

Budget Update – Higher Education Recommendations as of 5/4/2006

The following information is subject to change as the budget moves forward

The Senate adopted its Budget Bill (H.4810) and the Capital Reserve Bill (H.4812) and sent the bills back to the House for concurrence. It is expected that the bill will go to Conference Committee in the next two weeks. The following summarizes the difference in items included in the House and Senate versions of the budget and capital reserve bills for CHE, higher education lottery funding and an overall summary for higher education institutions.

Comparison of House and Senate Budget Bills for CHE Agency Funds

Both the House and Senate recommend base funding for CHE with increases or decreases to items as recommended below. Line Item Descriptions that are shaded were included in CHE's Budget Request. Preferred funding recommendations are designated by bolded font.

Line Item Description	House	Senate	CHE Request and Other Notes
CHE Data and Facilities Staffing	\$135,000 in funding under the Supplemental Bill (H.4811). These funds are non-recurring.	\$135,000 in funding under Part 1A recurring state general funds.	CHE requested \$135,000 to enable the agency to fill two FTE positions, one in data management and the other in facilities management. CHE has the FTE positions but has been unable to fund the positions without additional recurring funding. Recurring funds are needed as provided by the Senate.
GEAR UP	The House did not recommend any funding toward CHE's requested increase of \$600,000.	The Senate recommends an increase of \$600,000 in nonrecurring funds from unobligated FY05-06 funds (Proviso 73.14)	CHE requested an increase in program funds of \$600,000 in order to access available federal matching funds. The Senate recommendation will enable the federal funds to be fully matched.
SREB	The House did not recommend any funding toward CHE's requested increase of \$269,000.	The Senate recommends an increase of \$269,000 in nonrecurring funds from unobligated FY05-06 funds (Proviso 73.14)	CHE requested an increase of \$269,000 to meet the increased SREB fees for FY06-07 that the State was assessed. The Senate recommendation will enable CHE to meet the State's obligation for SREB programs and services.
EEDA CHE	The House recommended, as requested, \$328,000 in recurring Part 1A funds.	Same as House	CHE request full funding of the EEDA legislation for higher education and the recommendations of both meet this request.
EEDA – Institutions	The House recommended, as requested, \$1,080,000 in recurring Part 1A funds.	Same as House	CHE request full funding of the EEDA legislation for higher education and the recommendations of both meet this request.
Administration – Unclassified Positions	The House recommended transferring 1 FTE and the associated funds \$69,628 to the Governor's Office.	The Senate did not make this recommendation and left the FTE and funds in CHE's budget.	The FTE position and the associated funds in question are a necessary position for the agency. The position and funds should not be transferred as is the case in the Senate's recommendation.
Statewide Electronic Library	The House did not recommend any funding toward CHE's request for continued program funding.	The Senate recommends \$2,000,000 in nonrecurring funds from unobligated FY05-06 funds (Proviso 73.14)	CHE on behalf of the institutions requested \$2,000,000 in continued program funds. The program was funding in FY05-06 with nonrecurring funds and the Senate recommendation will enable the program to continue in its 3rd year.
Education Endowment	The House recommends an increase of \$738,317 in part 1A recurring funds.	Same as House	Education Endowment Funds are used to support the Palmetto Fellows and Need-Based Grants. Statutorily the Education Endowment is to be funded at \$24,000,000 if Barnwell Revenues are not sufficient.

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Line Item Description	House	Senate	CHE Request and Other Notes
LIFE Scholarships	The House recommends an increase of \$25,790,858 in part 1A recurring funds.	Same as House	LIFE is funded in general funds and lottery revenues. Both the House and Senate recommend decreasing the portion of program funds from the lottery (from \$107,298,090 to \$87,911,636) and increasing the portion from general funds (from \$27,631,335 to \$53,422,193). Overall, the recommended program increase is \$6,404,404.
Greenville University Center – Program Expansion (Redirected from USC Upstate	The House recommended redirecting \$1,000,000 from USC Upstate to the University Center of Greenville.	The Senate recommends adding a new budget proviso, 5K.7, directing USC Upstate to expend \$1,000,000 in its budget for USC Upstate program development at UCG.	
Lowcountry Graduate Center	The House recommends \$450,000 in recurring Part 1A state general funds.	The Senate recommends \$100,000 in nonrecurring funds from unobligated FY05-06 funds (Proviso 73.14)	CHE notes that it did include in its request for "below-the-line" funding an increase of \$350,000 for this project as requested by the College of Charleston.
SC Manufacturing Extension Partnership	The House recommends \$1,200,000 in nonrecurring funds in H.4810.	The Senate recommends \$50,000 in nonrecurring funds from unobligated FY05-06 funds (Proviso 73.14)	CHE notes that it did include in its request for "below-the-line" funding an increase of \$1,200,000 for this project as requested by the SC Manufacturing Extension Partnership.

