

Att III

## Major Higher Education Issues for the 2006 Legislative Session

The General Assembly begins the 2006 Session on January 10, 2005. This session is the second year of the continuing session. As a result, bills under consideration last year that did not pass may be taken up again this year. Additional new bills for this session were pre-filed by House and Senate members during November and December. Please find below a brief review of major issues facing higher education during this Legislative session and a summary of pre-filed legislation and continuing legislation relating to higher education. Of course there will be other issues that arise in the coming months and the details of the issues summarized here are very much subject to change. As the session proceeds, we will provide updates on these and other issues that arise.

**BUDGET** – The House Ways and Means Committee met in November and received a report on revenue forecasts for FY05-06 from Board of Economic Advisors (BEA) and a report on the lottery from the Director of the Lottery Commission. According to the BEA's November estimates, it is anticipated that there will be \$467 million in new recurring revenue, \$236 in non-recurring revenue surplus funds and just over \$100 million in Capital Reserve Funds (available after March 1). For Lottery Revenues, it is anticipated that available lottery revenue for FY07 will total \$265 which is \$24 million less than last year.

The Governor released his executive budget on Wednesday, January 4. The Governor recommended new general fund spending for agencies of \$210,231,837; spending of \$102,792,050 to meet Constitutional/Statutory items; and spending of \$445,360,542 to pay deficits, reduce debt and provide a tax refund. Additionally, \$102,325,596 in Capital Reserve Fund expenditures are recommended. Overall, it appears from an initial review that state general funds for all higher education items have decreased by 3%. Of note for CHE's agency budget recommendations, Governor Sanford has recommended funding for Academic Program Review in the amount of \$250,000. None of CHE's other requests were funded and reduced funding of \$142,322 is recommended for the Access and Equity program. Of note in regard to the CHE request on behalf of institutions, funding was not recommended for the higher education electronic library and increased operating funding was not provided. In regard to tuition increases, the Governor has recommended capping tuition for in-state undergraduate students to HEPI per academic year beginning in fall 2006 and also proposes that CHE should have increased authority like the State Tech Board to set tuition ranges. Also of interest for higher education, the Governor proposes funds for pay increases for state employees to be provided based on merit – the increase approximates 3% raise if considered across the board. However, like last year, he recommends excluding higher education institutions from receiving increases for salaries. In terms of the lottery-funded programs for higher education, increases were recommended for LIFE (\$9.8 million), Palmetto Fellows (\$6.7 million), Need-Based Grants (\$3 million), and Tuition Grants (\$6.2 million) while decreases were recommended for the Endowed Chairs Program (\$10 million). A more detailed schedule will be provided and we will of course provide you with updated information as the process proceeds.

**FUNDING FOR CAPITAL PROJECTS** – Availability of funding for capital needs for higher education is important because of the pressing needs and limited resources available on campuses. Monies are expected to be available through the Capital Reserve Fund that can be appropriated as nonrecurring funds after March 1. As noted above, the Governor's Budget \$102 million is appropriated to agencies through the Capital Reserve Funds. Higher Education receives \$3,000,000 for the C.A.T.T. program (formerly special schools) and \$200,000 for USC's Palmetto Poison Control Center.

**CHE REGULATIONS AND OTHER CHE LEGISLATION OF INTEREST** – The Commission regulations adopted in December will be submitted to the General Assembly for consideration. The regulations include revisions relating to law changes passed last session for the Palmetto Fellows, LIFE, HOPE and Lottery Tuition Assistance programs. Additionally, several years ago the Commission adopted recommendations regarding changes to the statutes for licensing institutions of higher education and penalties for falsified degrees. Two House bills, H.4335 and H.4355, have been pre-filed for the 2006 Session that include these recommended changes and we will be monitoring the progress of these bills.

## Summary of Pre-Filed Bills Relating to Higher Education

Please find below on the next few pages, summaries of bills that have been pre-filed in the Senate or House that relate to higher education. The summaries are the abstracts that are prepared by Legislative Council and are included at the beginning of each bill. Following each summary the Committee that the bill has been referred to is listed. If you would like to have a copy of the full bill or would like to discuss any particular point, please contact Conrad, Rita, or Julie. Copies of the full bills are also accessible at <http://www.scstatehouse.net/html-pages/prefil06.htm>.

