Fiscal Year 2020-21
Agency Budget Plan

FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS (FORM B1)	For FY 2020-21, my agency is (mark "X"):
	[X] Requesting General Fund Appropriations.
	[X] Requesting Federal/Other Authorization.
	[ ] Not requesting any changes.

NON-RECURRING REQUESTS (FORM B2)	For FY 2020-21, my agency is (mark "X"):
	[X] Requesting Non-Recurring Appropriations.
	[ ] Requesting Non-Recurring Federal/Other Authorization.
	[ ] Not requesting any changes.

CAPITAL REQUESTS (FORM C)	For FY 2020-21, my agency is (mark "X"):
	[ ] Requesting funding for Capital Projects.
	[X] Not requesting any changes.

PROVISOS (FORM D)	For FY 2020-21, my agency is (mark "X"):
	[X] Requesting a new proviso and/or substantive changes to existing provisos.
	[ ] Only requesting technical proviso changes (such as date references).
	[ ] Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	Name	Phone	Email
PRIMARY CONTACT:	Georges Tippens	803-737-1567	gtippens@che.sc.gov
SECONDARY CONTACT:	Bryce Wilson	803-737-3921	bwilson@che.sc.gov

I have reviewed and approved the enclosed FY 2020-21 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	Agency Director	Board or Commission Chair
SIGN/DATE:	*[signature]* September 20, 2019	*[signature]* September 20, 2019
TYPE/PRINT NAME:	Dr. Rusty Monhollon	Mr. R. Wes Hayes

This form must be signed by the agency head – not a delegate.

Fiscal Year 2020-21 Budget Request Executive Summary

Agency Code:	H030
Agency Name:	Commission On Higher Education
Section:	11

	BUDGET REQUESTS		FUNDING					FTES				
Priority	**Request Type**	**Request Title**	**State**	**Federal**	**Earmarked**	**Restricted**	**Total**	**State**	**Federal**	**Earmarked**	**Restricted**	**Total**
1	B2 - Non-Recurring	Need-Based Grants	32,000,000				32,000,000					0.00
2	B1 - Recurring	Council of Presidents' and Council of Board Chairs' Meetings	35,000				35,000					0.00
3	B1 - Recurring	Employee for Data Warehouse Migration	85,000				85,000					0.00
4	B2 - Non-Recurring	Data Warehouse Migration	350,000				350,000					0.00
5	B1 - Recurring	Campus Safety Conferences	50,000				50,000					0.00
6	B1 - Recurring	Agency Head Salary Alignment	40,357				40,357					0.00
7	B2 - Non-Recurring	Financial Literacy Pilot Program	100,000				100,000					0.00
8	B1 - Recurring	Authority to Spend Other Funds			1,000,000		1,000,000					0.00
9	B1 - Recurring	Professor of the Year	15,000				15,000					0.00
10	B1 - Recurring	Statewide Electronic Library - PASCAL	1,500,000				1,500,000					0.00
11							0					0.00
12							0					0.00
13							0					0.00
14							0					0.00
15							0					0.00
16							0					0.00
17							0					0.00
18							0					0.00
19							0					0.00
20							0					0.00
21							0					0.00
22							0					0.00
23							0					0.00
24							0					0.00
25							0					0.00
26							0					0.00
27							0					0.00
28							0					0.00
29							0					0.00
30							0					0.00
		TOTAL BUDGET REQUESTS	34,175,357	0	1,000,000	0	35,175,357	0.00	0.00	0.00	0.00	0.00

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	2

Provide the Agency Priority Ranking from the Executive Summary.

TITLE	**Council of Presidents' and Council of Board Chairs' Meetings**

Provide a brief, descriptive title for this request.

AMOUNT	**General: $35,000** **Federal:** **Other:** **Total: $35,000**

What is the net change in requested appropriations for FY 2020-21? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0

Please provide the total number of new positions needed for this request.

	Mark "X" for all that apply:
	Change in cost of providing current services to existing program audience
	Change in case load/enrollment under existing program guidelines
	Non-mandated change in eligibility/enrollment for existing program
FACTORS	Non-mandated program change in service levels or areas
ASSOCIATED WITH	**X** Proposed establishment of a new program or initiative
THE REQUEST	**X** Loss of federal or other external financial support for existing program
	Exhaustion of fund balances previously used to support program
	IT Technology/Security related
	Consulted DTO during development
	Related to a Non-Recurring request – If so, Priority # _____

	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:
STATEWIDE	**X** Education, Training, and Human Development
ENTERPRISE	Healthy and Safe Families
STRATEGIC	Maintaining Safety, Integrity, and Security
OBJECTIVES	Public Infrastructure and Economic Development
	Government and Citizens

ACCOUNTABILITY OF FUNDS	This request directly supports CHE's goal of, 1) promoting the quality and excellence of South Carolina's higher education system; 2) improving accessibility of South Carolina's Higher Education Programs and Services; and 3) promoting higher education's value to the state's economic growth and human capital development. The request also supports multiple strategies within each goal, including strategy 2.3 "Advance cost-saving opportunities to obtain a postsecondary credential." The Council of Presidents and the Council of Board Chairs brings together key decision makers from both the four-year and two-year pubic sectors to discuss and seek solutions to critical issues such as merit and need-based scholarship programs, the cost of attendance, and the prevalence of rising student loan debt, among others. CHE will evaluate the use of funds by the production of policy initiatives and reports arising from discussions held at these meetings.
	What specific strategy, as outlined in the FY 2019-20 Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?
RECIPIENTS OF FUNDS	Funds will be used to hold biannual meetings of the Council of Presidents, which consist of the presidents of the public four-year and two-year institutions in South Carolina and biannual meetings of a Council of Board Chairs. The Commission on Higher Education and all the institutions will benefit from holding collaborative meetings. Subrecipients of the funds will be the venue(s), hotel(s), and food provider(s) for the events.
	What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?
JUSTIFICATION OF REQUEST	South Carolina Code section 59-103-40 requires the Commission on Higher Education to establish a Council of Presidents of the public higher education institutions that shall study and report on such subjects as academic planning and business and financial coordination. Historically, the South Carolina Higher Education Foundation helped fund these gatherings. However, the Foundation currently has limited funds and is in the process of dissolution. While there is no statutory directive to establish a Council of Board Chairs, the CHE believes it is equally important to meet and develop statewide policy initiatives with input from the chairs of the governing boards of the higher education institutions.

Holding regular meetings of the Council of Presidents and Council of Board Chairs is crucial to developing strong collaborative relations between the CHE and the state's public institutions of higher education, and among the institutions themselves. This request will fund the operating costs of at least two statewide meetings for both the Council of Presidents and a Council of Board Chairs, including venue and allowable meal charges, and travel costs for potential nationwide experts in higher education policy. The Commission will seek matching donations from university foundations to supplement the state meal plan rates. Further collaboration between the state and individual institutions and sectors will provide significant dividends for the state and ensure that higher education policy is aligned.

