**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING ARTICLE 7 TO CHAPTER 11, TITLE 11 SO AS TO PROVIDE INCREASED FUNDING TO PUBLIC INSTITUTIONS OF HIGHER LEARNING IN THE SAME PERCENTAGE AS GENERAL FUND REVENUES INCREASE, TO PROVIDE ADDITIONAL FUNDING FOR CERTAIN SCHOLARSHIPS AND TO PROVIDE ELIGIBILITY CRITERIA FOR THE FUNDING, AND TO ESTABLISH THE HIGHER EDUCATION FACILITIES REPAIR AND RENOVATION FUND TO PROVIDE INFRASTRUCTURE FUNDING FOR INSTITUTIONS OF HIGHER LEARNING; BY ADDING SECTIONS 59‑149‑170, 59‑149‑180, 59‑104‑50, AND 59‑104‑60 SO AS TO NORMALIZE THE TEN‑POINT GRADING SCALE FOR PURPOSES OF ELIGIBILITY FOR CERTAIN SCHOLARSHIPS; TO AMEND SECTION 59‑150‑370, RELATING TO THE HOPE SCHOLARSHIP, SO AS TO NORMALIZE THE TEN‑POINT GRADING SCALE FOR PURPOSES OF ELIGIBILITY; BY ADDING SECTIONS 59‑142‑80 AND 59‑143‑40 SO AS TO APPROPRIATE ADDITIONAL FUNDING FOR THE NEED‑BASED GRANT PROGRAM AND TO PROVIDE ELIGIBILITY CRITERIA FOR FUTURE FUNDING; TO AMEND SECTIONS 59‑104‑25 AND 59‑149‑15, RELATING TO CERTAIN STEM STIPENDS, SO AS TO PROVIDE THAT THE STIPEND IS AVAILABLE WHEN THE STUDENT BECOMES A JUNIOR INSTEAD OF A SOPHOMORE; BY ADDING SECTION 59‑142‑80 SO AS TO REQUIRE THAT THE FUNDING TO THE NEED‑BASED TUITION GRANTS PROGRAM MUST BE THE SAME AS THE FUNDING TO THE NEED‑BASED GRANTS; TO AMEND SECTION 2‑7‑105, RELATING TO AUTHORIZATION FOR STATE CAPITAL IMPROVEMENT BONDS, SO AS TO REQUIRE THAT THE BONDS BE ISSUED IN EVERY ODD‑NUMBERED YEAR; TO AMEND SECTION 2‑47‑40, RELATING TO THE JOINT BOND REVIEW COMMITTEE, SO AS TO PROVIDE THAT CERTAIN INFORMATION BE GIVEN TO THE COMMITTEE THROUGH THE EXECUTIVE BUDGET OFFICE; BY ADDING SECTION 2‑47‑65 SO AS TO INDEX FOR INFLATION PROJECT COSTS FOR PURPOSES OF DETERMINING IF CERTAIN IMPROVEMENT PROJECTS ARE PERMANENT IMPROVEMENT PROJECTS; TO AMEND SECTION 2‑47‑55, RELATING TO A COMPREHENSIVE PERMANENT IMPROVEMENT PLAN, SO AS TO MAKE A CONFORMING CHANGE; TO AMEND SECTION 59‑103‑110, RELATING TO APPROVAL FOR CONSTRUCTION PROJECTS, SO AS TO MAKE A CONFORMING CHANGE; AND BY ADDING SECTION 59‑103‑170 SO AS TO REQUIRE THE COMMISSION ON HIGHER EDUCATION SUBMIT POLICY STATEMENTS AND RULES AS REGULATIONS.

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

SECTION 1. This act may be referred to as the “Higher Education Opportunity Act”.

SECTION 2. Chapter 11, Title 11 of the 1976 Code is amended by adding:

“Article 7

Funding for Public Institutions of Higher Learning

Subarticle 1

Base Funding

Section 11‑11‑610. For purposes of this subarticle:

(1) ‘Public institution of higher learning’ means any state‑supported, post‑secondary research, comprehensive, and two‑year branch campus educational institution and shall include technical and comprehensive educational institutions.

(2) ‘Recurring general fund revenue’ means the forecast of recurring general fund revenues pursuant to Section 11‑9‑880 after the amount apportioned to the Trust Fund for Tax Relief, as required in Section 11‑11‑150, is deducted.

(3) ‘Recurring general fund expenditure base’ means the total recurring general fund appropriations authorized in the current general appropriations act less any reduced appropriations mandated by the General Assembly or the Executive Budget Office pursuant to Section 11‑9‑890B.