### HOUSE OF REPRESENTATIVES, PREFILED BILLS

H. 4314 (Word version) -- Rep. Davenport: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 59-101-435 SO AS TO PROVIDE THAT BEGINNING WITH TUITION AND FEES FOR THE 2007 FALL SEMESTER, TUITION AND FEES FOR IN-STATE UNDERGRADUATES AT STATE-SUPPORTED HIGHER EDUCATION INSTITUTIONS MAY NOT BE INCREASED MORE THAN THE PERCENTAGE INCREASE IN THE PREVIOUS YEAR'S HIGHER EDUCATION PRICE INDEX, TO PROVIDE EXCEPTIONS, AND TO REQUIRE THE COMMISSION ON HIGHER EDUCATION TO FURNISH CERTAIN INFORMATION IN REGARD TO THIS REQUIREMENT.

*(Referred to Committee on Ways and Means)*

H. 4320 (Word version) -- Rep. McGee: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 59-117-95 SO AS TO PROVIDE THAT BEGINNING WITH THE FALL 2006 SEMESTER, THE UNIVERSITY OF SOUTH CAROLINA-COLUMBIA MUST ADMIT AS ENTERING FIRST-YEAR FRESHMEN ENROLLED ON A FULL-TIME BASIS AT LEAST FOUR THOUSAND STUDENTS, EIGHTY PERCENT OR MORE OF WHOM MUST QUALIFY FOR IN-STATE TUITION, AND TO DEFINE "FULL TIME" FOR THE PURPOSES OF THIS SECTION.

*(Referred to Committee on Education and Public Works)*

H. 4335 (Word version) -- Rep. Townsend: A BILL TO AMEND SECTION 59-58-20, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO DEFINITIONS IN REGARD TO THE SOUTH CAROLINA NONPUBLIC POST SECONDARY INSTITUTION LICENSE ACT, SO AS TO REVISE CERTAIN DEFINITIONS; TO AMEND SECTION 59-58-30, RELATING TO EXCLUSIONS FROM THE DEFINITION OF A "NONPUBLIC EDUCATIONAL INSTITUTION" FOR PURPOSES OF THE ACT, SO AS TO PROVIDE FOR FURTHER EXCLUSIONS; AND TO AMEND SECTION 59-58-80, RELATING TO BONDS OR COLLATERAL FOR THE PROTECTION OF STUDENT TUITION AND FEES, SO AS TO FURTHER PROVIDE FOR THE PURPOSE FOR WHICH THE PROCEEDS OF A SURETY BOND AND MONIES IN THE TUITION GUARANTY FUND, RENAMED THE STUDENT RECOVERY FUND, MAY BE USED.

*(Referred to Committee on Ways and Means)*

H. 4355 (Word version) -- Reps. Vaughn, J. Brown, Cooper, Cobb-Hunter, Davenport, Umphlett and Clark: A BILL TO AMEND SECTIONS 8-11-160 AND 8-11-165, BOTH AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE AGENCY HEAD SALARY COMMISSION, SO AS TO INCLUDE TECHNICAL COLLEGE PRESIDENTS AS OFFICIALS TO WHICH THESE PROVISIONS APPLY.

*(Referred to Committee on Ways and Means)*

H. 4357 (Word version) -- Rep. Townsend: A BILL TO AMEND SECTION 16-13-15, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO FALSIFYING OR

ALTERING A TRANSCRIPT OR DIPLOMA AND FRAUDULENT USE OF FALSIFIED OR ALTERED TRANSCRIPT OR DIPLOMA, SO AS TO INCLUDE FALSIFYING OR ALTERING A DEGREE AND FRAUDULENT USE OF A FALSIFIED OR ALTERED DEGREE, TO PROVIDE THAT IT IS UNLAWFUL TO KNOWINGLY ISSUE, MANUFACTURE, OR USE A FALSE POSTSECONDARY DEGREE, CERTIFICATE, DIPLOMA, TRANSCRIPT, OR OTHER ACADEMIC CREDENTIAL FOR GENERAL ACADEMIC OR PROFESSIONAL PURPOSES FOR CERTAIN PURPOSES INCLUDING TO OBTAIN EMPLOYMENT, AND AUTHORIZING THE SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION TO CHARGE A REASONABLE FEE TO CONDUCT A REVIEW TO DETERMINE IF CERTAIN CREDENTIALS REPORTED BY AN APPLICANT ARE VALID.