If funds are not received, the Commission and Council of Presidents will pursue other means of fulfilling their statutory obligation. The Commission believes that this modest support sends an important message about the necessity of forging closer ties between |

the CHE and the institutions, and the need for the institutions to work collaboratively to achieve statewide goals and objectives.

This request can be a separate line item under I. Administration or built into the "Other Operating Expenses" line.

The method used to calculate the amount was determining the venue costs for at least four meetings that could hold 70 to 80 individuals with allowable meal costs and travel costs for up to four guest speakers.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

AGENCY NAME:	Commission on Higher Education		
AGENCY CODE:	H030	SECTION:	11

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	3

Provide the Agency Priority Ranking from the Executive Summary.

TITLE	**Employee for Data Warehouse Migration**

Provide a brief, descriptive title for this request.

AMOUNT	**General: $85,000** **Federal:** **Other:** **Total: $85,000**

What is the net change in requested appropriations for FY 2020-21? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0

Please provide the total number of new positions needed for this request.

	Mark "X" for all that apply:
	Change in cost of providing current services to existing program audience
	Change in case load/enrollment under existing program guidelines
	Non-mandated change in eligibility/enrollment for existing program
FACTORS	Non-mandated program change in service levels or areas
ASSOCIATED WITH	Proposed establishment of a new program or initiative
THE REQUEST	Loss of federal or other external financial support for existing program
	Exhaustion of fund balances previously used to support program
	X IT Technology/Security related
	X Consulted DTO during development
	X Related to a Non-Recurring request – If so, Priority # 4

	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:
STATEWIDE	Education, Training, and Human Development
ENTERPRISE	Healthy and Safe Families
STRATEGIC	**X** Maintaining Safety, Integrity, and Security
OBJECTIVES	Public Infrastructure and Economic Development
	Government and Citizens

AGENCY NAME:	Commission on Higher Education		
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ACCOUNTABILITY OF FUNDS	This request relates to the CHE's strategy 4.2 "Analyze impacts of higher education." This request will fund one FTE position that will aid in the migration of the Commission on Higher Education Management Information System (CHEMIS) to the Department of Administration Division of Technology Operations (DTO)'s managed server platform, and once migrated, administer the database. Migrating CHEMIS to DTO will allow the CHE to increase productivity and advance its mission to provide access, affordability, and quality in the state system of higher education. The migration will increase the CHE's capacity to participate in the South Carolina Longitudinal Data System and leverage DTO's data security, back-up systems, and disaster recovery processes. In addition, the funds will provide the resources needed to comply with the state's mandates and policies/procedures that are required by the Department of Administration Division of Information Security by having an employee with appropriate expertise. CHE will evaluate the use of the funds by tracking the efficiencies gained from migrating the data warehouse to DTO.
	What specific strategy, as outlined in the FY 2019-20 Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS	The primary beneficiary of these funds will be the new employee hired to perform the job functions.
	What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST	The CHE is seeking $85,000 in recurring funds to hire a full-time database administrator. CHE has sufficient FTE authorization already for this employee; however, it lacks funding for the position. The $85,000 request for recurring funds is based on the projected hire rate of a band 7 employee below the midpoint of the pay band, at $62,000, with a fringe rate of 37%. The CHE included this request in its technology plan submission to the DTO. Migrating CHEMIS to DTO necessitates a database administrator with expertise of the platform used by DTO. In addition to managing the migration of CHEMIS to DTO, the new database administrator will manage CHEMIS on its new platform at DTO. Without the requested recurring funds for the FTE position, the CHE will not have an employee with the expertise to ensure the CHEMIS data warehouse on the DTO-managed platform meets the state's mandates and policies/procedures that are required by the Department of Administration Division of Information Security. In addition, without this employee and the related $350,000 non-recurring request, the CHE will be unable to fully realize the benefits of transferring its IT business processes to the DTO through the agencies' shared services agreement. This will result in the inability of the CHE to enhance or increase the data collection capabilities of its CHEMIS data warehouse based on the agency's current data infrastructure.
	Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

AGENCY NAME:	Commission on Higher Education		
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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	5

Provide the Agency Priority Ranking from the Executive Summary.

TITLE	**Campus Safety Conferences**

Provide a brief, descriptive title for this request.

AMOUNT	**General: $50,000** **Federal:** **Other:** **Total: $50,000**

What is the net change in requested appropriations for FY 2020-21? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0

Please provide the total number of new positions needed for this request.

	Mark "X" for all that apply:
	Change in cost of providing current services to existing program audience
	Change in case load/enrollment under existing program guidelines
	Non-mandated change in eligibility/enrollment for existing program
	Non-mandated program change in service levels or areas
FACTORS ASSOCIATED WITH THE REQUEST	X Proposed establishment of a new program or initiative
	Loss of federal or other external financial support for existing program
	Exhaustion of fund balances previously used to support program
	IT Technology/Security related
	Consulted DTO during development
	Related to a Non-Recurring request – If so, Priority # _____

	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:
	Education, Training, and Human Development
STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Healthy and Safe Families
	X Maintaining Safety, Integrity, and Security
	Public Infrastructure and Economic Development
	Government and Citizens

AGENCY NAME:	Commission on Higher Education		
AGENCY CODE:	H030	SECTION:	11

ACCOUNTABILITY OF FUNDS	This request supports the CHE's goal of "promoting the quality and excellence of South Carolina's higher education system" through its strategy "Collaborate with peer agencies and institutions." This request funds an annual grant awarded to one public higher education institution through a competitive process. Grant funds will be used to host a statewide safety conference at the grantee's campus with the remaining funds supporting campus safety initiatives at the institution. The use of funds will be evaluated through grant deliverables contained in the agreement between the CHE and grantee institution.
	What specific strategy, as outlined in the FY 2019-20 Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?
RECIPIENTS OF FUNDS	The primary recipient of the grant award will be one of the 33 state public higher education institutions. Subrecipients will include students, who benefit from the safety initiative(s), higher education stakeholders attending the conference, and contractors/vendors who will receive funds for services provided. The annual conference will allow campus safety professionals from across the state to meet and hear best practices and initiatives from safety experts. The $50,000 annual appropriation will be awarded fully to one of the 33 state public higher education institutions through a competitive grant process.
	What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?
JUSTIFICATION OF REQUEST	Campus safety is one of the most topical policy issues. Students, their parents, and campus administrators are justifiably worried about the well-being of the students, especially since many students are living away from home for the first time. This request would provide an annual grant of $50,000 to one of the 33 public higher education institutions in South Carolina through a competitive process. The CHE envisions a 1:1 match through University or other funds to provide a total of $100,000 for campus safety initiatives(s) at the institution. Part of the grant funds must be used to hold an annual safety conference open to the public, higher education officials, and other stakeholders. The topic of the conference will be included in the grant proposal, which will be vetted by a selection committee consisting of CHE staff, commissioner(s), legislator(s), and members of the public. The remainder of the grant and matching funds will be used to fund one or more safety initiatives at the higher education institution per its grant application. If funds are not received, institutions would need to seek other avenues to fund safety initiatives at their campuses. Also, with no centralized funding, there will not be an opportunity to hold a statewide safety conference where peer institutions and other stakeholders may convene to share best practices.
	Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	6

Provide the Agency Priority Ranking from the Executive Summary.

