

November 30, 1995

A Five-year Plan for Funding Student Opportunities in South Carolina's Public Colleges and Universities

The Commission on Higher Education (CHE), in consultation with the Council of College and University Presidents, proposes that appropriations for higher education be increased to 100% of the appropriation formula over the next five years. These increased appropriations as detailed in the table below, will allow for institutions to: a) manage enrollment levels; b) maintain the current legislative proviso limit on tuition and fee increases for in-state students not to exceed Higher Education Price Index (HEPI); c) reduce the in-state students' share of the Education and General (E&G) cost from the current 35% to 25% and correspondingly the States' share will increase from 65% to 75% of E & G cost. Annual appropriations would include amounts sufficient to fund: a) annual increases of related E & G activities; b) faculty salaries at a level comparable to Southern Regional Education Board peer institutions; c) quality initiatives (not to exceed .5% of annual appropriations) as outlined in the "Funding of Quality Initiatives in Higher Education" dated February 7, 1995. The proposed cumulative increase in appropriations projected for the next five years totals \$370 million. For illustration, we have prepared the following table containing the proposed increases in appropriations.

Requested Appropriation Increases *(in Millions)*

Year	Projected Formula	Projected Formula Increase	Percent Formula
FY96-97	\$879	\$53	76%
FY97-98	904	60	80
FY98-99	929	68	85
FY99-2000	955	81	92
FY2000-01	982	108	100%
Total		\$370	

Higher education leaders firmly believe that fundamental changes must occur in order to maintain and improve upon our current statewide system of 33 institutions. Higher education is committed to the action items outlined above, with the understanding that funding in the amount in the table above will be made available. It is further understood, that during and at the completion of the next five years, if the proposed funding schedule comes to fruition, the higher education community will consider its funding levels to be reasonable, which will be 100 per cent of the formula.

Currently a significant portion of the total appropriation to the institutions is from "nonrecurring" funds. This plan does not distinguish between recurring and nonrecurring state appropriations. Rather, the intent of this plan is to increase total state appropriations, regardless of designation.

The CHE and the Council of College and University Presidents fully understand that any changes proposed by the Joint Legislative Committee on the Governance and Operation of Higher Education must be carefully considered by the CHE and the Council of College and University Presidents for implementation and may result in further refinements to this plan.