*(Referred to Committee on Judiciary)*

**SENATE, PRE-FILED BILLS**

S. 966 (Word version) -- Senators Leatherman, O'Dell and Ford: A BILL TO AMEND SECTION 8-11-160 OF THE 1976 CODE, RELATING TO THE AGENCY HEAD SALARY COMMISSION AND SALARY INCREASES FOR AGENCY HEADS, TO PROVIDE THAT SALARY INCREASES FOR TECHNICAL COLLEGE PRESIDENTS ARE SUBJECT TO APPROVAL BY THE AGENCY HEAD SALARY COMMISSION; AND TO AMEND SECTION 8-11-165 OF THE 1976 CODE, RELATING TO THE SALARY AND FRINGE BENEFIT SURVEY FOR AGENCY HEADS, TO PROVIDE THAT A SALARY AND FRINGE BENEFIT SURVEY MUST BE CONDUCTED FOR TECHNICAL COLLEGE PRESIDENTS EVERY THREE YEARS AND TO PROVIDE THAT THE AGENCY HEAD SALARY COMMISSION MAY RECOMMEND TO THE BUDGET AND CONTROL BOARD THAT TECHNICAL COLLEGE PRESIDENT SALARIES MAY BE ADJUSTED AS REQUIRED.

*(Referred to the Committee on Finance)*

**Other Higher Education Legislation from 2005 Session**

Listed below and on the following pages are higher education related bills that are carried over from the 2005 Session. Only the bill number, a very brief subject indication of the bill, the Committee the bill resides in and status as of the end of last Session are provided. The bills are listed here only as a reminder of legislation that we monitored last year for higher education and will continue to monitor in the upcoming session. Of course, the Legislative Council summaries, the full bill and a more detailed history of the progress of the bill are available. Please contact Julie for additional information on any of these bills.

Bill #	Brief Subject Indication	Committee	Status
<b>HOUSE BILLS</b>			
H.3010	Charter Act of 2005 - CHE chair or designee would serve as a member of the Charter School Advisory Committee to review charter school applications for compliance with standards	H Educ&PW / S Education	Passed House and awaiting 2nd reading in Senate
H.3023	Public Private Education Facilities Infrastructure Act	H Educ&PW	In Committee
H.3035	Ends TERI program	H W&M	In Committee
H.3036	Ends TERI program	H W&M	In Committee

Bill #	Brief Subject Indication	Committee	Status
H.3043	Denial or suspension of professional licenses for default on student loans	H Labor, Commerce, & Industry	In Committee
H.3156	Revenue bond authority for MUSC Hospital Authority	H W&M / S Finance	Passed House. In Senate Education Committee
H.3188	Boards - limits service of board members to 12 years	H Educ&PW	In Committee
H.3193	Techs - Authorization to change name for techs - area commission approval only required	H Educ&PW / S Education	Passed House. Senate Committee report received with minority report - awaiting second reading in Senate.
H.3210	Military persons who serve active duty are eligible for scholarships until age 30	H W&M	In Committee
H.3216	Prohibits state agencies from using public funds for contract lobbyists.	H Judiciary	In Committee
H.3217	Prohibits state agencies from using public funds for contract lobbyists with the exception of foundations sponsored by state-funded institutions of higher education that do not receive appropriated funds annually.	H Judiciary	In Committee
H.3340	Higher Education Energy Savings provisions	H Educ&PW / S Education	Passed House and awaiting 2nd reading in Senate
H.3361	Requirement related to approval of a course syllabus and dismissal of instructors for non-approved deviations	H Educ&PW	In Committee
H.3386	Provisions for Research Centers of Excellence and provisions related to awards made relative to partnerships	H W&M	In Committee
H.3407	Free education for spouses of certain firemen, law enforcement officers, and governmental employees	H W&M / S Education	Passed House. In Senate Education Committee
H.3422	HOPE Scholarship recipient is exempt from definition of student for income tax purposes	H W&M	In Committee
H.3423	LTA program - dual enrolled not required to be degree seeking or required to fill out FAFSA	H W&M	In Committee
H.3431	Establish a 4-yr culinary arts program at Trident	H W&M	In Committee
H.3567	Allows higher ed governing board members of public institutions to be eligible to participate in State Health & Dental plans by paying full premium cost as determined by B&CB	H W&M	In Committee
H.3681	USC-Sumter four-year college	H Educ&PW	In Committee
H.4016	Adds section regarding elementary childhood education programs and students accepted with associates degrees in early childhood education	H Educ&PW	In Committee
H.4017	Adds section regarding stipends for Basketball and Football players (\$350 per month during season)	H Educ&PW	In Committee

Bill #	Brief Subject Indication	Committee	Status
H.4065	Loan Repayment program to be developed by SLC in cooperation with SLED for students enrolling in law enforcement programs	H W&M	In Committee
H.4264	Free education for children of certain firemen, law enforcement officers, governmental employees, and children in custody of DSS	H W&M	In Committee
<i>The following House Bills (bill numbers do not include companion bills) were passed through the legislature in the 2005 session although technically the bill was not active.</i>			
H.3044	PF, HOPE, LTAP - Visual or hearing impaired may take schol to attend out of state institutions	H W&M	In Committee. Subject passed in 2005 through S.204
H.3401	Athletic facilities reserve bonds and outstanding debt limit increase	H W&M	In Committee. Subject passed in 2005 through the companion bill S.320.
H.3636	LIFE eligible institutions (South University)	H Educ&PW	In Committee. Subject passed in 2005 through H.3906.
H.3699	Board of Trustees right of eminent domain with approval from CHE and B&CB (previously in Life Sciences Act)	H Educ&PW	In Committee. Subject passed in 2005 through H.3673