TITLE	**Agency Head Salary Alignment**

Provide a brief, descriptive title for this request.

AMOUNT	**General: $40,357** **Federal:** **Other:** **Total: $40,357**

What is the net change in requested appropriations for FY 2020-21? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0

Please provide the total number of new positions needed for this request.

	Mark "X" for all that apply:
	X Change in cost of providing current services to existing program audience
	Change in case load/enrollment under existing program guidelines
	Non-mandated change in eligibility/enrollment for existing program
FACTORS	Non-mandated program change in service levels or areas
ASSOCIATED WITH	Proposed establishment of a new program or initiative
THE REQUEST	Loss of federal or other external financial support for existing program
	Exhaustion of fund balances previously used to support program
	IT Technology/Security related
	Consulted DTO during development
	Related to a Non-Recurring request – If so, Priority # _____

	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:
	X Education, Training, and Human Development
STATEWIDE	Healthy and Safe Families
ENTERPRISE	Maintaining Safety, Integrity, and Security
STRATEGIC	Public Infrastructure and Economic Development
OBJECTIVES	Government and Citizens

ACCOUNTABILITY OF FUNDS	There is no specific strategy related to this budget ask. Rather, this request is to align the budget bill with the Agency Head Salary Commission-approved salary.

What specific strategy, as outlined in the FY 2019-20 Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

AGENCY NAME:	Commission on Higher Education		
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RECIPIENTS OF FUNDS	Commission on Higher Education President and Executive Director

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST	The Agency Head Salary Commission approved a starting salary of $200,000 for the CHE's new President and Executive Director who started in July 2019. The amount requested is the difference between his current salary, $200,000, and the FY 2019-20 appropriation of $170,572, including a 37% multiplier for fringe benefits. If the agency were not to receive this increase, it would have to limit personal services expenses for staff, including holding vacancies open longer and/or delaying promotion opportunities and reclassifications. This request asks for the budget lines **I. ADMINISTRATION** Executive Director to be brought up to $200,000 and **VI. EMPLOYEE BENEFITS** to be increased by $10,899.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

AGENCY NAME:	Commission on Higher Education		
AGENCY CODE:	H030	SECTION:	11

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	8

Provide the Agency Priority Ranking from the Executive Summary.

TITLE	**Authority to Spend Other Funds**

Provide a brief, descriptive title for this request.

AMOUNT	**General:** **Federal:** **Other: $1,000,000** **Total: $1,000,000**

What is the net change in requested appropriations for FY 2020-21? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0

Please provide the total number of new positions needed for this request.

	Mark "X" for all that apply:
	Change in cost of providing current services to existing program audience
	Change in case load/enrollment under existing program guidelines
	Non-mandated change in eligibility/enrollment for existing program
	Non-mandated program change in service levels or areas
FACTORS ASSOCIATED WITH THE REQUEST	**X** Proposed establishment of a new program or initiative
	Loss of federal or other external financial support for existing program
	Exhaustion of fund balances previously used to support program
	IT Technology/Security related
	Consulted DTO during development
	Related to a Non-Recurring request – If so, Priority # _____

	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:
STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	**X** Education, Training, and Human Development
	Healthy and Safe Families
	Maintaining Safety, Integrity, and Security
	Public Infrastructure and Economic Development
	Government and Citizens

AGENCY NAME:	Commission on Higher Education		
AGENCY CODE:	H030	SECTION:	11

ACCOUNTABILITY OF FUNDS	This request supports the mission of the Commission on Higher Education – access, affordability, and excellence for South Carolina residents enrolled in public higher education institutions. This request may impact one or more of the CHE's strategies in its Accountability Report, depending on the scope and purpose contained in the grant opportunity.
	What specific strategy, as outlined in the FY 2019-20 Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?
RECIPIENTS OF FUNDS	Beneficiaries are the citizens of the state, public institutions of higher education, and policymakers based on the potential programs and initiatives the Commission could undertake with grant funds.
	What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?
JUSTIFICATION OF REQUEST	This request to increase Other Funds spending authority by $1,000,000 is due to new leadership of CHE focusing on available grant funding from national foundations focused on higher education policy. Many times, these grants are issued after the beginning of a state fiscal year and have short application windows. This authority would allow the Commission to pursue grants totaling $1,000,000 during fiscal year 2020-21 to undertake new program and policy initiatives benefiting the citizens of South Carolina.
	Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	9

Provide the Agency Priority Ranking from the Executive Summary.

TITLE	**Professor of the Year**

Provide a brief, descriptive title for this request.

AMOUNT	**General: $15,000** **Federal:** **Other:** **Total: $15,000**

What is the net change in requested appropriations for FY 2020-21? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0

Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	**Mark "X" for all that apply:**
	☐ Change in cost of providing current services to existing program audience
	☐ Change in case load/enrollment under existing program guidelines
	☐ Non-mandated change in eligibility/enrollment for existing program
	☐ Non-mandated program change in service levels or areas
	☐ Proposed establishment of a new program or initiative
	☐ Loss of federal or other external financial support for existing program
	X Exhaustion of fund balances previously used to support program
	☐ IT Technology/Security related
	☐ Consulted DTO during development
	☐ Related to a Non-Recurring request – If so, Priority # _____

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	**Mark "X" for primary applicable Statewide Enterprise Strategic Objective:**
	X Education, Training, and Human Development
	☐ Healthy and Safe Families
	☐ Maintaining Safety, Integrity, and Security
	☐ Public Infrastructure and Economic Development
	☐ Government and Citizens

