

STEP 12 FUNDING POLICY

Step 12 is designed to permit certain interventions in the Funding Formula for South Carolina. The Formula is a 21 step numerical mechanism used to determine funding needs and to provide equitable sharing of state available resources to the 33 public institutions in South Carolina. These interventions consist of three different types of budgetary adjustments as explained below:

Part I. Unique Cost Adjustments to Formula Determined Allocations

Since the inception of the use of a formula to determine the needs of higher education institutions in South Carolina, the Commission has recognized that there are certain costs that are unique to individual institutions. These unique costs must be identified as such by the use of unique cost criteria (attached) and funding is provided by this adjustment if the Commission so recommends. Approved funding must be spent on the specific item giving rise to unique costs and is subject to the received level of formula funding.

Part II. Legislatively-Mandated Changes in the Budgets of Individual Institutions

The Legislature by its actions occasionally appropriates funds for activities to various institutions. The Commission must, of course, recognize and abide by such actions.

Part III. Competitive Matching Awards

Matching grants can vary greatly in quantity and in scientific value ranging from proprietary awards designed to improve the marketability of a product to some of the nation's most significant research activity. By requiring that such awards be the result of an objective review and evaluation, most of the less beneficial research awards can be screened out.

The CHE staff will review all the requests for Step 12 from the institutions and will not present to the Business and Finance Committee or to the Commission requests which it judges to be inappropriate based on the funding policy. The institutions will retain the right to appeal staff decisions to the Business and Finance Committee and the Commission.