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.

SUBCOMMITTEE RECOMMENDATION: AMEND proviso to update calendar year references from "2017" to "2018."

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

For institutions of higher learning, adopted procedures to monitor expenditures of lottery funds shall be reported to the Commission on Higher Education and the Executive Budget Office by October, 1, 2017 2018, and these expenditures are subject to annual verification and audit by the Commission on Higher Education on a rotational schedule not to exceed three years. The annual verification and audit shall be funded from the funds appropriated to or authorized for the Commission on Higher Education and the commission shall not assess a fee or charge institutions of higher learning for performing this function. In addition, the Commission on Higher Education shall provide a report to the Executive Budget Office, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee by October first each year summarizing, by institution, how lottery funds were expended in the prior fiscal year, issues and concerns as well as institution responses to those issues and concerns discovered as a result of the commission's verification and/or audit activity during the prior fiscal year, if any.

For the Department of Education, adopted procedures to monitor expenditures of lottery funds that are allocated to the South Carolina school districts and other recipient institutions according to law and Department of Education guidelines shall be reported to the Executive Budget Office by October 1, 2017 2018. In addition, the Department of Education shall provide a report to the Executive Budget Office, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee on the amount of lottery funds the department distributed to each entity in the prior fiscal year.

All other state agencies must submit their adopted procedures to monitor expenditures of lottery funds to the Executive Budget Office by October 1, 2017 2018.

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

DELETE (FY 2017-18 Lottery Funding) Directs expenditure of lottery funds for Fiscal Year 2017-18.

SUBCOMMITTEE RECOMMENDATION: DELETE proviso. Requested by Commission on Higher Education.

3.3. (LEA: FY 2017-18 Lottery Funding) There is appropriated from the Education Lottery Account for the following education purposes and programs and funds for these programs and purposes shall be transferred by the Executive Budget Office as directed below. These appropriations must be used to supplement and not supplant existing funds for education.

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.

3.3

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

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

(1) Commission on Higher Education -LIFE Scholarships	
as provided in Chapter 149, Title 59\$	221,843,614;
(2) Commission on Higher Education - HOPE Scholarships	14 450 550
as provided in Section 59-150-370\$	14,458,578;
(3) Commission on Higher Education Palmetto Fellows	
Scholarships as provided in Section 59-104-20\$	51,927,301;
(4) Commission on Higher Education and State Board for	
Technical and Comprehensive Education - Tuition Assistance \$	
(5) Commission on Higher Education - Need Based Grants	17,537,078;
(6) Higher Education Tuition Grants Commission	
Tuition Grants\$	8,830,008;
(7) Department of Education School Bus Lease/Purchase\$	609,484;
(8) State Board for Technical and Comprehensive Education	
Workforce Scholarship Grants	8,000,000;
(9) Higher Education Tuition Grants Commission	
SREB Program and Assessments	349,606;
(10)State Board for Technical and	
Comprehensive Education - Allied Health\$	3,000,000;
(11)Commission on Higher Education—Technology-	
Public Four-Year Institutions, Two-Year Institutions,	
and State Technical Colleges\$	6,500,000;
(12)South Carolina State University\$	2,500,000;
(13) Department of Education Reading Partners\$	400,000;
(14)Commission on Higher Education–Higher Education	
Excellence Enhancement Program	567,473;
(15)State Library-Aid to County Libraries\$	1; and
(16)State Board for Technical and Comprehensive Education	
Military Education, Training and Support Program\$	1.
For Fiscal Year 2017-18, net lottery proceeds and investment earnings above	ve the Fiscal Year
2016-17 certified surplus are appropriated pro-rata as follows:	
(1) Department of Education - School Bus Lease/Purchases	17,500,000;
*(2)Commission on Higher Education	
Research University STEM Equipment	1,000,000;
(3) State Library-Aid to County Libraries\$	800,000;
(4) Commission on Higher Education	
Carolina Career Clusters Grant (1:1 Match)\$	300,000; and
(5) State Board for Technical and Comprehensive Education-	
SPICE Program\$	250,000.
For Fiscal Year 2017-18, funds certified from unclaimed prizes are approp	riated as follows:
(1) Commission on Higher Education	
Higher Education Excellence Enhancement Program\$	5,505,000;
(2) Department of Alcohol and Other Drug Abuse Services-	
Gambling Addiction Services\$	50,000;
(3) Commission on Higher EducationNational Guard Tuition	. ,
Repayment Program as provided in Section 59-111-75 \$	4,634,968;

(4) School for the Deaf and the BlindTechnology\$	200,000;
	000 000

(7) State Board for Technical and Comprehensive

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

*(2)Commission on Higher Education--PASCAL \$ 1,500,000; and

(3) Department of Education School Bus Lease/Purchase remaining balance. Fiscal Year 2017 18 funds appropriated to the Commission on Higher Education and the State Board for Technical and Comprehensive Education for Tuition Assistance must be distributed to the technical colleges and two-year institutions as provided in Section 59–150-360. Annually the State Board for Technical and Comprehensive Education and the Commission on Higher Education shall develop the Tuition Assistance distribution of funds.