AGENCY NAME:	Commission on Higher Education		
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ACCOUNTABILITY OF FUNDS	This request aligns with the CHE's goal of promoting quality and excellence of South Carolina's higher education system and is aligned with specific strategies in the CHE's Accountability report, including strategy 1.2 – "Enhance South Carolina's Higher Education Standing" and strategy 4.1 – "Collaborate with peer agencies and institutions." Reestablishing the Professor of the Year Program not only boosts morale at the institutions by creating an honorarium for professor excellence but has an ancillary effect of raising the reputation and stature of programs and departments at institutions. The awards ceremony, hosted by the Governor's office, also provides an additional event where policymakers, higher education institution representatives, and other stakeholders can convene and celebrate the value and impact of higher education in South Carolina.
	What specific strategy, as outlined in the FY 2019-20 Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS	This appropriation would benefit up to 12 professors at higher education institutions. One professor from a four-year institution will receive a $5,000 award, one professor from a two-year or less institution will also receive a $5,000 award, and up to ten finalists will receive $500 awards.
	What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST	S.C. Code section 59-104-220 establishes the Governor's Professor of the Year Award, which grants awards to as many as 12 professors selected from a committee consisting of public and private representatives. After selecting the finalists and nominees, the Governor's office hosts a ceremony to honor the individuals. Per statute, CHE must request an annual appropriation for the award. Based on the statutory language, the maximum amount that can be awarded in a fiscal year is $15,000. The last time the legislature appropriated amounts for the Professor of the Year award was FY 2008-09. CHE has testified at a previous S.C. legislative hearing of the efficacy of the Professor of the Year program on faculty and institutional engagement, which then benefits the students who receive instruction from the faculty. Not all institutions have the means to independently implement faculty recognition programs; however, they all recognize the boost to faculty morale, the distinction among peers, and the recognition from students not for simply winning, but even from being nominated or considered for an honor. Conversely, the suspension of a recognition program can adversely impact the overall quality of the higher education experience for both the students and faculty. Creating a sustainable model for higher education faculty recognition will complement the longstanding K-12 State Teacher of the Year model effectively. If funds were not received or if Proviso 11.18 is continued, faculty would not receive this statewide recognition, which, as mentioned, would have a negative impact on morale and higher education institutional standing.
	Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

AGENCY NAME:	Commission on Higher Education		
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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	10

Provide the Agency Priority Ranking from the Executive Summary.

TITLE	**Statewide Electronic Library - PASCAL**

Provide a brief, descriptive title for this request.

AMOUNT	**General: $1,500,000** **Federal:** **Other:** **Total: $1,500,000**

What is the net change in requested appropriations for FY 2020-21? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0

Please provide the total number of new positions needed for this request.

	Mark "X" for all that apply:
FACTORS ASSOCIATED WITH THE REQUEST	Change in cost of providing current services to existing program audience
	Change in case load/enrollment under existing program guidelines
	Non-mandated change in eligibility/enrollment for existing program
	Non-mandated program change in service levels or areas
	Proposed establishment of a new program or initiative
	Loss of federal or other external financial support for existing program
X	Exhaustion of fund balances previously used to support program
	IT Technology/Security related
	Consulted DTO during development
	Related to a Non-Recurring request – If so, Priority # _____

	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:
STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	**X** Education, Training, and Human Development
	Healthy and Safe Families
	Maintaining Safety, Integrity, and Security
	Public Infrastructure and Economic Development
	Government and Citizens

ACCOUNTABILITY OF FUNDS	CHE serves as the fiscal agent for PASCAL through a Memorandum of Understanding that is executed each fiscal year. This request is forwarded at the request of PASCAL. This request supports multiple CHE strategies, including: 2.3 – "Advance cost-savings opportunities to obtain a postsecondary credential"; and 3.2 – "Partner with institutions and other entities to develop and promote innovations in academic programming."

What specific strategy, as outlined in the FY 2019-20 Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

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RECIPIENTS OF FUNDS	The state's nearly 285,000 higher education students, as well as faculty and staff at 56 public and independent institutions of higher education benefit from the use of these funds for the joint subscription to educational content in electronic formats and procurement of library technology services. This is of particular importance to the 80% of South Carolina students who attend one of the 50 schools whose library budgets constitute less than 40% of total academic library expenditures within the state. For these students, PASCAL resources constitute most -- if not nearly all-- of the academic resources available to them for their academic course of study. Content is licensed annually or on a multi-year basis from academic publishers. Technology procurement is based on competitive state processes in order to efficiently support access to information required by member libraries. The use of funds provides universal access via a statewide-enterprise level approach to academic library services. Library services support affordability of higher education and student retention.

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST	**Program Value** Since 2004, PASCAL's statewide electronic library core programs have generated nearly $138 million in cost-avoidance, (comparing the PASCAL prices to prices for all PASCAL purchases to the list prices, had all academic institutions purchased materials independently.) These savings have been generated primarily through savings on academic content via centrally licensed electronic journal and e-book package subscriptions which provide access to over 17,000 journals and 300,000 academic e-books and providing rapid delivery to the state's inventory of 12 million print book housed in academic libraries around the state. As students and faculty shift use from print to electronic books there are opportunities to generate deeper efficiencies through collaborative management of print collections to reduce the duplication of material and effort. In addition, the software infrastructure needed to manage licensed collections of electronic resources is substantially different than that used to simply circulate print materials. The state's academic libraries have faced a significant need to retool this infrastructure. **Use of Lottery Funds** PASCAL will be renewing multi-year ebook subscription package licenses in FY19-20 ($700,000). Lottery funds have been used to support this core recurring expenditure since 2014. The consortium is in the process of implementing a shared Library Service Platform (LSP) that will replace multiple aging institutional Integrated Library Systems (ILS) designed to handle print materials with a common state-of-the art system designed for the hybrid digital and print environment. The system will "go-live" in June 2020. This procurement (Contract #4400018824, award to ExLibris USA) is utilizing accumulated lottery funds to pay up-front costs for this necessary systems modernization for virtually all of the state's higher education libraries. Expected one-time migration costs for the shared LSP are $2.9 million. $1.3 million of this was spent in FY18-19 and the balance should be expended in FY19-20, assuming the migration is completed on schedule. Ongoing software-as-a-service support for the shared LSP ($1.3 million) will be collected from the institutions starting in FY20-21 and libraries will also pay

PASCAL for technical support. However, the first ongoing payment to the vendor is due in June 2020. PASCAL plans to use lottery funds to pay this initial installment and will recoup them through collections made in the final year of the contract. The $1.5 million allocated by the General Assembly in lottery proviso of the FY19-20 budget have been prioritized for a corollary infrastructure project, collection management support, and affordable learning initiatives, with any remainder going to one-time content purchases. These costs are projected to be $500,000-$700,000 for a multi-year authentication solution. Given the anticipated timing of the receipt of funds from the proviso, most of these expenditures are anticipated for FY20-21. Together, the shared LSP and authentication solutions will provide all institutions of higher education with a common platform for managing print and electronic resources and facilitate enhanced end-user access to information and library back-office efficiencies. The remaining one-time funds (approximately $690,000) will be used to support shared collection management and affordable learning initiatives. By 2024, the academic libraries in South Carolina will be at 97% capacity and a comprehensive collection analysis is necessary to manage deselection and shared print storage plans. Collaborative planning can reduce overall costs and ensure that useful resources are not discarded. The need for state-enterprise level approach to unaffordable textbooks is underscored by the fact that textbook prices have risen 3.2 times the rate of inflation since 1978. Generally, any remaining one-time funds are used to support one-time content purchases aimed at restoring subject access in areas where content was lost following the reduction of appropriated funds in FY 2008-09 during the 2008 economic downturn, while not encumbering libraries with additional recurring costs.