## SENATE BILLS

S.051	Tuition Prepayment program - closing of program	S Finance	In Committee
S.059	Ends TERI program	S Finance	In Committee
S.061	Establish a University Board of Regents	S Education	In Committee
S.068	LIFE eligibility for home school students	S Education / H Ed&Works	Passed Senate. Currently in House Committee
S.116	B&CB authorization to insure building located on or off campus of any college or univ if it is an insurable interest	S Finance	In Committee
S.117	Scholarship Reserve Account established with excess lottery funds	S Finance / H W&M	Passed Senate. Currently in House Committee
S.120	Exempts certain employees from grievance act - higher ed institutions exempted	S.Judiciary	In Committee
S.164	Retirement systems - provides for teaching in private colleges or universities to count as service credit	S Finance	In Committee
S.203	SC State - Establish a law and engineering school - reliance on USC faculty	S Education	In Committee
S.206	Free tuition to public institutions of higher learning and technical colleges for active duty military	S Finance	In Committee
S.273	SC State Establish a law and engineering school	S Education	In Committee
S.361	Techs - Authorization to change name for techs - area commission approval only required	S Education	In Committee. See companion bill H.3193 for activity.
S.367	Report on Finances 2x per year	S Finance	In Committee

Bill #	Brief Subject Indication	Committee	Status
S.459	Establish a 4-yr culinary arts program at Trident	S Education	In Committee
S.592	Free tuition for children of active duty military provided outlined provisions met (parent is resident serving honorable and purple heart awarded, congressional medal awarded and missing in action)	S Education / H W&M	Passed Senate. Currently in House Committee
S.674	Joint Resolution establishes task force to study nursing shortage; report due January 1, 2006	S Medical Affairs	In Committee
S.732	Allows USC-Sumter to offer 4-year degrees contingent on funding	S Education	In Committee
S.752	Public higher ed institutions cannot use a student's SSN as individual ID number	S Education	Awaiting second reading
S.837	Enact the SC Research and Development Job Creation Authority to take advantage of research institution activity.	S Finance	In Committee
S.879	CHE to work with SC Student Loan Corp. in developing a loan program for students in the field of geropsychiatry; loans may be used at public or private institutions; loans plus interest may be canceled if student completes fellowship and becomes employed	S Education	In Committee. Similar bill H.3741 passed in 2005.
<i>The following Senate Bills (denoted with strike through) were passed through either legislation or passed during the 2005 session although technically the bills are still active.</i>			
<del>S.004</del>	<del>Education and Economic Development Act - Higher education stipulations regarding high school and transfer and articulation issues</del>	<del>S Education</del>	<del>In Committee. Subject passed in 2005 through H.3155</del>
<del>S.122</del>	<del>Education and Economic Development Act - Higher education stipulations regarding high school and transfer and articulation issues</del>	<del>S Education</del>	<del>In Committee. Subject passed in 2005 through H.3155</del>
<del>S.401</del>	<del>LIFE eligibility requirements fo students whose parent or guardian is in military or retired military</del>	<del>S Education / H Ed&amp;Works</del>	<del>Passed Senate and in House Committee. Subject passed in 2005 through H.3906</del>
<del>S.414</del>	<del>LIFE eligibility retention and GPA requirements</del>	<del>S Education / H Ed&amp;Works</del>	<del>Passed Senate and in House Committee. Subject passed in 2005 through H.3906</del>
<del>S.415</del>	<del>PF eligibility stated for resident students</del>	<del>S Education / H Ed&amp;Works</del>	<del>Passed Senate and in House Committee. Subject passed in 2005 through H.3906</del>
<del>S.482</del>	<del>LIFE eligible institutions (South University)</del>	<del>S Education / H Ed&amp;Works</del>	<del>Passed Senate and in House Committee. Subject passed in 2005 through H.3906</del>
<del>S.643</del>	<del>Reimbursement of student loan payments for physicians in Geriatrics or Geropsychiatry who contract in state for five consecutive years; Establish Physician Advisory Board; establish additional eligibility qualifications; General Assembly will appropriate</del>	<del>S Medical Affairs</del>	<del>In Committee. Subject passed in 2005 through H.3741</del>