Section 11‑11‑620. (A) In any fiscal year in which general fund revenues are projected to increase, in the annual general appropriations bill, the appropriation to each public institution of higher learning for the upcoming fiscal year must be increased by the same projected percentage increase, but not to exceed five percent, when compared to the appropriation in the current fiscal year. For purposes of this section, beginning with the initial forecast required pursuant to Section 11‑9‑880, the percentage increase in general fund revenues must be determined by the Revenue and Fiscal Affairs Office by comparing the current fiscal year’s recurring general fund expenditure base with the Board of Economic Advisors’ most recent projection of recurring general fund revenue for the upcoming fiscal year. Upon the issuance of the initial forecast, the Executive Director of the Revenue and Fiscal Affairs Office, or his designee, shall notify the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, and the Governor of the projected percentage increase. The executive director, or his designee, shall provide similar notice if subsequent modifications to the forecast change the projected percentage increase. However, the forecast in effect on April tenth of the current fiscal year is the final forecast for which the percentage increase is determined, and no subsequent forecast modifications shall have any effect on that determination.

(B) In any fiscal year in which general fund revenues are projected to decrease, in the annual general appropriations bill, the appropriation to each public institution of higher learning for the upcoming fiscal year only may be decreased, if at all, by no more than the projected percentage decrease in general fund revenues, when compared to the appropriation in the current fiscal year.

(C)(1) For purposes of this section, beginning with the initial forecast required pursuant to Section 11‑9‑880, the percentage change in general fund revenues must be determined by the Revenue and Fiscal Affairs Office by comparing the current fiscal year’s recurring general fund expenditure base with the Board of Economic Advisors’ most recent projection of recurring general fund revenue for the upcoming fiscal year.

(2) The Governor shall include the adjusted appropriation to each public institution of higher learning in the Executive Budget.

(3) The Revenue and Fiscal Affairs Office shall determine the current fiscal year’s recurring general fund expenditure base, and determine any projected change in general fund revenues. If an adjustment is projected, the appropriation for the upcoming fiscal year must be adjusted accordingly.

Section 11‑11‑630. In any fiscal year in which the Board of Economic Advisors reduces the revenue forecast for the current fiscal year, the appropriation to or rate of expenditure for each public institution of higher learning may not be reduced by more than the percentage amount of the reduction.

Subarticle 2

Additional Funding

Section 11‑11‑710. For purposes of this subarticle, ‘public institution of higher learning’ means any state‑supported, post‑secondary research, comprehensive, and each two‑year regional campus of the University of South Carolina.

Section 11‑11‑720. (A) There is established the Higher Education Opportunity Trust Fund. This fund is separate and distinct from the general fund of the State and all other funds. Earnings and interest on this fund must be credited to it and any balance in this fund at the end of a fiscal year carries forward in the fund in the succeeding fiscal year. Revenues in this fund may not be used to supplant general fund appropriations of each public institution of higher learning, with the amounts appropriated in Part 1.A. of the Fiscal Year 2018‑2019 annual appropriations act serving as the base year. The fund is exempt from any midyear budget reduction imposed by the General Assembly, or the Executive Budget Office pursuant to Section 11‑9‑890B.

(B) The fund must be distributed by the State Treasurer to each public institution of higher learning pursuant to the formula set forth in subsection (C). However, any funds accruing in the trust fund during the initial fiscal year of the fund’s establishment must remain in the trust fund for the entirety of that fiscal year and the funds may not be distributed during that year.

(C)(1)(a) As set forth in subitems (b) and (c), ten percent of the trust fund must be used for need‑based scholarships to full‑time undergraduate students from South Carolina, and the remaining ninety percent must be used to fund the costs of the various institutions for educating South Carolinians. By July 15, 2019, and in accordance with subsections (A) and (B), the Commission on Higher Education shall determine the percentage of the trust fund that each public institution of higher learning shall receive in the current fiscal year from subitems (b) and (c).

(b) Ten‑percent of the total amount to be distributed from the trust fund each fiscal year must be used solely for need‑based scholarships to be awarded to full‑time undergraduate students from South Carolina. The percentage each institution shall receive pursuant to this subitem must be determined by a fraction in which the numerator is the institution’s number of full‑time undergraduate students whose family income is not greater than one hundred fifty percent of the most recently published Health and Human Service Poverty Guidelines and whose geographic origin is South Carolina for the fall semester in the immediately preceding fiscal year and the denominator is the sum total of every institution’s number of full‑time undergraduate students whose family income is not greater than one hundred fifty percent of the most recently published Health and Human Service Poverty Guidelines and whose geographic origin is South Carolina for the fall semester in the immediately preceding fiscal year. Each institution must distribute these funds in semiannual awards in the form of need‑based scholarships directly to student recipients qualified using the criteria for those students whose family income is not greater than one hundred fifty percent of the most recently published Health and Human Service Poverty Guidelines and whose geographic origin is South Carolina for the upcoming fall semester.

(c) The remaining ninety percent of the total amount to be distributed from the trust fund each year must be used solely to fund the costs of the various institutions for educating South Carolinians. The percentage each institution shall receive pursuant to this subitem must be determined by using a fraction, in which the numerator is the institution’s number of full‑time undergraduate students whose geographic origin is South Carolina for the fall semester in the immediately preceding fiscal year and the denominator is the total number of every institution’s number of full‑time undergraduate students whose geographic origin is South Carolina for the fall semester in the immediately preceding fiscal year.