Recurring Funding Need
Recurring funds are needed to maintain the level of ubiquitous access and significant cost-avoidance for electronic journals, databases and e-books that we have achieved. For the most part, electronic content is licensed by libraries on a subscription basis. Particularly for smaller public and independent colleges, consortium expansion of subscription-based services using one-time funding creates the potential for instability in the information base available to support pedagogy and research from year to year. Historically, the standing request for PASCAL funding in the Commission's budget submission to the Governor and legislature has been $1.5 million, recurring state dollars. The basis for the $1.5 million request has been that it is balanced to support ongoing expenditures for library content (e-journals and e-books) and to support a portion of ongoing infrastructure costs necessary to support sharing collections (access via rapid-delivery and collection management programs).

Impact
Lottery funds received by PASCAL have been transformative in building a first-rate library infrastructure for higher education in South Carolina. These gains should be consolidated and protected. Replacement of one-time funding with recurring funds for core subscriptions and infrastructure would stabilize content and delivery of library services for the 80% of the state's student population at smaller institutions. It would also facilitate collection planning. Enhanced capability to plan would maximize the use of both state and institutional funds used to make academic resources available to students. Recurring funding at the level historically requested by PASCAL through CHE would accomplish this by 1) ensuring access to core content for the 285,000 FTE at all institutions; 2) maintaining universal access to print content through shared management and delivery; 3) enabling libraries to extend efforts to support affordable learning initiatives aimed at reducing the costs of educational content, including text books.

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Recurring funds for core resources would also generate greater cost-avoidance efficiencies by facilitating improved leverage in license negotiation with publishers. This would also facilitate maximal use of institutional funds as a match for the further expansion of affordable resources for students.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

FORM B2 – NON-RECURRING OPERATING REQUEST

AGENCY PRIORITY	1

Provide the Agency Priority Ranking from the Executive Summary.

TITLE	**Need-Based Grants**

Provide a brief, descriptive title for this request.

AMOUNT	**$32,000,000**

What is the net change in requested appropriations for FY 2020-21? This amount should correspond to the total for all funding sources on the Executive Summary.

	Mark "X" for all that apply:
	Change in cost of providing current services to existing program audience
	Change in case load/enrollment under existing program guidelines
	Non-mandated change in eligibility/enrollment for existing program
	Non-mandated program change in service levels or areas
	Proposed establishment of a new program or initiative
FACTORS ASSOCIATED WITH THE REQUEST	Loss of federal or other external financial support for existing program
	Exhaustion of fund balances previously used to support program
	IT Technology/Security related
	Consulted DTO during development
X	Request for Non-Recurring Appropriations
	Request for Federal/Other Authorization to spend existing funding
	Related to a Recurring request – If so, Priority # _____

	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:
	X Education, Training, and Human Development
STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Healthy and Safe Families
	Maintaining Safety, Integrity, and Security
	Public Infrastructure and Economic Development
	Government and Citizens

ACCOUNTABILITY OF FUNDS	This request supports the CHE's goal of improving affordability in South Carolina's higher education programs and services for students and families and its specific strategy "Assist families with planning for higher education costs." Making available an extra $32 million of funding over a four-year period for the neediest in-state students lowers the substantial burden of paying for their education. CHE will evaluate the use of the funds through its traditional oversight and transparency role. It will report annually disbursements to the schools and collect and report data on the number of in-state students who received need-based grants at the institutions. In addition, the CHE will examine the impact of the additional funding on other measures, such as completion rates, over the four-year period.

What specific strategy, as outlined in the FY 2019-20 Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

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RECIPIENTS OF FUNDS

South Carolina resident undergraduate students attending public or independent higher education institutions that have a demonstrable need based on available family contributions for their education calculated from the Free Application for Federal Student Aid (FAFSA).

The CHE will allocate the funds to the public institutions and to the Tuition Grants Commission, for independent institutions, using its current methodology, which is based on in-state undergraduate headcount enrollment and federal Pell grant recipients. For academic year 2019-20, public and independent institutions received these shares based on the formula:

Clemson: 8%
USC Columbia: 12%
MUSC: <1%
The Citadel: 1%
Coastal Carolina: 6%
College of Charleston: 5%
Francis Marion: 4%
Lander: 3%
SC State: 3%
USC Aiken: 2%
USC Beaufort: 2%
USC Upstate: 6%
Winthrop: 6%
USC Lancaster: 1%
USC Salkehatchie: <1%
USC Sumter: <1%
USC Union: <1%
Aiken TC: 1%
Central Carolina TC: 1%
Denmark TC: <1%
Florence-Darlington TC: 1%
Greenville TC: 3%
Horry-Georgetown TC: 2%
Midlands TC: 3%
Northeastern TC: <1%
Orangeburg-Calhoun: 1%
Piedmont TC: 1%
Spartanburg CC: 1%
TC of the Lowcountry: 1%
Tri-County TC: 2%
Trident TC: 3%
Williamsburg TC: <1%
York TC: 1%
Independent Institutions: 17%

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

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JUSTIFICATION OF REQUEST	The CHE requests $32 million in one-time funds to operate a needs-based grants fund for a four-year period. The CHE will disburse approximately $8,000,000 a year to all institutions to supplement the current need-based grants appropriation. Similar to the state-funded scholarship programs, needs-based grants passthrough to students. As a result, the CHE believes South Carolina citizens attending either public or independent institutions should receive these funds.

For FY 2018-19, the general assembly appropriated $32 million for need-based funds:
• Existing General Fund Education Endowment Funding (50% of $24,000,000) - $12,000,000
• Existing Lottery Net Proceeds - $20,000,000

The CHE surveyed all public institutions and the South Carolina Independent Colleges & Universities (SCICU) to determine the unmet need of its students. The CHE requested data on the amount need-based students could have received for FY 2018-19 in awards up to the statutory cap, which is $2,500 for public institution students and $3,732 for independent institutions. The CHE used a conservative methodology; only inquiring about the amount students would have been eligible to receive, based on their expected family contributions, up to the statutory cap if an institution had available need-based grant funding to disburse. The results were staggering. According to data supplied by the institutions, the 33 public colleges and universities had a combined unmet need of $59.8 million and the independent institutions had an unmet need of $5.9 million in FY 2018-19.

This $32 million request, which will average approximately $8 million a year in additional available funding over the 4-year period, will not meet this great need for students. However, it will provide additional relief and increase the need-based grants funding by 25% over what is already appropriated.

If this request is unmet, much, if not all, of the shortfall will be made up by the student and his or her family taking on debt to pay for the student's education.

The CHE supports a greater recurring appropriation for needs-based grants. However, it believes utilizing available non-recurring funds over a four-year period may be an acceptable alternative until additional recurring funding is made available. |
| | *Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. Does this non-recurring appropriation request create an annualization or need for recurring funds?* |

FORM B2 – NON-RECURRING OPERATING REQUEST

AGENCY PRIORITY	4

Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Data Warehouse Migration

Provide a brief, descriptive title for this request.

