

Ways and Means Committee Higher Education Recommendations as of 3/1/06
The following information is subject to change as the budget moves forward.

As of March 1, 2006, the Committee has adopted budget lines and provisos. The Committee will continue its work today (March 2) following adjournment of the House. They will take up provisos that have been carried over and any further amendments. It is expected that the Committee will finalize recommendations next Tuesday. The budget is expected to reach the full House the week of March 27.

Ways and Means budget recommendations include increased funding recommended in three bills – Appropriations Bill (recurring and non-recurring funds), Supplemental Bill, and Capital Reserve Bill.

Recommendations for CHE

Under CHE's priority 1, funding of \$135,000 for data and facilities management staffing has been recommended in the Supplemental Bill. Funding for the requested Academic Program Review and for Technology Funding has not been recommended.

Under CHE's priority 2, funding has not been recommended for any of CHE's requests which include Access and Equity Competitive Grants funding, matching funds for GEAR UP, digitization of student records, and increased funding for SREB program and services.

Other: The recommended budget supports full funding for the Education and Economic Development Act of 2005 (EEDA). In CHE's budget, EEDA funding of \$328,000 for CHE and \$1,080,000 for institutions is included.

Recommendations for Institutions

The recommendation adopted yesterday included no increased funding in the Appropriation Bill for institutions. Increases for institutions reported as of last week have been moved to the Supplemental Bill. The Supplemental Bill includes \$28,794,129 in higher education funding across institutions. Additionally, \$2,701,365 for higher education institutions is included in the Capital Reserve Bill.

A proviso has been adopted that prevents 4-yr public institutions, except MUSC, from raising tuition greater than HEPI plus \$250 per semester.

There is not any funding recommended for the Electronic Library.

\$1,000,000 is redirected from USC Upstate's recurring funds to the Greenville Center.

\$450,000 increase in recurring funds is provided for the Lowcountry Graduate Center.

\$1,200,000 increase in non-recurring funds is provided for SCMEP.

Lottery Funding (Spending of \$276.3 million recommended)

As reported previously, higher education programs in the lottery are being funded at the same level as last year except that Tuition Grants and Lottery Tuition Assistance are increased. Since last week, Tuition Grants increase was reduced by \$2,000,000 for an net increase of \$3,766,604 and Lottery Tuition Assistance was increased from \$43,000,000 to \$45,000,000.

Also as reported previously for other scholarship programs, LIFE has been increased by \$6,400,000; Palmetto Fellows by \$3,448,767; HOPE by \$471,083; and Need Based by \$0.



CHE Agency and Higher Education Funding Requests for 2006-07

CHE Agency Priority 1: Ensuring Quality Academic Programs & Effective Service Delivery

- Re-establish Academic Program Review \$300,000
- Agency Staffing Needs in Facilities Management and Data Analysis and Programming (2 FTE) \$135,000
- CHE Technology Needs \$320,000

CHE has requested amendment to lottery proviso to support this item - **ADD** "(CHE: Lottery Technology Funding) Two percent of the funds appropriated herein for higher education technology needs shall be distributed to the Commission on Higher Education for improving centralized higher education data services". Higher Education Technology Funds totaled \$12,000,000 in FY06. CHE is requesting a \$4 million increase to restore initial funding level. Technology funds for CHE will enable up-dates, enhancements, and maintenance for the state's centralized higher education database.

CHE Agency Priority 2: Ensuring Access to and Increased Enrollment in Higher Education

- Establish Competitive Grants Program for Access and Equity \$400,000
and AMEND Accordingly Proviso 5A.4 (CHE: Access & Equity Programs) by adding "Any additional funds appropriated herein for the Access & Equity program shall be used for a competitive grants program to address statewide program priorities."
- State Matching Funds for the Federal *GEAR UP* Grant (1:1 Match) \$600,000
- Digitization of student record/transcript data from closed institutions that had operated in South Carolina \$40,000
- Increased cost for SC's participation in SREB services and student programs \$440,100

Other: CHE supports full funding of the *Education and Economic Development Act of 2005*. Per the fiscal impact statements, higher education needs include \$328,000 for CHE and \$1,080,000 for Public Institutions.

On behalf of Higher Education, CHE requests the following increased support:

- Institutional Operating Funds \$50,000,000
- SC's Higher Education Electronic Library \$2,000,000
- Higher Education Lottery Funding – Continued funding for Higher Education Programs with increases of \$10,000,000 for Need Based Grants; \$4,600,000 for Lottery Tuition Assistance; and \$4,000,000 for Higher Education Technology Funds.
- Increased or new funding for 15 Institutional "Below-the-Line" Projects \$7,820,147
- Capital Bond Funds for Higher Education – Ranked 1st Priority Projects \$381,037,248

