COMMITTEE REPORT

February 4, 2016

**H. 4639**

Introduced by Reps. Allison and Taylor

S. Printed 2/4/16--H.

Read the first time January 12, 2016.

**THE COMMITTEE ON EDUCATION AND PUBLIC WORKS**

To whom was referred a Bill (H. 4639) to amend the Code of Laws of South Carolina, 1976, by adding Section 59‑103‑47 so as to provide the Commission on Higher Education may enter interstate reciprocity, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

MERITA A. ALLISON for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Fiscal Impact Summary**

This bill would increase other fund expenditures by $167,750 in FY 2016-17 and by $124,500 in FY 2017-18 and each year thereafter. This bill has no impact on general fund or federal fund expenditures.

**Explanation of Fiscal Impact**

**State Expenditure**

This bill adds Section 59-103-47 to allow the Commission on Higher Education (CHE) to enter interstate reciprocity agreements that authorize accredited degree-granting institutions of higher education in this State to offer postsecondary distance education. In administering the program, CHE is authorized to approve and disapprove higher education participation, establish fees to be paid by participating institutions to cover the administrative direct and indirect costs, and develop policies and procedures as needed to govern the reciprocity agreements.

The Commission on Higher Education indicates this bill would increase other fund expenditures by $167,750 to cover non-recurring costs of $41,250 and recurring costs of $124,500. The non-recurring expenditures are related to the cost of system implementation ($31,250) and estimated legal costs for the development of policies and application documents ($10,000). Of the recurring costs, CHE will expend $88,000 for the salary and fringe of a new Program Coordinator II position, which will be responsible for administering the program. The remaining recurring funds of $36,500 will be used to cover ongoing systems maintenance cost ($6,500) and estimated legal costs relating to the development and administration of a student complaint system ($30,000).

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 59‑103‑47 SO AS TO PROVIDE THE COMMISSION ON HIGHER EDUCATION MAY ENTER INTERSTATE RECIPROCITY AGREEMENTS THAT AUTHORIZE ACCREDITED DEGREE‑GRANTING INSTITUTIONS OF HIGHER EDUCATION IN THIS STATE TO OFFER POSTSECONDARY DISTANCE EDUCATION IN A CERTAIN MANNER, TO PROVIDE RELATED POWERS AND DUTIES OF THE COMMISSION, TO PROVIDE PARTICIPATION IN THE AGREEMENTS IS VOLUNTARY TO ELIGIBLE INSTITUTIONS OF HIGHER EDUCATION IN THIS STATE, TO PROVIDE INSTITUTIONS OF HIGHER EDUCATION IN THIS STATE THAT DO NOT PARTICIPATE IN ANY INTERSTATE RECIPROCITY AGREEMENT ENTERED INTO BY THE COMMISSION ARE NOT PROHIBITED FROM OFFERING POSTSECONDARY DISTANCE EDUCATION, AND TO CLARIFY THAT NO PROVISION OF THIS ACT PROHIBITS OR REDUCES THE AUTHORITY OF THE COMMISSION TO LICENSE INSTITUTIONS OF HIGHER EDUCATION OFFERING DISTANCE EDUCATION IN THIS STATE IF THE INSTITUTION IS NOT A PARTICIPANT IN THE INTERSTATE RECIPROCITY AGREEMENT IN WHICH THE COMMISSION PARTICIPATES.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Article 1, Chapter 103, Title 59 of the 1976 Code is amended by adding:

“Section 59‑103‑47. (A) The Commission on Higher Education may enter into interstate reciprocity agreements, including, but not limited to, the State Authorization Reciprocity Agreement, that authorize accredited degree‑granting institutions of higher education in this State to offer postsecondary distance education as allowed under these reciprocity agreements. The commission shall administer these agreements and shall approve or disapprove participation in these agreements by accredited degree‑granting institutions of higher education in this State. The commission may assume and exercise all powers, duties, and responsibilities associated with and required under the terms of an interstate reciprocity agreement. The commission shall develop policies and procedures and shall promulgate regulations as needed to govern the terms of institution participation including the establishment of fees to be paid by participating institutions to cover direct and indirect administrative costs incurred by the commission. Participation in the agreements is voluntary to eligible institutions of higher education in this State.

(B) Nothing in this section may be construed to prohibit institutions of higher education in this State that do not participate in any interstate reciprocity agreement entered into by the commission from offering postsecondary distance education.

(C) Nothing in this section may be construed to prohibit or reduce the commission’s licensing authority of institutions of higher education offering distance education in this State if the institution is not a participant in the interstate reciprocity agreement in which the commission participates.”

SECTION 2. This act takes effect upon approval by the Governor.

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