AMOUNT	$350,000

What is the net change in requested appropriations for FY 2020-21? This amount should correspond to the total for all funding sources on the Executive Summary.

	Mark "X" for all that apply:
	Change in cost of providing current services to existing program audience
	Change in case load/enrollment under existing program guidelines
	Non-mandated change in eligibility/enrollment for existing program
	Non-mandated program change in service levels or areas
	Proposed establishment of a new program or initiative
	Loss of federal or other external financial support for existing program
	Exhaustion of fund balances previously used to support program
X	IT Technology/Security related
X	Consulted DTO during development
X	Request for Non-Recurring Appropriations
	Request for Federal/Other Authorization to spend existing funding
X	Related to a Recurring request – If so, Priority # 3

FACTORS ASSOCIATED WITH THE REQUEST

	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:
	Education, Training, and Human Development
	Healthy and Safe Families
X	Maintaining Safety, Integrity, and Security
	Public Infrastructure and Economic Development
	Government and Citizens

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES

ACCOUNTABILITY OF FUNDS	This non-recurring request touches on all aspects of the agency's operations but can be specifically linked to its strategy 4.2 "Analyze impacts of higher education" in the 2018-19 Accountability Report. Migrating the Commission on Higher Education Management Information System (CHEMIS) to the Department of Administration Division of Technology Operations (DTO) will allow the CHE to increase productivity and advance its mission to provide access, affordability, and quality in the state system of higher education. The migration will increase the CHE's capacity to participate in the South Carolina Longitudinal Data System and leverage DTO's data security, back-up systems, and disaster recovery processes. In addition, the funds will provide the resources that are needed to comply with the state's mandates and policies/procedures required by the Department of

	Administration Division of Information Security. CHE will evaluate the use of the funds by tracking the efficiencies gained from migrating the data warehouse to DTO.
	What specific strategy, as outlined in the FY 2019-20 Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?
RECIPIENTS OF FUNDS	A state contract vendor would receive the majority of the funds, $250,000, for project management and implementation related work. The Department of Administration will be the other beneficiary, $100,000, to procure shared services database servers and software, and provide server management functions.
	What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?
JUSTIFICATION OF REQUEST	CHE fully migrated its local area network to DTO under the shared services agreement between the agencies. To fully utilize the shared services offering, the CHE plans to migrate the CHEMIS data warehouse to DTO's managed servers. The $350,000 in non-recurring funds will be used to secure third-party vendors and leverage the resources provided by DTO. The $350,000 value is based on an analysis completed for the IT plan. In conjunction with this request, the CHE is requesting $85,000 in recurring funds to fund a database administrator position. Without the requested funds, the CHE will not have the resources needed to complete its IT plan. Failure to migrate the CHEMIS data warehouse limits the CHE's ability to comply with the state's policies and procedures and participate in the longitudinal data system. In addition, without this $350,000 non-recurring request and the associated request to fund a database administrator, the CHE will be unable to fully realize the benefits of transferring its IT business processes to the DTO through the agencies' shared services agreement. This will result in the inability of the CHE to enhance or increase the data collection capabilities of its CHEMIS data warehouse based on the agency's current data infrastructure.
	Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. Does this non-recurring appropriation request create an annualization or need for recurring funds?

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FORM B2 – NON-RECURRING OPERATING REQUEST

AGENCY PRIORITY	7

Provide the Agency Priority Ranking from the Executive Summary.

TITLE	**Financial Literacy Pilot Program**

Provide a brief, descriptive title for this request.

AMOUNT	**$100,000**

What is the net change in requested appropriations for FY 2020-21? This amount should correspond to the total for all funding sources on the Executive Summary.

	Mark "X" for all that apply:
	Change in cost of providing current services to existing program audience
	Change in case load/enrollment under existing program guidelines
	Non-mandated change in eligibility/enrollment for existing program
	Non-mandated program change in service levels or areas
X	Proposed establishment of a new program or initiative
	Loss of federal or other external financial support for existing program
	Exhaustion of fund balances previously used to support program
	IT Technology/Security related
	Consulted DTO during development
X	Request for Non-Recurring Appropriations
	Request for Federal/Other Authorization to spend existing funding
	Related to a Recurring request – If so, Priority # _____

FACTORS ASSOCIATED WITH THE REQUEST *(label for above table)*

	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:
X	Education, Training, and Human Development
	Healthy and Safe Families
	Maintaining Safety, Integrity, and Security
	Public Infrastructure and Economic Development
	Government and Citizens

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES *(label for above table)*

ACCOUNTABILITY OF FUNDS

This request aligns with the CHE's goals of improving both the affordability and accessibility of South Carolina's higher education programs and services through its specific strategies "Assist families with planning for higher education costs" and "Increase family awareness of postsecondary education opportunities." The CHE envisions that the person hired for this two-year pilot program will develop materials and present financial literacy workshops across the state to help prospective college students and their families plan for the next stage of the students' academic careers. The objectives of the initiative are to increase financial literacy, help families identify ways to pay for college, decrease the accumulation of student loan debt, and reduce loan defaults.

The CHE will evaluate the impact of this request by tracking the number of workshops held, number of families and/or students in attendance, and post-workshop survey results.

	Ultimately, the purpose of this pilot program is to determine whether it is a valid endeavor to make permanent.
	What specific strategy, as outlined in the FY 2019-20 Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?
RECIPIENTS OF FUNDS	The temporary employee CHE hires for this pilot program. The full-time annualized salary will be $50,000. Additional funds will be used to support financial literacy workshops and meetings, and to produce multi-media materials to promote financial literacy.
	What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?
JUSTIFICATION OF REQUEST	The cost of obtaining a diploma over the past ten years has outpaced median income wage growth. To make up the difference, many families and students are taking on debt to pay for their education. While obtaining a bachelor's degree still has a high rate of return for an individual's career earnings, many students are starting off their post-collegiate career with debt. This debt load has an adverse impact on many other life decisions, including starting a family or owning a home. The CHE unveiled the Palmetto Calculator in FY 2018-19 to help students and families navigate and understand the cost of attending an S.C. higher education institution. However, the CHE believes more can be done. A June 2019 report by the U.S. Financial Literacy and Education Commission found that students lack financial literacy. The CHE envisions a two-year pilot program in which it hires a temporary employee, at a 12-month salary of $50,000, who will develop material and present across the state on financial literacy. Along with presenting issues on debt and potential earnings, material will focus on degree completions and completing a degree within two- or four-years. Because the CHE envisions this as a two-year pilot program, the CHE will seek an employee who has grant writing experience. If the program outcomes warrant a permanent position, the CHE will seek outside funding to support this important need.
	Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. Does this non-recurring appropriation request create an annualization or need for recurring funds?

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FORM D – PROVISO REVISION REQUEST

NUMBER	3.4
	Cite the proviso according to the renumbered list for FY 2020-21 (or mark "NEW").