(d) Immediately following the Comptroller General’s closing of the state’s books for the preceding fiscal year, or by October 1, 2019, whichever occurs first, the State Treasurer shall distribute the funds to each public institution of higher learning based on the percentage allocation calculated for each institution by the Commission on Higher Education.

(2) By July 15, 2020, and each July fifteenth thereafter, the commission shall update the percentage allocation formula provided in item (1) based on new enrollment figures for the immediately preceding fiscal year’s fall semester. Immediately following the Comptroller General’s closing of the state’s books for the preceding fiscal year, or October first, whichever occurs first, the State Treasurer shall distribute the funds to each public institution of higher learning so that each institution receives the same amount of funds it received in the prior fiscal year plus a proportional share of any increase in the fund’s total in the current fiscal year compared to the fund’s total in the prior fiscal year. The proportional share must be the percentage allocation calculated for each institution by the commission pursuant to this subsection. In the event the trust fund’s total is less in the current fiscal year compared to its total in the prior fiscal year, each institution’s distribution shall be based on its percentage allocation in the prior fiscal year.

(D) Once the Higher Education Opportunity Trust Fund has a balance of at least one hundred twenty‑five million dollars, then the provisions of Section 11‑11‑740 apply.

(E) Nothing in this section may be construed to restrict the appropriation of funds to any public institution of higher learning from any source other than the Higher Education Opportunity Trust Fund.

(F) No later than November first and March first of each academic year, an institution receiving funds pursuant to this section must publish in a conspicuous place on its website a report summarizing the institution’s undergraduate enrollment data, including geographic origin of its undergraduate students, as well as race and ethnicity data, and family income level of this same population. Within seven days of posting this report, an institution must provide an electronic copy to the Commission on Higher Education. Within thirty days of receiving these reports, the commission must summarize the institutional summaries and provide a singular consolidated report to the Governor, Chairman of the House Education and Public Works Committee, Chairman of the Senate Education Committee, Chairman of the House Ways and Means Committee, and the Chairman of the Senate Finance Committee.

Section 11‑11‑730. (A) Notwithstanding any other provision of law, the following revenues must be credited to the Higher Education Opportunity Trust Fund:

(1) sales and use tax revenues owed on the sale of tangible personal property sold on an Internet website by independent sellers through a South Carolina retailer on consignment, or any other Internet sale made by a third party through a South Carolina retailer;

(2) sales and use tax revenues owed by any South Carolina retailer who has utilized the provisions of Section 12‑36‑2691;

(3) sales and use tax revenues owed by a retailer who enters into an agreement with a resident of this State under which the resident, for a commission or other consideration, directly or indirectly refers potential customers to the retailer, whether by a link on an Internet website or otherwise;

(4) to the extent allowed by federal law, sales and use tax revenues collected by remote sellers;

(5) any admission taxes collected by a public institution of higher learning pursuant to Article 17, Chapter 21, Title 12. The admission tax collections from the previous fiscal year must be deposited into the trust fund in a lump sum by October first of each year; and

(6) any indirect cost recoveries remitted by a public institution of higher learning pursuant to Section 2‑65‑70. The recoveries from the previous fiscal year must be deposited into the trust fund in a lump sum by October first of each year.

(B) In the annual general appropriations act for Fiscal Year 2018‑2019, the General Assembly permanently must transfer twenty‑four million dollars in educational endowments, established in Chapter 143, Title 59, and eight hundred fifty thousand dollars in need‑based grants to the trust fund, and must appropriate funds equal to the transferred amounts from the education lottery account for the same purposes.

(C) To aid the Department of Revenue in discerning the amount of sales and use tax revenue that must be credited to the trust fund for the upcoming fiscal year pursuant to subsection (A), the department shall amend the sales tax return to include separate lines deviating amounts credited to the trust fund, including, but not limited to, an itemization of sales sufficient to account for the Internet sales revenues specified in subsection (A)(1).

Section 11‑11‑740. (A) Notwithstanding any other provision of law, for the fiscal year immediately following the first fiscal year in which the Higher Education Opportunity Trust Fund has a balance of at least one hundred twenty‑five million dollars and funds are distributed from the trust fund pursuant to Section 11‑11‑720, then the boards of trustees of public institutions of higher learning receiving such funds must not increase the institution’s required tuition and mandatory fees charged to in‑state undergraduate students whose geographic origin is the State of South Carolina above the amounts charged on such students for the immediately preceding fiscal year. This limitation shall not apply to undergraduate students whose geographic origin is not the State of South Carolina or to graduate or post‑graduate students regardless of geographic origin.

(B) For all subsequent years following the initial year set forth in subsection (A), and provided that the provisions of subsection (C) are applicable for the immediately preceding year, the boards of trustees of each public institution of higher learning to which this section applies must not increase the institution’s required tuition and mandatory fees charged to in‑state undergraduate students whose geographic origin is the State of South Carolina by more than the percentage increase in the Higher Education Price Index, as reported by the Commonfund Institute, for the immediately preceding fiscal year, or not more than two and three‑quarters percent, whichever is less.