Customer Services Newsletter

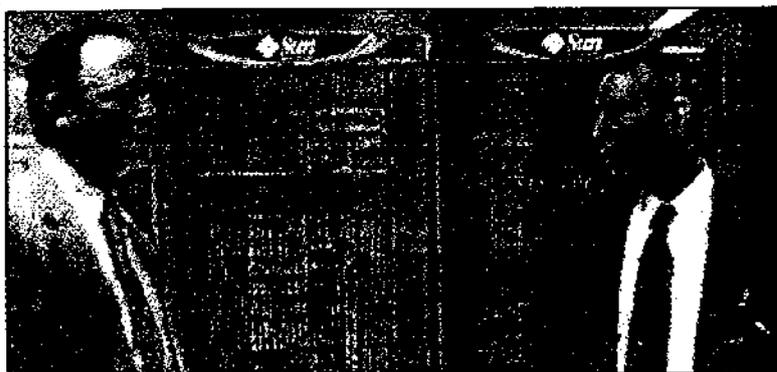


Division of the State CIO

State Budget and Control Board

PASCAL Celebrates Anniversary of S.C. Academic Virtual Library

The Partnership Among South Carolina Academic Libraries (PASCAL), a partner of the Division of the State Chief Information Officer (CIO), celebrated its two year anniversary of the South Carolina Academic Virtual Library.



Dr. Jim Bryant (L), Chief Information Officer (CIO), Division of the State CIO, converses with Rick Moul, Executive Director, Partnership Among South Carolina Academic Libraries (PASCAL), about the enormous benefit to South Carolina students and faculty of PASCAL's Academic Virtual Library.

PASCAL built and is continuing to enhance its virtual academic library to support the 210,000 students and faculty in South Carolina higher education. This virtual library is organized into three major programs.

- **Collegiate DISCUS** provides millions of research articles which builds on the State Library's DISCUS foundation of general resources, and provides access to thousands of core academic resources in electronic form to college students and faculty.
- **PASCAL Delivers** will provide access to all books in South Carolina academic libraries by building a virtual library collection of over 12 million volumes. This will be a single place to look for books, coupled with overnight delivery of material to requestors. With a simple Web-based request, books will arrive at a user's home library within two days or less. Full service to all colleges and universities will be phased in during in 2006.
- **South Carolina Memory** is an evolving statewide digital library program which emphasizes expanded access to cultural and historical resources for researchers, students at all levels and citizens through collaboration and digitization.

About PASCAL

In 2001, South Carolina academic libraries formed PASCAL to address information-access challenges facing virtually all of South Carolina's public and independent institutions of higher education. Today, PASCAL is a consortium of nearly 60 public and private academic libraries dedicated to improving Information resources, access and services at each member institution's library. An important dimension of PASCAL's program is its cooperation with state government agencies. The South Carolina Commission on Higher Education, South Carolina State Library, Budget and Control Board's Division of the State CIO and the Department of Archives and History are all partners with the member libraries. Another important partner is South Carolina Independent Colleges and Universities (SCICU), which promotes the cause of independent higher education in South Carolina. Additional information on PASCAL may be found at www.pascalsc.org.

In December 2005, PASCAL selected a vendor to create the catalog for the PASCAL Delivers

virtual library collection. PASCAL selected Innovative Interfaces' INN-Reach system to provide a circulation-based universal borrowing to all users. The INN-Reach purchase was coordinated with the acquisition of Innovative's local library system, Millennium, by eight institutions representing 16 PASCAL member libraries.

CIO's role in support of the partnership involves hosting and networking support of the INN-Reach universal borrowing system as well as the local systems for The Citadel, College of Charleston, South Carolina State University, Francis Marion University, Florence-Darlington Technical College and Aiken Technical College. The University of South Carolina and Clemson University each supports their own library system. All of the local systems went live in August, in time for the start of the 2005-06 academic year.

The INN-Reach system will be largely in place by the start of the fall semester of 2006-07. Innovative will begin loading libraries' catalogs into the system in March, starting with Clemson. Winthrop University, Coastal Carolina University, Trident Technical College and Midlands Technical College played an important role in testing and profiling the new system.

The cooperative efforts among the state's academic libraries have resulted in an extremely successful partnership with very tangible results.

Today, South Carolina's 210,000 students and faculty can use a large and increasing store of knowledge in core academic subjects, health sciences and business. The Collegiate DISCUS program of the academic virtual library provides a treasure trove of research materials, including millions of articles in over 16,000 electronic full-text periodicals. Most of these periodicals are core academic research journals. PASCAL Delivers will unlock access to millions of scholarly books for all students and faculty members in the state, usually within 24 hours, regardless of the size or location of their technical college, four year college, university or medical school.

For the past two fiscal years, the legislature has provided \$2 million/year funding for this "statewide electronic library" for higher education in the S.C. Commission on Higher Education budget. The resulting vast expansion of resources is extremely cost-effective. "We bring in at least \$8 of value for every dollar we spend on electronic resources through Collegiate DISCUS," notes Rick Moul, who coordinates the Virtual Library's programs. "For example, our first two major license agreements for electronic journals and research material will cost \$3.8 million over five years, but would cost South Carolina institutions \$30.8 million if licensed individually." Similarly, by making it easier and cheaper to borrow materials, the statewide catalog and delivery system will generate a 3-fold increase in use at a fraction of current transaction costs. "We're providing research materials well beyond the financial reach of our individual academic libraries," observes Moul.