TITLE	**LEA: FY 2019-20 Lottery Funding**
	Provide the title from the FY 2019-20 Appropriations Act or suggest a short title for any new request.

BUDGET PROGRAM	**III. LICENSING, VI. EMPLOYEE BENEFITS**
	Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST	No.
	Is this request associated with a budget request you have submitted for FY 2020-21? If so, cite it here.

REQUESTED ACTION	**Amend**
	Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED	N/A
	Which other agencies would be affected by the recommended action? How?

| SUMMARY & EXPLANATION | Proviso 3.5 of the FY 2019-20 appropriations act outlines spending from the Education Lottery Account during the fiscal year. In addition to dollar amounts, it includes certain deliverables of the CHE.

The CHE has two requests related to the Education Lottery Account proviso. First, it requests authorization to use $375,000 from lottery funds appropriated to administer the program. This is an increase of $30,000 over the current authorization. The CHE has not had an increase in authorization since FY 2015-16. Since that last authorization, the general assembly has increased state employee salaries twice and there have been higher fringe benefit costs to the agency.

Secondly, the CHE requests that transfers between appropriated line items not be temporary. This has a burdensome effect on the agency because if it needs to transfer from one fund to another in a given year, it then needs to make the transferring fund whole again in the following fiscal year. In practice, the CHE annually must borrow appropriation authority for the same scholarship program and pay it back for an initial shortfall in the following fiscal year. Scholarship appropriations are based on estimated expenditures for the budget year. Even if the agency accurately estimates the amount needed, and receives an appropriation of that amount, the agency still may end up with a shortfall in that program due to transferring a portion of the appropriation to a different scholarship program it borrowed from in the previous fiscal year. By deleting the word |
|---|---|

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"temporarily," the CHE will not need to constantly borrow and repay shortfalls between two scholarship appropriations.

Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT

$30,000 – Other Funds, Lottery Expenditure Account. The CHE requests that the amount the legislature has authorized the CHE to use for program support for the scholarship award process and for a scholarship compliance auditor be increased from $345,000 to $375,000. This represents an average annual increase of just 1.7% since the last increase in FY 2015-16. The CHE respectfully asks for this increase in authorization to make up for higher fringe, salary, and operating costs over the past five fiscal years it experienced related to administering scholarship programs. Lottery scholarships total $360 million annually and it is extremely important to effectively administer and monitor this program for its ongoing integrity.

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

PROPOSED PROVISO TEXT

The Commission on Higher Education is authorized to ~~temporarily~~ transfer funds between appropriated line items in order to ensure the timely receipt of scholarships and tuition assistance. It is the goal of the General Assembly to fund the Tuition Assistance program at such a level to support at least $996 per student per term for full time students.

The Commission on Higher Education is authorized to use up to **$375,000** ~~$345,000~~ of the funds appropriated in this provision for LIFE, HOPE, and Palmetto Fellows scholarships to provide the necessary level of program support for the scholarship award process and to provide for a Scholarship Compliance Auditor.

Paste FY 2019-20 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

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FORM D – PROVISO REVISION REQUEST

NUMBER	**11.11**
	Cite the proviso according to the renumbered list for FY 2020-21 (or mark "NEW").
TITLE	**SmartState**
	Provide the title from the FY 2019-20 Appropriations Act or suggest a short title for any new request.
BUDGET PROGRAM	**V. CHE GRANT & OTHER HIGHER EDUC COLLABORATION: SmartState Program Administration**
	Identify the associated budget program(s) by name and budget section.
RELATED BUDGET REQUEST	No
	Is this request associated with a budget request you have submitted for FY 2020-21? If so, cite it here.
REQUESTED ACTION	**Delete**
	Choose from: Add, Delete, Amend, or Codify.
OTHER AGENCIES AFFECTED	The SmartState Program funds Research Centers of Economic Excellence at the three research universities: Clemson University, Medical University of South Carolina, and University of South Carolina.
	Which other agencies would be affected by the recommended action? How?
SUMMARY & EXPLANATION	The SmartState Program has been highly successful and recognized as a leading example, because of its unprecedented collaboration between industry, academia, and government. The program has had a $2.8 billion economic impact on the state and has led to the creation of over 14,600 jobs with salaries averaging $70,000 a year. In addition, the program has assembled corporate and philanthropic partners, including BMW, Fluor, Michelin, Dominion Energy, Roche Carolina, GlaxoSmithKline, and Blue Cross Blue Shield Foundation. The existing Proviso prohibits the Commission on Higher Education from expending any funds to market and promote the SmartState Program thereby placing an unnecessary constraint on the SmartState Review Board
	Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.
FISCAL IMPACT	$0. This proviso would not affect the annual appropriation for SmartState. Rather, it would allow the SmartState Board, when setting its annual budget, to use some of the funds to purchase SmartState Program promotional material.
	Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

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PROPOSED PROVISO TEXT	**11.11.** (CHE: SmartState) The Commission on Higher Education is prohibited from expending any source of funds on the marketing of the SmartState Program.

Paste FY 2019-20 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

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FORM D – PROVISO REVISION REQUEST

NUMBER	**11.18**
	Cite the proviso according to the renumbered list for FY 2020-21 (or mark "NEW").

TITLE	**Suspend Governor's Professor of the Year Award**
	Provide the title from the FY 2019-20 Appropriations Act or suggest a short title for any new request.

BUDGET PROGRAM	**VII. SCHOLARSHIPS & ASSISTANCE**
	Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST	Yes. Budget Request B1-Recurring, Professor of the Year.
	Is this request associated with a budget request you have submitted for FY 2020-21? If so, cite it here.

REQUESTED ACTION	**Delete**
	Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED	Potentially any of the South Carolina 2- and 4-year private or public institutions and the Governor's Office. Professors at the institutions are eligible for an award up to $5,000. The Governor's office is affected because it is required by statute to host the awards ceremony. In addition, among other entities, higher education institutions and the Governor's Office are also affected by having members serve on the selection committee.
	Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION	The existing proviso suspends S.C. code section 59-104-220, which establishes the "Governor's Professor of the Year" award. This includes prohibitions of public or private institutions nominating one faculty member for an award; the Governor's Office in conjunction with the Commission on Higher Education establishing a selection committee; two professors receiving $5,000 awards and up to ten professors receiving $500 awards; and the Governor's Office hosting an awards ceremony.
	Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT	$15,000, general funds plus the cost of hosting the awards ceremony. The statutory cap for funding the maximum of 12 awards is $15,000. There will also be staff costs and potential other costs involved with hosting an awards ceremony for the winners and finalists.
	Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

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PROPOSED PROVISO TEXT	**11.18.** (CHE: Suspend Governor's Professor of the Year Award) The requirements of ~~Section 59-104-220 of the 1976 Code pertaining to the Governor's Professor of the Year Award shall be suspended for the Fiscal Year 2019-20.~~

Paste FY 2019-20 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

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FORM D – PROVISO REVISION REQUEST

NUMBER	**117.140**
	Cite the proviso according to the renumbered list for FY 2020-21 (or mark "NEW").

