than twelve hours for academic credit are not attempted by the student during summer sessions. If awarded in the summer, a student's total award during his or her enrollment may not exceed the amount that would otherwise be provided under current semester limits applied for the scholarship awards. The Commission on Higher Education may provide additional guidelines necessary to ensure uniform implementation.</p>	Keep
11.14.	<p>(CHE: Other Funded FTE Revenue) When institutions of higher learning request additional other funded full-time equivalent positions, the Executive Budget Office shall inform the Commission on Higher Education of its decision regarding the request and whether or not sufficient revenues exist to fund the salary and fringe benefits for the positions.</p>	Keep

# Current Agency Provisos Cont.



Proviso No.	Proviso	Action
11.15.	<p>(CHE: Abatements) By November first of each year, state supported institutions of higher learning must submit to the Commission on Higher Education the total number of out-of-state undergraduate students during the prior fiscal year that received abatement of rates pursuant to Section 59-112-70 of the 1976 Code as well as the total dollar amount of the abatements received. The report must include the geo-origin of the student, class of the student, comprehensive listing of all financial awards received by the student, number of semesters the student has received the abated rate, as well as the athletic status of the student. The report must also include the calculation method used to determine the abatement amount awarded to students as well as the number of students that received educational fee waivers pursuant to Section 59-101-620. The Commission on Higher Education is directed to compile the information received from the state-supported institutions of higher learning into a comprehensive report and submit such report to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee by January fifth each year.</p>	Keep
11.16.	<p>(CHE: Outstanding Institutional Debt) By November first, institutions of higher learning must submit to the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, and the Commission on Higher Education, or its successor entity, data on all outstanding institutional debt for their respective institution. Data shall include, but not be limited to, the amount of the initial debt, year in which the debt was incurred, the year in which the debt will be satisfied, the repayment schedule, and the purpose for which the debt was incurred.</p>	Keep



# Current Agency Provisos Cont.



SOUTH CAROLINA Commission on Higher Education

Proviso No.	Proviso	Action
11.17.	<p>(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. 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.</p>	Keep
11.18.	<p>(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 2018-19.</p>	Keep

# Current Agency Provisos Cont.



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11.18.	<p>(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 2018-19.</p>	Delete*

\* This request is aligned with the CHE's recurring budget request of \$15,000 to fund the Governor's Professor of the Year award. Currently, Proviso 11.18 suspends the award.

# 19 Current Agency Provisos Cont.



Proviso No.	Proviso	Action
11.19.	<p>(CHE: Prohibition of Discriminatory Practices) (A) In the current fiscal year and from the funds appropriated to the Commission on Higher Education, the commission shall print and distribute to all South Carolina public colleges and universities the definition of anti-Semitism.</p> <p>(B) For purposes of this proviso, the term “definition of anti-Semitism” includes:</p> <ol style="list-style-type: none"> <li>(1) a certain perception of Jews, which may be expressed as hatred toward Jews. Rhetorical and physical manifestations of anti-Semitism are directed toward Jewish or non-Jewish individuals and/or their property, toward Jewish community institutions and religious facilities;</li> <li>(2) calling for, aiding, or justifying the killing or harming of Jews;</li> <li>(3) making mendacious, dehumanizing, demonizing, or stereotypical allegations about Jews as such or the power of Jews as a collective;</li> <li>(4) accusing Jews as a people of being responsible for real or imagined wrongdoing committed by a single Jewish person or group, the state of Israel, or even for acts committed by non-Jews;</li> <li>(5) accusing the Jews as a people, or Israel as a state, of inventing or exaggerating the Holocaust;</li> <li>(6) accusing Jewish citizens of being more loyal to Israel, or to the alleged priorities of Jews worldwide, than to the interest of their own nations;</li> <li>(7) using the symbols and images associated with classic anti-Semitism to characterize Israel or Israelis;</li> <li>(8) drawing comparisons of contemporary Israeli policy to that of the Nazis;</li> <li>(9) blaming Israel for all inter-religious or political tensions;</li> <li>(10) applying double standards by requiring of it a behavior not expected or demanded of any other democratic nation;</li> <li>(11) multilateral organizations focusing on Israel only for peace or human rights investigations; and</li> <li>(12) denying the Jewish people their right to self-determination, and denying Israel the right to exist, provided, however, that criticism of Israel similar to that leveled against any other country cannot be regarded as anti-Semitic.</li> </ol> <p>(C) 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 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.</p> <p>(D) 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.</p>	Keep

# Other Proviso Modifications



Proviso No.	Proviso	Action
3.5.	<p>(LEA: FY 2019-20 Lottery Funding)</p> <p>...</p> <p>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.*</p> <p>...</p> <p>The Commission on Higher Education is authorized to use up to <b>\$375,000</b> 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.**</p>	Amend

\* The CHE requests this deletion to limit the number of times staff must borrow appropriation authority for a scholarship program to make up for a previous year's shortfall.