(C) The limitations prescribed in subsections (A) and (B) are suspended for any fiscal year in which the General Assembly fails to comply with any of the requirements contained in this article pertaining to minimum base state funding for operating budgets, pursuant to Subarticle 1, midyear budget cuts and forecasted revenue shortfalls, funding of the Higher Education Opportunity Trust Fund, or the funding of the Higher Education Facilities Repair and Renovation Fund. By July thirtieth of each fiscal year, the Revenue and Fiscal Affairs Office shall notify the Commission on Higher Education if the limitation in subsection (B) is suspended.

(D) In any fiscal year in which the limitations of subsections (A) and (B) are in effect and an institution’s board of trustees fails to comply with the requirements of subsection (B), then the General Assembly shall not provide the additional funding contained within the Higher Education Opportunity Act pertaining to minimum base state funding for public college operating budgets and the funding of the Higher Education Opportunity Trust Fund, until such time that the institution’s Board of Trustees is in compliance with the requirements of subsection (B).

Subarticle 3

Infrastructure

Section 11‑11‑810. For purposes of this subarticle, ‘public institution of higher learning’ means any state‑supported, post‑secondary research, comprehensive, and two‑year branch campus educational institution and shall include technical and comprehensive educational institutions.

Section 11‑11‑820. (A) There is established the Higher Education Facilities Repair and Renovation Fund. This fund is separate and distinct from the general fund of the State and all other funds. Earnings and interest on this fund must be credited to it and any balance in this fund at the end of a fiscal year carries forward in the fund in the succeeding fiscal year. The Department of Administration, Executive Budget Office, shall administer the fund. The funds only may be expended for the purposes set forth in subsection (C).

(B)(1) Beginning with the annual general appropriations act for Fiscal Year 2018‑2019, and annually thereafter, the General Assembly shall appropriate at least twenty‑five million dollars to the fund for allocation to and among the state’s public colleges and universities, including technical colleges.

(2) Of the funds available in the fund, twenty‑five percent must be transferred to the State Board for Technical and Comprehensive Education for distribution among the state’s public technical colleges in a manner and amounts determined by the board. The remaining seventy‑five percent must be transferred by the Executive Budget Office for distribution among the state’s public institutions of higher learning based on a formula developed by the Executive Budget Office, in consultation with the public institutions of higher learning.

(C)(1) Notwithstanding any other provision of law, the funds only may be expended for necessary renovation, repair and related maintenance, and other critical equipment and systems repair and maintenance that are necessary for the safe and efficient operation of the institution’s physical plant in its support of the institution’s educational purpose. Funds must not be used for new construction.

(2) Before the funds may be distributed, each institution must certify to the Executive Budget Office or the board, as applicable, in the manner prescribed by the applicable body, the extent to which the institution will meet the requirements of this section. No later than one hundred twenty days after the close of a fiscal year, the Executive Budget Office and the board 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 section. Funds not expended in the prior fiscal year may be carried forward into the current fiscal year and utilized for the same purpose. In the event of a midyear budget cut imposed by the General Assembly or the Executive Budget Office, the fund only may be reduced, if at all, by an amount not to exceed the overall percentage reduction being required of the general fund in the statewide aggregate. In any fiscal year in which the Board of Economic Advisors reduces the revenue forecast for the current fiscal year, the appropriation to or rate of expenditure for each public institution of higher learning may not be reduced by more than the percentage amount of the reduction.

Section 11‑11‑830. Notwithstanding any other provision of law, any sales and use tax revenues collected by an audit of the Department of Revenue of any South Carolina retailer who has utilized the provisions of Section 12‑36‑2691, must be credited to the Higher Education Facilities Repair and Renovation Fund.

Section 11‑11‑840. (A) Beginning with the appropriation of monies from the 2017‑2018 capital reserve fund, the General Assembly must annually appropriate at least forty percent of the capital reserve fund, in the aggregate, among each public institution of higher learning in amounts determined by the General Assembly. All or a portion of this minimum appropriation requirement may be met by appropriating capital reserve funds to the Higher Education Facilities Repair and Renovation Fund.

(B) The General Assembly may suspend the provisions of this section if in the immediately preceding fiscal year, the General Assembly authorizes state capital improvement bonds, and a majority of such bonds, in the aggregate, are allocated among the state’s public institutions of higher learning.

Section 11‑11‑850. Beginning with the annual general appropriations act for Fiscal Year 2018‑2019, and annually thereafter, the General Assembly may not appropriate funds to debt service in excess of the amount required by law, unless the General Assembly appropriates twenty‑five million dollars to the Higher Education Facilities Repair and Renovation Fund for allocation to and among the state’s public colleges and universities, including technical colleges. An appropriation made pursuant to this section also satisfies the appropriation requirement of Section 11‑11‑820.”

