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CHE
08/02/2006
Agenda Item 4.02.A

**Commission on
Higher Education**

Dr. Gail M. Morrison
Interim Executive Director

August 2, 2006

MEMORANDUM

To: Dr. Layton R. McCurdy, Chairman, and Members, Commission on Higher Education

From: Dr. Vermelle J. Johnson, Chair, and Members, Committee on Academic Affairs and Licensing

**Consideration of Budget for Research Centers of Economic Excellence,
FY 2006-07**

At its June 13, 2006, quarterly meeting, the Review Board for the South Carolina Research Centers of Economic Excellence approved a budget for the 2006-07 Fiscal Year.

The total budget is \$466,216, and includes \$84,000 for technical review and on-site review of proposals, \$60,000 for independent auditors, \$104,044 for salaries (representing a percentage of CHE staff time devoted to program administration), and \$170,000 for public relations activities represented in two line items: Public Relations/Conferences and Website Development/Maintenance. Auditing costs and anticipated expenditures related to public relations activities were budgeted items last year, but because the Review Board has only recently contracted with public relations and auditing agencies, those expenditures were not been realized.

Over the last four years the Review Board has approved funding for 29 Research Centers of Economic Excellence from USC, MUSC, and Clemson University and their partner institutions, totaling \$120 million in state lottery funds. Responsibility and authority for approving the Review Board's annual budget is found in Section 2-75-70 of the 2002 Research Centers of Economic Excellence Act (Session 114, Chapter 75), which notes that:

Staff and support for the operations of the board and the panels must be provided by the Commission on Higher Education. The Commission on Higher Education shall approve all necessary funds for the prudent operation of the board, including per diem, subsistence, and mileage expenses of board members as provided by law for members of state boards, committees, and commissions, and for the costs and expenses of the panel members.

Recommendation

The Committee on Academic Affairs and Licensing recommends that the Commission approve the proposed budget.

Att. /2006-07 Budget

FY 2005-06 Board-Approved Budget

Expenditures
as of 6/01/2006

Difference

Proposed FY
2006-07

Friday, May 26, 2006

Personal Services

Salaries	\$100,619	\$65,014	\$35,605	\$104,044
Per Diem	\$500		\$500	\$500
Subtotal Personal Services	<u>\$101,119</u>	<u>\$65,014</u>	<u>\$36,105</u>	<u>\$104,544</u>

Contractual Services

Consultants				
On-Site Panelists Honoraria	\$34,000	\$29,000	\$5,000	\$34,000
On-Site Panelists Travel	\$12,000	\$12,000	\$0	\$15,000
Electronic Reviewers Honoraria	\$35,000	\$16,500	\$18,500	\$35,000
Independent Auditors	\$60,000	\$0	\$60,000	\$60,000
Marketing				
Public Relations/Conferences	\$150,000	\$0	\$150,000	\$150,000
Website Development/Maint.	\$10,000	\$0	\$10,000	\$20,000
Operations				
Office Maintenance (AS/400)	\$536	\$251	285	\$536
Copier Lease	\$206	\$109	97	\$206
Telephone/Internet Access	\$733	\$294	439	\$733
Recycling	\$8		8	\$8
Catering (coffee)	\$15	\$7	8	\$15
Credit Card purchases	\$1,057	\$487	570	\$1,057
Temp Employees	\$179	\$28	151	\$179
Statewide Audit	\$29		29	\$29
Other Operations		\$1,492	(1,492)	\$1,492
Subtotal Operations	<u>\$2,763</u>	<u>\$2,667</u>	<u>\$96</u>	<u>\$4,255</u>
Subtotal Contractual Services	<u>\$303,763</u>	<u>\$62,833</u>	<u>\$240,930</u>	<u>\$318,255</u>

Supplies

Postage	\$325	\$40	285	\$325
Publications	\$9	\$5	4	\$9
PC Software	\$142	\$3	139	\$142
Stationery	\$65	\$16	49	\$65
Office Supplies	\$354	\$84	270	\$354
Subtotal Supplies	<u>\$895</u>	<u>\$147</u>	<u>\$748</u>	<u>\$895</u>

Fixed Costs

Facility Rental	\$0		0	\$0
Liability Insurance	\$3,866	\$1,768	1,898	\$2,000
Office Rent	\$5,961	\$2,853	3,108	\$6,743
Fidelity Bond	\$18		18	\$18
Mail Machine Lease	\$174	\$54	120	\$102
Subscriptions	\$27	\$2	25	\$27
Dues/Memberships	\$424	\$300	124	\$500
Subtotal Fixed Costs	<u>\$10,270</u>	<u>\$4,978</u>	<u>\$5,292</u>	<u>\$9,390</u>

Employee Travel

	<u>\$2,000</u>	<u>\$63</u>	<u>\$1,937</u>	<u>\$2,000</u>
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Equipment

	<u>\$2,000</u>	<u>\$165</u>	<u>\$1,835</u>	<u>\$2,000</u>
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Grants

Research Project Development	\$0	\$0	\$0	\$0
Subtotal Grants	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Fringe Benefits

	<u>\$28,419</u>	<u>\$18,204</u>	<u>\$10,215</u>	<u>\$29,132</u>
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Other

Grand Total:	<u>\$448,466</u>	<u>\$151,404</u>	<u>\$297,062</u>	<u>\$466,216</u>
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