In addition to state funds, the Academic Virtual Library is supported through member library dues, and has been awarded several small federal grants for digitization through the State Library. In the past year PASCAL has doubled its receipts from member library dues so that they account for 7.5% of the total operating budget. However, state funds provide the key to sustainability. They are primarily used for database and electronic journal licensing fees, and ongoing costs such as delivery, hardware and software maintenance. "These are recurring annual expenses on which libraries have come to rely heavily," says Cynthia Davies, Director of Library Sciences at Piedmont Technical College. Establishing ongoing funding for the Virtual Academic Library is important in order to continue to meet the crucial challenge of providing the resources necessary to level the education and economic playing field in the global information economy for South Carolina's 210,000 college and university students. Moul observes that much of the research material licensed using state funds would otherwise be unavailable to many of our students. "Mostly what we're doing with Collegiate DISCUS is expanding access to new research tools, but when one of our libraries does encounter a direct savings, it means they're able to fill another hole on their own." Frequently, that involves a cooperative venture. PASCAL also works to

expand library purchasing power through "Buyers' Club" deals that reduce costs, further leveraging spending by licensing in bulk.

For additional information, contact Rick Moul, PASCAL Executive Director, Thomas Cooper Library, University of South Carolina, via telephone 803-777-1327 or email rmoul@gwm.sc.edu.

The CIO is pleased to support PASCAL in their contributions to the enhancement of educational opportunities for the citizens of South Carolina.



SREB

Fact Book Bulletin

REPORTING SIGNIFICANT TRENDS AFFECTING EDUCATION PROGRESS IN THE SREB STATES

CHALLENGE
TO LEAD

Funding for Public Colleges and Universities Continues to Lose Battle with Enrollment Growth and Inflation

Funding (appropriations plus tuition and fees) for public colleges and universities in the SREB region has lost ground so far this decade when enrollment growth and inflation are taken into account. Real-dollar growth in per student funding — along with results — are called for by SREB's *Challenge to Lead Goals for Education*. Most of the funding increase thus far this decade has been generated by tuition and fees, not appropriations. This translates into higher and higher prices for students and their families at a time when there is already a college affordability gap for middle- and lower-income families.

On average, in the SREB region, funding per full-time-equivalent (FTE) student, adjusted for inflation, was 3.3 percent lower in 2005 than in 2001 at public four-year colleges and universities. In 2005, the regional average at public four-year colleges and universities was \$11,420 — \$386 less than in 2001. The average was 6.7 percent lower at public two-year colleges, where the 2005 average was \$5,903 — \$421 less than in 2001.

Funding per FTE student at public four-year colleges and universities, adjusted for inflation, went down in 12 SREB states over the period. At public two-year colleges, average funding per FTE student, adjusted for inflation, went down in 13 SREB states.

Funding (appropriations plus tuition and fees) went up 23.1 percent at public four-year colleges and universities and 31.4 percent at public two-year colleges in the region. But FTE enrollment went up 12.7 percent in the four-year sector and almost twice that (24.6 percent) in the two-year sector. As a result, funding per FTE student went up just 9.2 percent in the four-year sector and 5.4 percent in the two-year sector. The effects of inflation moved both of the figures into red ink.

On average in the SREB region at public four-year colleges and universities, revenue from tuition and fees rose 59.3 percent from 2001 to 2005. State appropriations increased 4.6 percent. That equaled almost \$7 in tuition and fees for every additional dollar appropriated. At public two-year colleges, tuition and fee revenues rose 68.5 percent, while state/local funds grew by 17.8 percent. That was about \$1.50 for every additional state/local dollar.