SECTION 3. A. Chapter 149, Title 59 of the 1976 Code is amended by adding:

“Section 59‑149‑170. (A) Notwithstanding any other provision of law and the provisions of the South Carolina Uniform Grading Scale, for purposes of the high school grade‑point average requirements of this chapter, the grade‑point average for any student who graduates high school in the 2017‑2018, 2018‑2019, or 2019‑2020 school year, must be calculated by:

(1) using a ten‑point grading scale for the grades earned in the student’s senior year; and

(2) using a seven‑point grading scale for the grades earned in all other years.

(B) Notwithstanding any other provision of law and the provisions of the South Carolina Uniform Grading Scale, for purposes of the high school grade‑point average requirements of this chapter, the grade‑point average for any student who graduates high school after the 2019‑2020 school year, must be calculated by using a seven‑point grading scale for all years.

(C) The State Department of Education, in consultation with the Commission on Higher Education, shall develop a grade conversion scale, and adopt any other policies necessary to implement the provisions of this section.

(D) The provisions of this section only apply to determining initial eligibility for the scholarship provided in this chapter. Nothing in this section may be construed to effect college admission or the South Carolina Uniform Grading Scale.

Section 59‑149‑180. Beginning with the 2021‑2022 annual general appropriations act, the General Assembly must not appropriate funds to the LIFE Scholarship Program, including stipends, in excess of the total amount appropriated to the program in the previous fiscal year, regardless of the source of the appropriation, plus an amount equal to the percentage increase in the higher education price index for the immediately preceding fiscal year, but not to exceed two and three‑quarters percent each year.”

B. Article 1, Chapter 104, Title 59 of the 1976 Code is amended by adding:

“Section 59‑104‑50. (A) Notwithstanding any other provision of law and the provisions of the South Carolina Uniform Grading Scale, for purposes of the high school grade‑point average requirements of this article, the grade‑point average for any student who graduates high school in the 2017‑2018, 2018‑2019, or 2019‑2020 school year, must be calculated by:

(1) using a ten‑point grading scale for the grades earned in the student’s senior year; and

(2) using a seven‑point grading scale for the grades earned in all other years.

(B) Notwithstanding any other provision of law and the provisions of the South Carolina Uniform Grading Scale, for purposes of the high school grade‑point average requirements of this article, the grade‑point average for any student who graduates high school after the 2019‑2020 school year, must be calculated by using a seven‑point grading scale for all years.

(C) The State Department of Education, in consultation with the Commission on Higher Education, shall develop a grade conversion scale, and adopt any other policies necessary to implement the provisions of this section.

(D) The provisions of this section only apply to determining initial eligibility for the scholarship provided in this article. Nothing in this section may be construed to effect college admission or the South Carolina Uniform Grading Scale.

Section 59‑104‑60. Beginning with the 2021‑2022 annual general appropriations act, the General Assembly must not appropriate funds to the Palmetto Fellows Scholarship Program, including stipends, in excess of the total amount appropriated to the program in the previous fiscal year, regardless of the source of the appropriation, plus an amount equal to the percentage increase in the higher education price index for the immediately preceding fiscal year, but not to exceed two and three‑quarters percent each year.”

C. Section 59‑150‑370 of the 1976 Code is amended by adding two subsections at the end to read:

“(G)(1) Notwithstanding any other provision of law and the provisions of the South Carolina Uniform Grading Scale, for purposes of the high school grade‑point average requirements of this section, the grade‑point average for any student who graduates high school in the 2017‑2018, 2018‑2019, or 2019‑2020 school year, must be calculated by:

(a) using a ten‑point grading scale for the grades earned in the student’s senior year; and

(b) using a seven‑point grading scale for the grades earned in all other years.

(2) The State Department of Education, in consultation with the Commission on Higher Education, shall develop a grade conversion scale, and adopt any other policies necessary to implement the provisions of this subsection.

(3) Notwithstanding any other provision of law and the provisions of the South Carolina Uniform Grading Scale, for purposes of the high school grade‑point average requirements of this section, the grade‑point average for any student who graduates high school after the 2019‑2020 school year, must be calculated by using a seven‑point grading scale for all years.

(4) The State Department of Education, in consultation with the Commission on Higher Education, shall develop a grade conversion scale, and adopt any other policies necessary to implement the provisions of this section.

(5) The provisions of this subsection only apply to determining initial eligibility for the scholarship provided in this article. Nothing in this subsection may be construed to effect college admission or the South Carolina Uniform Grading Scale.

(H) Beginning with the 2021‑2022 annual general appropriations act, the General Assembly must not appropriate funds to the SC HOPE Scholarship program in excess of the total amount appropriated to the program in the previous fiscal year, regardless of the source of the appropriation, plus an amount equal to the percentage increase in the higher education price index for the immediately preceding fiscal year, but not to exceed two and three‑quarters percent each year.”

SECTION 4. Chapter 142, Title 59 of the 1976 Code is amended by adding:

“Section 59‑142‑80. (A) Beginning with Fiscal Year 2018‑2019 and ending after Fiscal Year 2020‑2021, the General Assembly, in the annual general appropriations act, shall appropriate additional funds to the need‑based grant program so that the total appropriation is in excess of the amount appropriated in the previous fiscal year. The additional funds may not be less than the amount determined pursuant to subsection (B).