\*\* The CHE requests an additional authorization of \$30,000 to fund increased human capital and operational costs over the past five fiscal years.

# Other Proviso Modifications



Proviso No.	Proviso	Action																		
117.155.*	<p>(GP: Higher Education Tuition Mitigation) The following recurring funds have been appropriated in Part IA to institutions of higher education to mitigate tuition and mandatory fee increases for in-state undergraduate students:</p> <table border="0"> <tr> <td>(1) The Citadel \$ <b><u>620,534</u></b>;</td> <td>(10) University of South Carolina-Upstate \$ <b><u>1,401,292</u></b>;</td> </tr> <tr> <td>(2) Clemson University \$ <b><u>4,938,735</u></b>;</td> <td>(11) University of South Carolina-Beaufort \$ <b><u>433,593</u></b>;</td> </tr> <tr> <td>(3) University of Charleston \$ <b><u>1,768,444</u></b>;</td> <td>(12) University of South Carolina-Lancaster \$ <b><u>194,510</u></b>;</td> </tr> <tr> <td>(4) Coastal Carolina University \$ <b><u>1,305,002</u></b>;</td> <td>(13) University of South Carolina-Salkehatchie \$ <b><u>122,232</u></b>;</td> </tr> <tr> <td>(5) Francis Marion University \$ <b><u>702,789</u></b>;</td> <td>(14) University of South Carolina-Sumter \$ <b><u>137,145</u></b>;</td> </tr> <tr> <td>(6) Lander University \$ <b><u>764,883</u></b>;</td> <td>(15) University of South Carolina-Union \$ <b><u>118,638</u></b>;</td> </tr> <tr> <td>(7) South Carolina State University \$ <b><u>555,751</u></b>;</td> <td>(16) Winthrop University \$ <b><u>1,596,764</u></b>; and</td> </tr> <tr> <td>(8) University of South Carolina-Columbia \$ <b><u>4,712,239</u></b>;</td> <td>(17) Medical University of South Carolina \$ <b><u>91,389</u></b>.</td> </tr> <tr> <td>(9) University of South Carolina-Aiken \$ <b><u>664,651</u></b>;</td> <td></td> </tr> </table> <p>In order to retain the above appropriations, each institution of higher education listed above must certify to the Commission on Higher Education by August 1, <b>2020</b>, that, <del>excluding tuition increases due to pension increases required by the provisions of Sections 9-1-1085 and 9-11-225 of the 1976 Code and any state health plan increase,</del> there is no in-state tuition or mandatory fee increase for the 2020-<b>2021</b> academic year.</p> <p>The Commission on Higher Education shall develop the process by which institutions provide the certification. Any institution unable to provide such certification to the commission shall remit their respective above recurring allocation to the General Fund by September 1, <b>2020</b>.</p> <p>By October 1, <b>2020</b>, the Commission on Higher Education shall report to the House Ways and Means Committee, the Senate Finance Committee, and the Executive Budget Office the institutions that failed to certify that the in-state tuition increase met the guidelines outlined in this provision. The Executive Budget Office is directed to reduce the recurring appropriation of any institution found to be non-compliant with the certification.</p>	(1) The Citadel \$ <b><u>620,534</u></b> ;	(10) University of South Carolina-Upstate \$ <b><u>1,401,292</u></b> ;	(2) Clemson University \$ <b><u>4,938,735</u></b> ;	(11) University of South Carolina-Beaufort \$ <b><u>433,593</u></b> ;	(3) University of Charleston \$ <b><u>1,768,444</u></b> ;	(12) University of South Carolina-Lancaster \$ <b><u>194,510</u></b> ;	(4) Coastal Carolina University \$ <b><u>1,305,002</u></b> ;	(13) University of South Carolina-Salkehatchie \$ <b><u>122,232</u></b> ;	(5) Francis Marion University \$ <b><u>702,789</u></b> ;	(14) University of South Carolina-Sumter \$ <b><u>137,145</u></b> ;	(6) Lander University \$ <b><u>764,883</u></b> ;	(15) University of South Carolina-Union \$ <b><u>118,638</u></b> ;	(7) South Carolina State University \$ <b><u>555,751</u></b> ;	(16) Winthrop University \$ <b><u>1,596,764</u></b> ; and	(8) University of South Carolina-Columbia \$ <b><u>4,712,239</u></b> ;	(17) Medical University of South Carolina \$ <b><u>91,389</u></b> .	(9) University of South Carolina-Aiken \$ <b><u>664,651</u></b> ;		Amend
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\* The CHE endorses the additional amounts appropriated to the four-year institutions and two-year USC branch campuses in the FY 2019-20 state budget that restricted tuition increases for in-state undergraduate students.