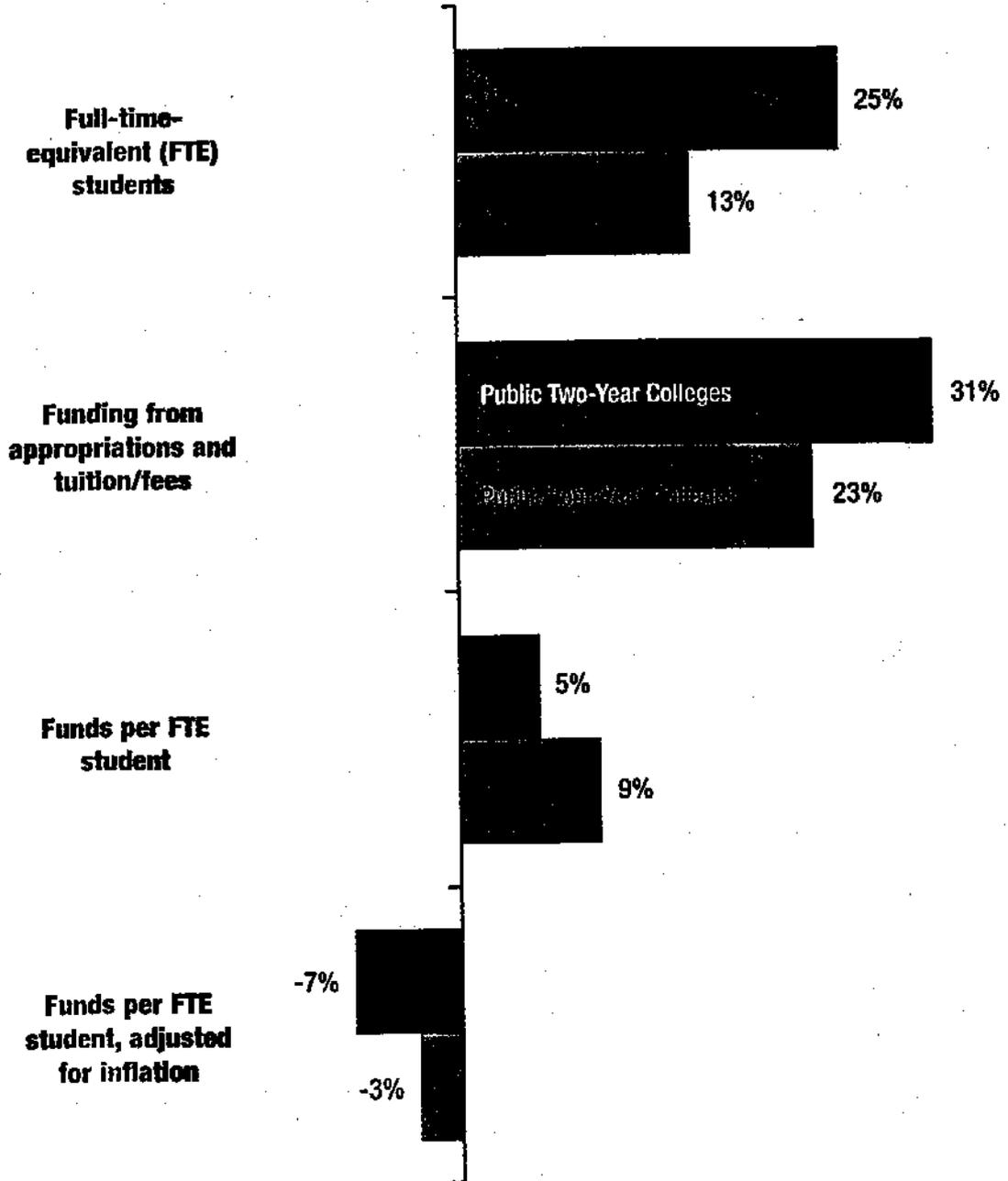
State and campus leaders need to pursue real-dollar growth in per student funding, along with results, without over-relying on tuition and fees — a practice that threatens access to college, which is so vital to further educational progress.

February 2006

Southern
Regional
Education
Board

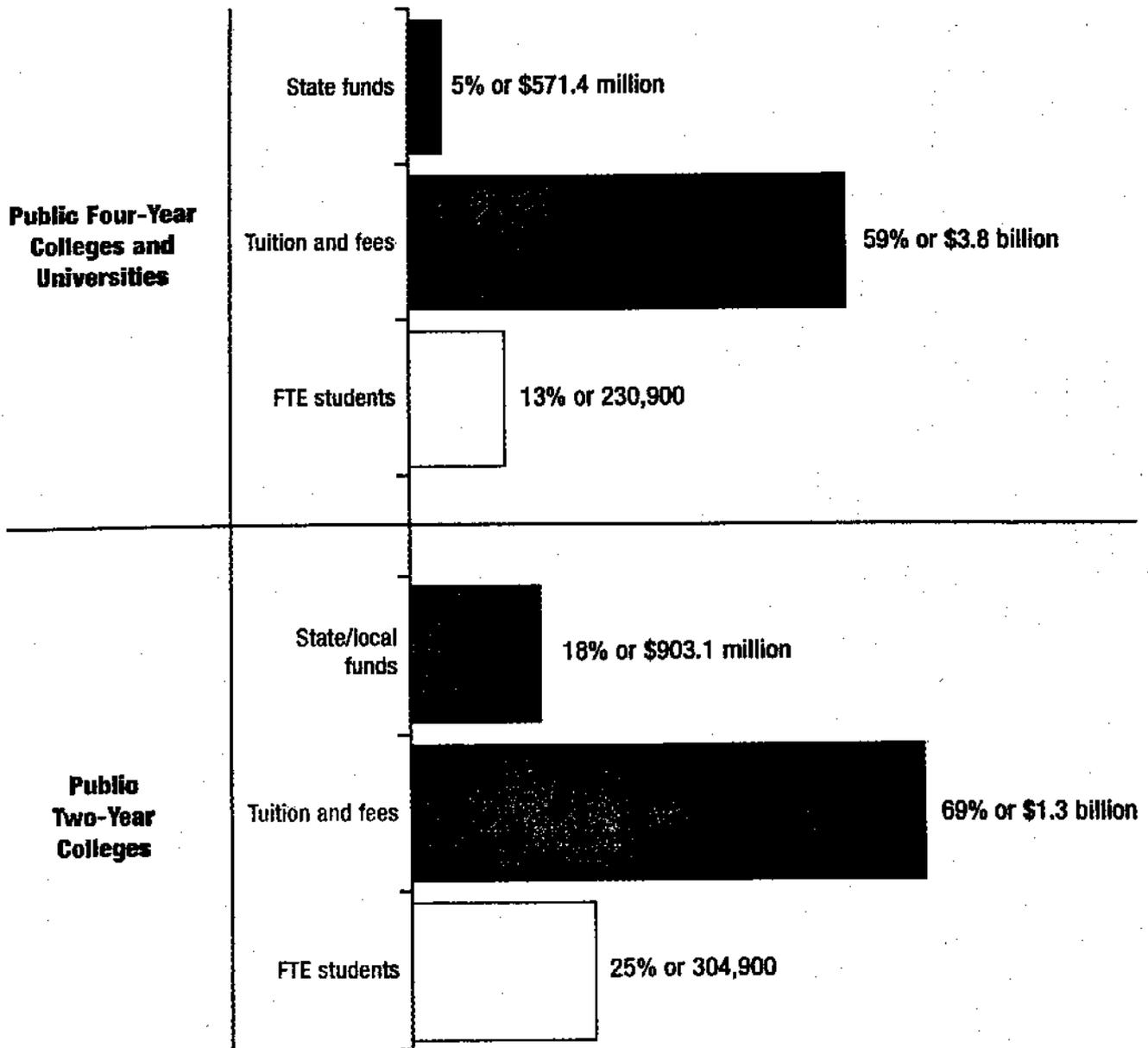
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**Changes in Enrollment and Funding,
SREB States, 2001 to 2005**