(B)(1) The Revenue and Fiscal Affairs Office, in consultation with the Commission on Higher Education, for each applicable fiscal year, shall determine the additional amount of funds not required to be expended in the applicable fiscal year as a result of Sections 59‑149‑170, 59‑104‑50, and 59‑150‑370(G), as added by the Higher Education Opportunity Act. The appropriation made pursuant to subsection (A) may not be less than this determination. The determination must be made before February fifteenth, and must be transmitted to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee.

(2) Notwithstanding item (1), the determination must not be less than:

(a) nine million four hundred thousand dollars in Fiscal Year 2018‑2019;

(b) five million three hundred thousand dollars in Fiscal Year 2019‑2020;

(c) five million dollars in Fiscal Year 2020‑2021.

(C) The funds appropriated pursuant to this section are meant to supplement, not supplant, funding to the need‑based grant program. Nothing in this section may be construed so as to prevent the General Assembly from appropriating additional funding to the program.”

SECTION 5. A. Chapter 143, Title 59 of the 1976 Code is amended by adding:

“Section 59‑143‑40. (A)(1) Notwithstanding any other provision of law, the General Assembly may not appropriate any general funds in Part 1.A. of the annual general appropriations act, or in lottery funds to the South Carolina Tuition Grants Commission for need‑based tuition grants in excess of the total amount appropriated in Fiscal Year 2017‑2018 from those same funding sources, unless the provisions of item (2) are met.

(2) The provisions of this subsection shall remain in effect until the General Assembly appropriates an amount of general funds in Part 1.A. of the annual general appropriations act, including lottery funds, for need‑based grants to the Commission on Higher Education that is equal to at least he combined Part 1.A. and lottery funding in the Fiscal Year 2017‑2018 appropriations act to the South Carolina Tuition Grants Commission for need‑based tuition grants.

(B) Upon the provisions of subsection (A)(1) no longer being effective, the General Assembly may appropriate funds to the South Carolina Tuition Grants Commission for need‑based tuition grants so long as the aggregate state funding, including lottery funds, for need‑based grants does not exceed the aggregate funding for need‑based grants to the Commission of Higher Education.

(C) Upon the provisions of subsection (B) being met, the appropriation to the South Carolina Tuition Grants Commission for need‑based tuition grants and to the Commission on Higher Education for need‑based grants must be cumulatively increased annually by the percentage increase in the higher education price index for the immediately preceding fiscal year, but not to exceed two and three‑quarters percent each year. The Revenue and Fiscal Affairs Office shall determine the amount of the increase and submit the required appropriation to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee.”

B. This SECTION takes effect July 1, 2018, and first applies to Fiscal Year 2018‑2019.

SECTION 6. A. Section 59‑104‑25(A) of the 1976 Code is amended to read:

“(A) A resident student who is at least a ~~sophomore~~ junior attending a four‑year public or private institution of higher learning in this State, who is majoring in science or mathematics as defined below, and who is receiving a Palmetto Fellows Scholarship for the current year, shall receive an additional Palmetto Fellows Scholarship stipend equal to the cost of attendance after applying all other scholarships or grants, not to exceed three thousand three hundred dollars each year for no more than ~~three~~ two additional years of instruction, including his ~~sophomore~~ junior year, if the student enrolled in a four‑year degree program, or for not more than ~~four~~ three additional years of instruction, including his ~~sophomore~~ junior year, if enrolled in a five‑year degree program or a 3 plus 2 program. A year is defined as thirty credit hours of instruction or its equivalent each year. To receive the additional Palmetto Fellows Scholarship stipend each year, the student must receive the underlying Palmetto Fellows Scholarship for that year and must be making acceptable progress each year toward receiving a degree in his science or mathematics major. In addition, during each of his freshman ~~year~~ and sophomore years, the student must have successfully completed a total of at least fourteen credit hours of instruction in mathematics courses, or life and physical science courses, or a combination of both. For purposes of meeting the required minimum level of instruction in mathematics and life and physical science courses during a student’s freshman ~~year~~ and sophomore years, advanced placement courses in mathematics and life and physical sciences taken in high school on which the student scored high enough on the advanced placement test to receive credit at his institution and for which he received credit, count toward the fulfillment of this minimum requirement.”