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

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

Fiscal Year 2017–18 net lottery proceeds and investment earnings in excess of the certified net lottery proceeds and investment earnings for this period are appropriated and must be used to ensure that all LIFE, HOPE, and Palmetto Fellows Scholarships for Fiscal Year 2017–18 are fully funded.

If the lottery revenue received for Fiscal Year 2017–18 is less than the amounts appropriated, the projects and programs receiving appropriations for any such year shall have their appropriations reduced on a pro rata basis, except that a reduction must not be applied to the funding of LIFE, HOPE, and Palmetto Fellows Scholarships.

The Commission on Higher Education is authorized to use up to \$345,000 of the funds appropriated in this provision for LIFE, HOPE, and Palmetto Fellows scholarships to provide the necessary level of program support for the scholarship award process and to provide for a Scholarship Compliance Auditor.

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

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

Chairman of the Senate Finance Committee containing a list of programs, amount of funding spent per program, number of students that received grants, and the grant amount per student.

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

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

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

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

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

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

(1) Aiken Technical College	\$	153,422;
(2) Central Carolina Technical College	\$	160,719;
(3) Denmark Technical College	\$	81,152;
(4) Florence Darlington Technical College	\$	167,588;
(5) Greenville Technical College	\$	262,438;
(6) Horry Georgetown Technical College	\$	207,701;
(7) Midlands Technical College	\$	215,503;
(8) Northeastern Technical College	\$	125,460;
(9) Orangeburg-Calhoun Technical College	\$	324,216;
(10)Piedmont Technical College	\$	194,843;
(11)Spartanburg Community College	\$	168,289;
(12) Technical College of the Lowcountry	\$	$\frac{137,227}{137,227}$
(13)Tri County Technical College	\$	187,241;
(14)Trident Technical College	\$	328,138;
		, ,

(15)Williamsburg Technical College\$	117,874; and
(16)York Technical College\$	168,189.

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

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

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

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

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

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

*Text printed in italic, boldface indicates sections vetoed by the Governor on June 12, 2017. At the time of this publication, action on these vetoes were not taken by the Senate.

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 2017-18.
SUBCOMMITTEE RECOMMENDATION: AMEND proviso to update fiscal year reference to "2018-19."

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 $\frac{2017-18}{2018-19}$.

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

SUBCOMMITTEE RECOMMENDATION: AMEND proviso to update calendar year references from "2017" to "2018."

11.19. (CHE: SmartState Review Board Study) Of the funds appropriated to the Commission on Higher Education, on or before December 31, 2017 2018, the Research Centers of Excellence Review Board shall submit to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, and the Governor, written recommendations regarding a plan to sunset the SmartState Board and how best to transition some of its responsibilities to an appropriate entity of state government for any continuing administrative program management, including a minimum budget necessary for administration, as well as for oversight and/or accountability responsibilities related to awards made on or before August 1, 2017 2018, that may remain after the SmartState Board sunsets.

SECTION 18 - H210 - LANDER UNIVERSITY

 18.1 DELETE (Renovation and Repairs) Allows Lander University to use Montessori Education Building funds for university renovation and repairs.
SUBCOMMITTEE RECOMMENDATION: DELETE proviso. Requested by Lander University.

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

SECTION 23 - H510 - MEDICAL UNIVERSITY OF SOUTH CAROLINA

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

SUBCOMMITTEE RECOMMENDATION: AMEND proviso to change report due date from October 1, "2017" to "2018."

23.3. (MUSC: Procurement Efficiency Study) The Medical University of South Carolina (MUSC), the Medical University Hospital Authority (MUHA), and Procurement Services of the State Fiscal Accountability Authority are directed to work together to study and make

recommendations regarding the opportunity, if any, to create efficiencies, cost savings, and/or economies of scale by combining some or all of any similar operations and/or procurements of the MUSC and MUHA. Findings and recommendations must be submitted to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee by October 1, 2017 2018.

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

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

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

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

SUBCOMMITTEE RECOMMENDATION: AMEND proviso to update report due date from August 31, "2017" to "2018."

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

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

comprehensive evaluation and reporting mechanisms that include long-range tracking of individual and economic impacts as well as return-on-investment analyses.

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

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

SUBCOMMITTEE RECOMMENDATION: DELETE proviso.

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

SECTION 117 - X900 - GENERAL PROVISIONS

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

SUBCOMMITTEE RECOMMENDATION: AMEND proviso to update fiscal year references to "2018-19."

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

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

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

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

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

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