Source: SREB-State Data Exchange.

**Enrollment, Appropriations and Tuition Revenue Growth,
SREB States, 2001 to 2005**



Source: SREB-State Data Exchange.

Funds¹ for Educational and General Operations Per Full-Time-Equivalent Student²
 (Updates Tables 75 and 76, *SREB Fact Book on Higher Education, 2005*)

	Public Four-Year Colleges and Universities					Public Two-Year Colleges				
	2004-05			Change in Total ³ , 2001 to 2005		2004-05			Change in Total ³ , 2001 to 2005	
	State Appropriations	Tuition and Fee Revenues	Total	Dollars	Percent	State/Local Appropriations	Tuition and Fee Revenues	Total	Dollars	Percent
SREB states	\$6,414	\$5,006	\$11,420	-\$386	-3.3	\$3,877	\$2,026	\$5,903	-\$421	-6.7
Alabama	5,464	5,410	10,874	-448	-4.0	3,691	2,521	6,212	164	2.7
Arkansas	6,727	4,827	11,554	-141	-1.2	4,449	2,025	6,474	-762	-10.5
Delaware	6,454	12,294	18,748	1,065	6.0	4,996	2,761	7,757	-1,340	-14.7
Florida	8,103	3,223	11,326	-987	-8.0	3,180	1,932	5,111	-798	-13.5
Georgia	7,163	4,189	11,351	-1,655	-12.7	3,852	2,006	5,858	-1,767	-23.2
Kentucky	6,499	6,367	12,865	-381	-2.9	3,889	2,777	6,666	750	12.7
Louisiana	5,077	3,479	8,556	680	8.6	3,215	2,303	5,518	-121	-2.1
Maryland	7,505	8,255	15,760	-254	-1.6	6,434	4,161	10,595	719	7.3
Mississippi	6,436	5,787	12,224	-39	-0.3	3,373	2,025	5,398	-1,190	-18.1
North Carolina	8,784	4,250	13,034	168	1.3	3,754	797	4,551	-419	-8.4
Oklahoma	5,261	4,275	9,535	-397	-4.0	3,589	1,953	5,541	-1,330	-19.4
South Carolina	4,847	7,070	11,717	782	7.2	2,931	3,283	6,214	-61	-1.0
Tennessee	6,104	4,983	11,087	-19	-0.2	3,757	2,615	6,372	-20	-0.3
Texas	8,085	4,816	10,901	-545	-4.8	4,465	1,818	6,283	-167	-2.6
Virginia	5,260	6,135	11,395	-1,046	-8.4	3,222	2,394	5,616	-292	-4.9
West Virginia	3,794	5,296	9,090	-135	-1.5	3,550	2,431	5,981	-706	-10.6

¹ Include state and local tax revenues allocated to colleges and universities for operating expenses related to higher education; other funds, such as earnings from state-funded endowments, used for operating purposes; earmarked revenues, such as from lotteries, used for operating purposes; and tuition and fee revenues. Excluded are funds appropriated for capital construction and debt payments, tuition and fee revenues dedicated to debt service, medicine and health-professions education programs (including teaching hospitals and schools of veterinary medicine), statewide financial aid programs for students, statewide coordinating and governing boards, and private colleges and universities.