TITLE	**Higher Education Tuition Mitigation**
	Provide the title from the FY 2019-20 Appropriations Act or suggest a short title for any new request.

BUDGET PROGRAM	**Part IA recurring funding, E&G-Unrestricted – Other Operating Expenses for all four-year public institutions and USC two-year branch campuses.**
	Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST	No.
	Is this request associated with a budget request you have submitted for FY 2020-21? If so, cite it here.

REQUESTED ACTION	**Amend.**
	Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED	The 13 four-year institutions, from the research and comprehensive sectors, and 4 two-year USC branch campuses.
	Which other agencies would be affected by the recommended action? How?

| SUMMARY & EXPLANATION | Proviso 117.155 of the FY 2019-20 appropriation act increases recurring Part IA funding to four-year public institutions and two-year USC branch campuses if the institutions do not increase in-state undergraduate tuition by an aggregate amount greater than the costs related to the one-percentage point increase in pension contributions and any state health plan increases for non-state funded employees.

The CHE endorses the additional amounts appropriated to the four-year institutions and two-year USC branch campuses in the fiscal year 2019-20 state budget that restricted tuition increases of in-state undergraduate students. The CHE believes that providing additional funds this coming budget year to the institutions, based on recent national average tuition increases in the higher education field per the higher education price index (HEPI), will greatly benefit students and their families in meeting the costs of obtaining a degree. Because the CHE recommends using HEPI, it does not believe there should be an allowance for increased costs related to pension increases or state health plan increases. Rather, these costs are already built into the HEPI inflation rate. |
|---|---|
| | *Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.* |

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FISCAL IMPACT	The CHE developed the funding amounts using the national average tuition rate increase over the past five years based on HEPI, which is 2.52 percent. It then calculated the projected revenue from tuition and fees for academic year 2019-20 from in-state undergraduate students using tuition and fee data supplied by the institutions for academic year 2019-20 and an estimate of in-state, undergraduate full-time equivalent students based on Fall 2018 enrollment data, by institution. Using this methodology, the fiscal impact will be $20,128,592 of recurring state funds.

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

PROPOSED PROVISO TEXT	The following recurring funds have been appropriated in Part IA to institutions of higher education to mitigate tuition and mandatory fee increases for in-state undergraduate students:
	    (1) The Citadel $ **620,534**~~764,651~~;
	    (2) Clemson University $ **4,938,735**~~5,716,806~~;
	    (3) University of Charleston $ **1,768,444**~~2,659,523~~;
	    (4) Coastal Carolina University $ **1,305,002**~~2,145,346~~;
	    (5) Francis Marion University $ **702,789**~~1,464,038~~;
	    (6) Lander University $ **764,883**~~1,200,335~~;
	    (7) South Carolina State University $ **555,751**~~919,875~~;
	    (8) University of South Carolina-Columbia $ **4,712,239**~~8,313,496~~;
	    (9) University of South Carolina-Aiken $ **664,651**~~1,262,954~~;
	    (10) University of South Carolina-Upstate $ **1,401,292**~~2,498,567~~;
	    (11) University of South Carolina-Beaufort $ **433,593**~~780,527~~;
	    (12) University of South Carolina-Lancaster $ **194,510**~~649,998~~;
	    (13) University of South Carolina-Salkehatchie $ **122,232**~~384,972~~;
	    (14) University of South Carolina-Sumter $ **137,145**~~454,205~~;
	    (15) University of South Carolina-Union $ **118,638**~~471,844~~;
	    (16) Winthrop University $ **1,596,764**~~1,958,372~~; and
	    (17) Medical University of South Carolina $ **91,389**~~4,523,265~~.
	  In order to retain the above appropriations, each institution of higher education listed above must certify to the Commission on Higher Education by August 1, 2019**20**, that, ~~excluding tuition increases due to pension increases required by the provisions of Sections 9-1-1085 and 9-11-225 of the 1976 Code and any state health plan increase,~~ there is no in-state tuition or mandatory fee increase for the ~~2019-~~2020**-2021** academic year.
	  The Commission on Higher Education shall develop the process by which institutions provide the certification. Any institution unable to provide such certification to the commission shall remit their respective above recurring allocation to the General Fund by September 1, 2019**20**.
	  By October 1, 20**20**~~19~~, the Commission on Higher Education shall report to the House Ways and Means Committee, the Senate Finance Committee, and the Executive Budget Office the institutions that failed to certify that the in-state tuition increase met the guidelines outlined in this provision. The Executive Budget Office is directed to reduce the recurring appropriation of any institution found to be non-compliant with the certification

Paste FY 2019-20 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION CONTINGENCY PLAN

TITLE	**Agency Cost Savings and General Fund Reduction Contingency Plan**

AMOUNT	**$1,065,460**
	What is the General Fund 3% reduction amount (minimum based on the FY 2019-20 recurring appropriations)? This amount should correspond to the reduction spreadsheet prepared by EBO.

ASSOCIATED FTE REDUCTIONS	Approximately two FTEs
	How many FTEs would be reduced in association with this General Fund reduction?

PROGRAM/ACTIVITY IMPACT	All programs of the agency, with the exception of federal programs, would be affected by a 3% reduction of General Funds. This would include the divisions of Academic Affairs, Student Services, Fiscal Affairs, and Information Technology. The CHE would apply the 3% reduction across the board, which would affect flow-through funds to other entities and funds for CHE's operations. The feasibility of mandatory furloughs in the first year of the 3% reduction would be researched to determine if that is an option in case there are not sufficient retirements within the first year. Travel and conference attendance would be limited to that which is only deemed essential by the Executive Director of the agency.
	What programs or activities are supported by the General Funds identified?

SUMMARY	The General Funds reduced for agency operations are primarily personnel related and would directly reduce the amount of staff available to carry out the mission of CHE as outlined in the Accountability Report. The Academic Affairs, Student Services, Fiscal Affairs, and Information Technology divisions would all be impacted by the reduction of approximately two FTEs. This reduction of FTEs would be achieved through not filling positions as they become vacant due to retirements or other reasons.
	Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.

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AGENCY COST SAVINGS PLANS	The CHE is exploring multiple options to reduce costs and operating expenses. It is currently in the process of seeking new building space and anticipates it will reduce its footprint by 22%, or 5,200 square feet. While the agency is in the process of working with the Department of Administration to select space and negotiate a lease, it anticipates it will reduce its monthly lease payments for office space. The CHE also is seeking collaborative partnerships with regional and national organizations. One example is collaborating with the Hunt Institute, which is providing consulting services at no cost to help the agency implement its public agenda.

What measures does the agency plan to implement to reduce its costs and operating expenses by more than $50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?