Note on Part 1B Provisos for CHE:

- CHE requested that a number of Provisos be deleted as they had been codified. The House and Senate both recommended deleting these identified provisos including: 5A.17, 5A.19, 5A.23, 5A.25, 5A.27, 5A.28, and 72.14.
- CHE requested that two provisos, 5A.2 and 5A.25, be deleted as they are no longer applicable. The House and Senate recommended deletion.
- CHE had requested revisions to one proviso, 5A.26, for continued applicability in FY 06-07.
- The House added a new proviso, 5A.26, related to qualifications for Palmetto Fellows, LIFE and HOPE for SC resident students that attended an out-of-state high school. The Senate amended the proviso to provide that fees for any calculations would be the responsibility of the student. ***The amended Senate proviso is preferred.***

Comparison of House and Senate Budget Bills for Higher Education Lottery Funds

The lottery allocations are non-recurring funds and amounts below are totals.

Line Item Description	House	Senate	CHE Request and Other Notes
Lottery Tuition Assistance – 2-Yr	\$45,000,000	Same as House	CHE requested a \$4.6 million increase. Increase recommended is \$2 million
LIFE	\$87,911,636	Same as House	Increased overall considering lottery and general funds by \$6,400,000
HOPE	\$7,144,909	Same as House	Increased \$471,083
Palmetto Fellows	\$17,830,758	Same as House	Increased \$3,448,767
Need Based	\$11,246,093	Same as House	CHE requested an increase of \$10 million. An increase is not recommended.
Tuition Grants	\$7,766,604	Same as House	Increased by \$3,766,604
National Guard	\$1,700,000	Same as House	(no increase)
Endowed Chairs	\$30,000,000	Same as House	(no increase)
Higher Ed Excellence Enhancement	\$2,500,000	Same as House	(no increase)
SC State University	\$2,500,000	Same as House	(no increase)
Higher Ed. Technology (2-&4-yr)	\$3,600,000	Same as House	Certified Lottery Revenue. CHE recommended an increase of \$4,000,000. An increase is not recommended.
Higher Ed. Technology (2-&4-yr)	\$8,400,000	Same as House	Certified unclaimed prize money
Excess 05-06 Surplus Funds above the \$30.6 million currently certified	N/A	1) Tech Allied Health, \$12.15 mill, State Museum Arts Education, 2) \$500,000 and 3) remaining to State Library for County Libraries	Note: Senate amended the proviso by adding Clinton Jr. College for an Associates Degree as participant in H.E.E.P. Senate also added provision to enable election day cells
Unclaimed Prize Funds above \$8.4 currently certified	1) SC Boys and Girls Clubs, \$1mill; 2) Tech Allied Health, \$5 mill; 3) First Steps \$121,515; 4) School for Deaf & Blind; \$200,000; SDE Ag in Classroom, \$250,000; 6) Any remaining to Tuition Grants	1) Tuition Assistance, \$2.6 mill; 2) SDE Ag in Classroom, \$250,000; and 3) School for Deaf and Blind	

For **Higher Education Institutions** there are a number of differences across the House and Senate Bills as to how the funds are allocated. The following highlights the differences in overall increase/decrease over base budgets for higher education institutions as recommended by the House and Senate.

	House	Senate	Difference (Absolute)
Part 1A (recurring)	-\$1,000,000	\$10,230,000	\$9,230,000
Non-Recurring (Certified Surplus)	\$300,000	\$32,313,365	\$32,013,365
Non-Recurring above certified	\$28,794,128	\$20,535,000	\$8,259,128
Capital Reserve Bill	\$2,701,365	\$4,250,000	\$1,548,636
Total (Part 1A, Non-recur, CRB)	\$30,795,493	\$67,328,365	\$36,532,872

The House did not amend any institutional provisos. The Senate added a new proviso to direct expenditure of \$1,000,000 at USC Upstate toward the University of Greenville Center and to provide for CHE approval of expenditures. Senate added New Proviso to temporarily suspend the local name change legislation for Spartanburg Technical College. Senate added new proviso to provide for waivers of tuition at USC's law school.