² Full-time-equivalent (FTE) enrollments are calculated according to the following procedures: first, undergraduate credit-hour FTE equals estimated annual undergraduate credit-hours divided by 30 for semester systems or 45 for quarter systems; and second, graduate FTE (including law students) equals estimated annual graduate credit-hours divided by 24 for semester systems or 36 for quarter systems. Undergraduate and graduate FTE are added together to derive the total.

³ Adjusted for inflation. The Bureau of Labor Statistics Employment Cost Index for public colleges and universities increased by 12.9 percent from 2000 to 2004.

Source: SREB-State Data Exchange.

For further information about this bulletin or the *SREB Fact Book*, contact Joe Marks at the Southern Regional Education Board, 592 10th St. N.W., Atlanta, GA 30318-5776, (404) 875-9211.

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SREB 2004-05

Four Year Institutions

Ranking from Highest being 1 and Lowest being 16. Based on information reported in the

SREB Fact Bulletin "Funding for Public Colleges and Universities Continues to Lose Battle with Enrollment Growth and Inflation"



State Appropriations			Tuition & Fee Revenues			Total (Approp + T&F)		
SREB	\$6,414		SREB	\$5,006		SREB	\$11,420	
NC	\$8,784	1	DE	\$12,294	1	DE	\$18,748	1
FL	\$8,103	2	MD	\$8,255	2	MD	\$15,760	2
MD	\$7,505	3	SC	\$7,070	9	NC	\$13,034	3
GA	\$7,163	4	KY	\$6,367	4	KY	\$12,865	4
AR	\$6,727	5	VA	\$6,135	5	MS	\$12,224	5
KY	\$6,499	6	MS	\$5,787	6	SC	\$11,717	6
DE	\$6,454	7	AL	\$5,410	7	AR	\$11,554	7
MS	\$6,436	8	WV	\$5,296	8	VA	\$11,395	8
TN	\$6,104	9	TN	\$4,983	9	GA	\$11,351	9
TX	\$6,085	10	AR	\$4,827	10	FL	\$11,326	10
AL	\$5,464	11	TX	\$4,816	11	TN	\$11,087	11
OK	\$5,261	12	OK	\$4,275	12	TX	\$10,901	12
VA	\$5,260	13	NC	\$4,250	13	AL	\$10,874	13
LA	\$5,077	14	GA	\$4,189	14	OK	\$9,535	14
SC	\$4,647	15	LA	\$3,479	15	WV	\$9,090	15
WV	\$3,794	16	FL	\$3,223	16	LA	\$8,556	16

SREB data shown ranked, CHE Report

Select State Comparisons, Data drawn from The Chronicle of Higher Education Almanac Issue, 2005-06

For comparable data, the information below were pulled from the most recent Almanac Issue of The Chronicle. Data published were the most recent available for the category. For additional details on the data sources, see attached information as referenced. As indicated, some items are calculated using the reported data to provide an estimate as indicated.

Item #		Nation	SC	GA	NC	KY
(1)	# of PUBLIC Higher Ed. Institutions, 2003-04	1,720	33	74	75	34
	# Public 4 Year	634	13	22	16	8
	# Public 2 Year	1,086	20	52	59	26
	# of PRIVATE Higher Ed. Institutions, 2003-04	2,516	30	52	55	43
	# Private Not-for-Profit	1,664	25	36	44	27
	# Private For Profit	852	5	16	11	16
	Total All Higher Ed. Institutions, 2003-04	4,236	63	126	130	77
(2)	Total PUBLIC Higher Ed. Enrollment, Fall '02	12,751,993	167,563	317,180	367,861	188,518
	# enrolled in 4 Year Public	8,481,613	91,279	186,539	176,967	113,168
	# enrolled in 2 Year Public	6,270,380	76,284	130,641	190,894	75,350
	<i>calculated</i> Enrollment per Public Institution	7,414	5,078	4,286	4,905	5,545
	Enrollment in Private Higher Ed., Fall '02	3,859,718	34,444	80,424	79,474	36,971
	# in Private 4 year	3,600,719	32,763	75,821	77,054	31,277
	# in Private 2 year	258,999	1,681	4,603	2,420	5,694
	<i>calculated</i> Enrollment per Private Institution	1,534	1,148	1,547	1,445	860
	All Higher Ed. Enrollment Total, Fall '02	16,611,711	202,007	397,604	447,335	225,489
	<i>calculated</i> Enrollment per All Higher Ed. Inst.	3,922	3,206	3,158	3,441	2,928
(3)	State Higher Ed. Operating Expenses, FY05	\$63,005,272,000	\$667,431,000	\$1,903,446,000	\$2,628,507,000	\$1,119,608,000
	<i>calculated</i> Estimate, Higher Ed. Operating per Student	\$4,941	\$3,983	\$6,001	\$7,145	\$5,779
(4)	Average In-State Tuition, 2003-04 (reported as weighted by Fall '02 FTE enrollment)					
	Public 4 Year	\$4,630	\$7,482	\$3,239	\$3,251	\$3,868
	Public 2 Year	\$1,670	\$2,135	\$1,411	\$1,166	\$2,264
(5)	Population (US Census Bureau, 2004)	293,655,404	4,198,068	8,829,383	8,541,221	4,145,922
	Rank		25	9	11	26
(6)	% Population 18-64 (US Census Bureau, 2003)	62.8%	63.2%	64.0%	63.1%	63.9%
	<i>calculated</i> estimated Population 18-64	184,415,594	2,653,179	5,650,805	5,389,510	2,649,244
	Pop 18-64 per # Public Higher Ed Institutions	107,218	80,399	76,362	71,860	77,919
	Pop 18-64 per # All Higher Ed Institutions	43,535	42,114	44,848	41,458	34,406
(7)	Per Capita Income	\$32,937	\$27,172	\$39,051	\$29,246	\$27,709
	Rank		43	34	37	41
(8)	Education Attainment of Persons 25 years and Older (US Census Bureau, 2003)					
	Less than Associates Degree	61.4%	69.6%	68.9%	68.0%	75.8%
	Associates Degree	7.2%	7.2%	5.4%	7.7%	5.7%
	Baccalaureate Degree	16.9%	15.7%	16.7%	16.5%	11.1%
	Graduate Degree	9.7%	7.5%	9.0%	7.8%	7.6%
(9)	Total Spending on R&D by Colleges and Universities, FY02	\$40,077,399,000	\$435,328,000	\$1,175,852,000	\$1,394,545,000	\$377,635,000
	<i>calculated</i> Total R&D Spending Per Capita	\$136	\$104	\$133	\$163	\$91
(10)	Average Pay of Full-time Professors, 2003-04					
	Public Universities	\$71,511	\$67,499	\$72,376	\$76,070	\$67,777
	Public Other 4 Year	\$59,788	\$50,415	\$58,862	\$56,695	\$52,755
	Public 2 Year	\$53,080	\$40,498	\$43,293	\$37,906	\$44,274