B. Section 59‑149‑15(A) of the 1976 Code is amended to read:

“(A) A resident student who is at least a ~~sophomore~~ junior attending a four‑year public or private institution of higher learning in this State, who is majoring in science or mathematics as defined below, and who is receiving a LIFE Scholarship for the current year, shall receive an additional LIFE Scholarship stipend equal to the cost of attendance after applying all other scholarships or grants, not to exceed two thousand five hundred dollars each year for no more than ~~three~~ two additional years of instruction, including his ~~sophomore~~ junior year, if enrolled in a four‑year degree program, or for not more than ~~four~~ three additional years of instruction, including his ~~sophomore~~ junior year, if enrolled in a five‑year degree program or a 3 plus 2 program. In addition, during each of his freshman ~~year~~ and sophomore years, the student must have successfully completed a total of at least fourteen credit hours of instruction in mathematics courses, or life and physical science courses, or a combination of both. A year is defined as thirty credit hours of instruction or its equivalent each year. To receive the additional LIFE Scholarship stipend each year, the student must receive the underlying LIFE Scholarship for that year and must be making acceptable progress each year toward receiving a degree in his science or mathematics major. For purposes of meeting the required minimum level of instruction in mathematics and life and physical science courses during a student’s freshman ~~year~~ and sophomore years, advanced placement courses in mathematics and life and physical sciences taken in high school on which the student scored high enough on the advanced placement test to receive credit at his institution and for which he received credit, count toward the fulfillment of this minimum requirement.”

C. Chapter 142, Title 59 of the 1976 Code is amended by adding:

“Section 59‑142‑80. (A) Beginning with Fiscal Year 2022‑2023, in addition to the funding required pursuant to Section 59‑143‑40, the General Assembly, in the annual general appropriations act, shall appropriate an equal amount of additional funds, to the South Carolina Tuition Grants Commission for need‑based tuition grants and to the Commission on Higher Education for need‑based grants for public college students. The additional amount may not be less than the amount determined pursuant to subsection (B).

(B) The Revenue and Fiscal Affairs Office, in consultation with the Commission on Higher Education, shall determine the additional amount of funds not required to be expended in Fiscal Year 2022‑2023, as a result of the amendments to Section 59‑104‑25(A) and Section 59‑149‑115(B), as contained in the Higher Education Opportunity Act. The appropriation made pursuant to subsection (A) may not be less than this determination. The determination must be made before February fifteenth, and must be transmitted to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee.

(C) The funds appropriated pursuant to this section are meant to supplement, not supplant, other funding to the need‑based tuition grants and need‑based grant program. Nothing in this section may be construed so as to prevent the General Assembly from appropriating additional funding to the programs.”

D. This SECTION takes effect on July 1, 2022, and first applies to the 2022‑2023 school year.

SECTION 7. A. Section 2‑7‑105 of the 1976 Code is amended to read:

“Section 2‑7‑105. State capital improvement bonds ~~may~~ must be authorized by the General Assembly in every odd‑numbered ~~years~~ year. A project may be authorized in the act only for a state agency or institution included in the annual general appropriations act.”

B. This SECTION takes effect January 1, 2019.

SECTION 8. Section 2‑47‑40(B) of the 1976 Code is amended to read:

“(B)(1) Except as provided in item (2), all institutions of higher learning shall submit permanent improvement project proposal and justification statements to the authority, through the Commission on Higher Education, which shall forward all such statements and all supporting documentation received to the committee and the authority together with its comments and recommendations. The recommendations of the Commission on Higher Education, among other things, shall include all of the permanent improvement projects requested by the several institutions listed in the order of priority deemed appropriate by the Commission on Higher Education without regard to the sources of funds proposed for the financing of the projects requested.

(2)(a) All institutions of higher learning shall submit maintenance, renovation, repair, and auxiliary permanent improvement project proposal and justification statements to the authority, through the Department of Administration’s Executive Budget Office, which shall forward all such statements and supporting documentation received to the committee and the authority. If the Executive Budget Office determines that a projected submitted is of the type subject to item (1), then it shall submit the statements to the Commission on Higher Education to be resolved pursuant to item (1), and notify the institution, committee, and authority of the action.

(b) For purposes of this item:

(i) auxiliary revenues or auxiliary funds means revenues or funds attributable to the institution’s athletics, housing, bookstore, licensing, vending, concessions, and food operations.

(ii) an auxiliary project is one in which the purpose of the project is to support an auxiliary activity of the institution and in which the entire project is funded exclusively by auxiliary revenues or auxiliary funds of the institution. A project is not auxiliary if the project is considered multipurpose if one or more of the purposes is not directly related to an auxiliary activity of the institution.

(iii) maintenance, renovation, and repair projects are projects that meet the criteria of Section 2‑47‑50(D)(3), except that demolition of nonauxiliary facilities or structures do not qualify as such.

(3) The authority shall forward a copy of each project proposal and justification statement and supporting documentation received together with the authority’s recommendations on such projects to the committee for its review and action. The recommendations of the Commission on Higher Education shall be included in the materials forwarded to the committee by the authority.”

SECTION 9. Chapter 47, Title 2 of the 1976 Code is amended by adding:

“Section 2‑47‑65. Notwithstanding Sections 2‑47‑50 and 2‑47‑56, the amounts set forth in Section 2‑47‑50(1), (2), (3), (5), and (7), and Section 2‑47‑56, must be increased annually by the percentage increase in the average of the twelve monthly consumer price indices for the most recent twelve‑month period consisting of January through December of the preceding calendar year, but not to exceed three percent each year. The Revenue and Fiscal Affairs Office shall determine the amount of the increase and submit the revised amount to the State Register for publication pursuant to Section 1‑23‑40(2), and the revised amount becomes effective upon publication in the State Register. The Revenue and Fiscal Affairs Office also must submit the revised amount to the committee and the authority.”