SREB Data - South Carolina's Per Student Funding Compared to SREB States

SREB compiles comparable data from each of the 16 member states. Educational and general operating funds include state and local tax revenues allocated to colleges and universities for operating expenses related to higher education; other funds, such as earnings from state-funded endowments, used for operating purposes; earmarked revenues, such as from lotteries, used for operating purposes; and tuition and fee revenues. Excluded are funds appropriated for capital construction and debt payments, non-instructional community-service activities, cooperative extension and experiment stations, medicine and health-professions education programs (including teaching hospitals and schools of veterinary medicine), statewide financial aid programs for students, statewide financial aid programs for students, statewide coordinating and governing boards and private colleges and universities.

2003-04 Data for Four-Year Public Institutions

	SREB	SC	GA	NC	KY
State General Purpose Funds Per FTE	\$5,744	\$4,168	\$6,562	\$7,715	\$5,838
SREB Ranking	-	15	4	1	6
Tuition and Fee Revenues Per FTE	\$4,477	\$5,935	\$4,040	\$3,862	\$5,425
SREB Ranking	-	3	12	13	6
Total Funds Per FTE (incl State, Local, Special Purpose, and Tuition & Fees)	\$10,775	\$10,449	\$11,249	\$12,087	\$12,055
SREB Ranking	-	12	6	4	5
Median 2003-04 Tuition and Fees for In-State Full-Time Undergraduates	\$3,660	\$5,460	\$2,784	\$2,927	\$3,590
SREB Ranking	-	2	15	13	9

Source: SREB Fact Book, www.sreb.org

SHEEO SHEF Survey - Higher Education Funding Per Capita and as a Percentage of State Revenues, 2004

"Higher Education Support" is considered as state and local tax and nontax support for public and independent higher education and includes special purpose appropriations for research-agricultural-medical. The data compare state and local higher education operating expenditures to state, local and lottery revenues.

Source: www.higheredinfo.org, SHEEO State Higher Education Finance Survey.

	Nation	SC	GA	NC	KY
Higher Education Support as % of State & Local Tax Revenues and Lottery Profits	7.6%	6.9%	8.3%	11.4%	9.9%
Higher Education Support as % of State and Local Tax Revenues	7.7%	7.0%	8.6%	11.4%	9.9%
Higher Ed Support Per Capita	\$239	\$208	\$231	\$310	\$269

National Association of State Budget Officers (NASBO), 2004 Expenditure Report

The NASBO Expenditure Report provides state, self reported, expenditures for states by seven functional categories including: K-12, Higher Education, Public Assistance, Medicaid, Corrections, Transportation, and All Other. Per the report, due to differences in how states fund various activities and given that some states' data are incomplete, state-to-state expenditure comparisons in any functional category can be misleading. A complete copy of the report is available at www.nasbo.org.

	Nation	SC	GA	NC	KY
Actual Fiscal 2004 (#'s in Millions)					
Higher Ed. Expenditures** as % of Total					
% of State General Fund	11.9%	15.2%	12.9%	16.8%	16.0%
% of Other State Funds	14.6%	34.0%	51.5%	23.2%	36.9%
% of Federal Fund	5.6%	8.1%	23.8%	0.4%	7.3%
% of Bonds	20.9%	40.9%	19.1%	37.1%	-
% of Total	10.9%	19.0%	19.0%	14.2%	19.1%

** "Higher Education Funds", states were requested to include expenditures made for capital construction, community colleges, vocational education, law, medical, veterinary, nursing and technical schools and assistance to private colleges and universities as well as tuition and fees and students loan programs. Higher Education expenditures exclude federal research grants and endowments to universities.

Data Sources Used by The Chronicle of Higher Education for Almanac Issue 2005-06

Item #	Category	Source	Date	Notes
(1)	Higher education	U.S. Department of Education	2003-4	Statistics include only degree-granting postsecondary institutions eligible to participate in federal financial-aid programs. Public institutions include those controlled by local and state governments, as well as military academies and other institutions operated by the federal government.
(2)	Enrollment	U.S. Department of Education	Fall 2002	All proportions are based on total enrollment.
(3)	State funds for higher-education operating expenses	Grapevine Survey, Center for the Study of Education Policy, Illinois State University	2004-5	Figures include state tax funds appropriated for colleges and universities, for student aid, and for governing and coordinating boards. They do not include funds for capital outlays and money from sources other than state taxes, such as student fees or appropriations from local governments.
(4)	Average tuition and fees	U.S. Department of Education	2003-4	Figures cover undergraduate charges and are weighted by fall 2002 full-time-equivalent undergraduate enrollment. The figures for public institutions represent charges to state residents.
(5)	Population	Census Bureau	2004	
(6)	Age distribution	Census Bureau	2003	

Funding for Public Higher Education in South Carolina

As indicated in the table below, the percentage of total higher education funding to total state lottery and general fund dollars in FY06 is at a similar level compared to that of FY01. However, it is important to note that general operating funding for public institutions over this same time has decreased by \$131 million. It is the level of general operating funds for public institutions that has the greatest impact on the level of tuition and fees for institutions.

Higher Education General and Lottery Fund Appropriations Compared to State Total FY 2000-01 and FY 2005-06

REVISED 02/21/06*

<u>General & Lottery Fund Revenue by Agency/Activity</u>	FY 2000-01		FY 2005-06	
	Dollars	% of State Total	Dollars	% of State Total
Public Colleges & Universities Education Appropriations	\$762,812,295	14.3%	\$632,279,416	10.7%
Below-the-Line Appropriations	\$4,338,102	0.1%	\$5,238,357	0.1%
AHEC	\$18,394,116	0.3%	\$14,837,872	0.3%
Commission on Higher Education				
CHE Administration	\$2,140,231	0.0%	\$2,376,261	0.0%
Service Programs, Cutting Edge ¹	\$1,512,536	0.0%	\$4,254,526	0.1%
Other Special Flow-Through Items ²	\$9,526,282	0.2%	\$6,973,512	0.1%
State Tech Board				
State Level Programs	\$4,254,885	0.1%	\$9,721,113	0.2%
State Board Administration	\$8,063,425	0.2%	\$7,280,020	0.1%
Economic Development (C.A.T.T.)	\$28,009,159	0.5%	\$18,081,855	0.3%
Tuition Grant Commission	\$21,566,449	0.4%	\$23,673,295	0.4%
Undergraduate Scholarships³	\$27,291,300	0.5%	\$231,065,443	3.9%
<i>Estimated portion for Public Institutions</i>	\$21,722,979	0.4%	\$192,708,579	3.3%
<i>Estimated portion for Independent Colleges</i>	\$5,568,321	0.1%	\$38,356,864	0.6%
Other Higher Educ. Lottery Programs⁴	n/a		\$50,900,000	0.9%
Higher Education Total	\$887,908,780	16.7%	\$1,006,681,670	17.0%
Total State Funds				
State General Fund Appropriations	\$5,316,901,837	100.0%	\$5,617,388,060	95.1%
State Lottery Fund Appropriations	n/a		\$289,000,000	4.9%
Total State General & Lottery Funds	\$5,316,901,837	100.0%	\$5,906,388,060	100.0%

Source: SC Higher Education Statistical Abstract, 2005 and State Appropriation Acts FY01 and FY06. Appropriated funds and pay/health plan increases are included. Pay/Health plan is not included for Tuition Grants

- 1) Excludes Education Endowment (Palmetto Fellows & Need-based) which is included in Undergraduate Scholarships.
- 2) Excludes LIFE which is included in Undergraduate Scholarships
- 3) Undergraduate Scholarship Appropriations include Palmetto Fellows, LIFE, HOPE, Lottery Tuition Assistance and Need-based Grants. Public and Independent portion estimated based on annual award data. Barnwell Revenues of \$24,000,000 in FY01 and \$3,165,892 in FY06 that are used for Palmetto Fellows and Need-Based Grants are not included.
- 4) Includes in FY06: National Guard Repayment Program, Higher Education Excellence Enhancement Program, Endowed Chairs, Technology Grants, and SC State.

*Revised, Undergraduate Scholarship and Lottery Program Dollars Corrected, 2/21/06