SECTION 10. Section 2‑47‑55(A) of the 1976 Code is amended to read:

“(A) All state agencies responsible for providing and maintaining physical facilities are required to submit a Comprehensive Permanent Improvement Plan (CPIP) to the Joint Bond Review Committee and the authority. The CPIP must include all of the agency’s permanent improvement projects anticipated and proposed over the next five years beginning with the fiscal year starting July first after submission. The purpose of the CPIP process is to provide the authority and the committee with an outline of each agency’s permanent improvement activities for the next five years. Agencies must submit a CPIP to the committee and the authority on or before a date to be determined by the committee and the authority. The CPIP for each higher education agency, including the technical colleges, must be submitted through the Commission on Higher Education which must review the CPIP and provide its recommendations to the authority and the committee only on projects within the CPIP that require submission to the Commission on Higher Education pursuant to Section 2‑47‑40. The authority and the committee must approve the CPIP after submission and may develop policies and procedures to implement and accomplish the purposes of this section.”

SECTION 11. Section 59‑103‑110 of the 1976 Code is amended to read:

“Section 59‑103‑110. No public institution of higher learning shall be authorized to construct or purchase any new permanent facility at any location other than on a currently approved campus or on property immediately contiguous thereto unless such new location or purchase of improved or unimproved real property has been approved by the commission. This prohibition only applies to projects required to be submitted to the commission pursuant to Section 2‑47‑40.”

SECTION 12. Article 1, Chapter 103, Title 59 of the 1976 Code is amended by adding:

“Section 59‑103‑170. Notwithstanding Section 1‑23‑10(4), along with any other regulation, the Commission on Higher Education shall submit policy statements or rules as regulations to the General Assembly for its review pursuant to the Administrative Procedures Act.”

SECTION 13. (A)(1) By December 31, 2018, in accordance with the purposes and regulations of the United States Department of Education regarding the provisions of the Higher Education Opportunity Act of 2009 as it pertains to student loan default and related matters, the State Fiscal Accountability Authority (SFAA) shall utilize the state’s consolidated procurement code to procure a statewide centralized vendor to administer a “Student Loan Default Aversion and Financial Literacy Program”. Funding for the program must not come from new state appropriations but from existing funds held in a state‑owned account of the South Carolina State Education Assistance Authority (authority). The only funds of the authority that may be utilized by SFAA for these purposes are existing funds that have been specifically held by the authority for expenditure, the purposes of which must include default aversion and financial literacy outreach activities as permitted by federal law. When procuring the vendor, the SFAA shall ensure that, at minimum, the vendor:

(a) possesses the necessary capability and experience;

(b) will perform various outreach efforts contacting delinquent student borrowers through telephone calls, emails, and other such communication methods;

(c) will make available to both higher education institutions and high schools within the State, and their students, relevant and easy to understand information regarding various financial literacy topics including, but not limited to, student loan repayment and the potential detrimental impacts of default;

(d) has the capability and experience of identifying participating colleges whose default rate is high enough that it would put the institution at risk of federal sanction and loss of federal student aid funding;

(e) will assist those colleges with development of a default management plan as required by the United States Department of Education.

(2) Funding dedicated by SFAA to fulfill the purposes of this section must be provided to attract a qualified vendor pursuant to the requirements of the state’s consolidated procurement code and must be at such a level so as to ensure that the state’s eligible public and independent colleges that choose to participate, may utilize the services of the vendor without cost to the institution or its students.

(B) By December 31, 2018, the Commission on Higher Education, in consultation with the state’s public institutions of higher learning, including technical colleges, shall study and make recommendations to the House Education and Public Works Committee, the Senate Education Committee, the House Ways and Means Committee, and the Senate Finance Committee regarding the costs and opportunities associated with the implementation of a statewide cloud‑based or other centralized college application system for students seeking admission into one or more of the state’s public colleges or universities, including technical colleges. The report’s examination shall include, but not necessarily be limited to, costs and benefits to the State and institutions associated with implementation of a statewide centralized application portal as well as the costs and benefits to students and parents from implementation of such a system. Additionally, the report shall examine the feasibility of, including the costs and benefits to institutions and students of, reducing, rebating or eliminating application fees for in‑state applicants if a statewide cloud‑based or other centralized application system is implemented in the State. In the event the final report contains an affirmative recommendation for the State to implement a statewide centralized application portal for public college applicants, it is the intent of the General Assembly that the appropriation act for the succeeding fiscal year shall contain the necessary, but reasonable, funding for the State to procure, utilizing the state’s consolidated procurement code, the design, installation and maintenance of such a system as soon as is practicable.

SECTION 14. Except as otherwise provided, this act takes effect July 1, 2018.

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