

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



Fiscal Year 2017-18 Agency Budget Plan

FORM A – SUMMARY

RECURRING FUNDS (FORM B DECISION PACKAGES)	<p>My agency is submitting the following recurring decision packages listed in <u>priority order</u> (Form B):</p> <ul style="list-style-type: none"> 11478 – Agency Operating Support for Core Mission Functions 11491 – Agency Technology Needs and Data/Information Security 11475 – Agency Legal Staffing Support 11509 – Licensing Operations 11497 – SREB Contract Programs & Assessments 11500 – Needs Based Grants 11503 – State Electronic Library – PASCAL 11506 – Professor of the Year 11494 – Pay Plan and Health Allocation 						
	<p>For FY 2017-18, my agency is (mark “X”):</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%; text-align: center;"><input checked="" type="checkbox"/></td> <td>Requesting a net increase in recurring General Fund appropriations.</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td>Not requesting a net increase in recurring General Fund Appropriations.</td> </tr> </table>	<input checked="" type="checkbox"/>	Requesting a net increase in recurring General Fund appropriations.	<input type="checkbox"/>	Not requesting a net increase in recurring General Fund Appropriations.		
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CAPITAL & NON-RECURRING FUNDS (FORM C DECISION PACKAGES)	<p>My agency is submitting the following one-time decision packages listed in <u>priority order</u> (Form C):</p> <ul style="list-style-type: none"> 11512 – Maintenance, Equipment, and Other Facilities Needs 						
	<p>For FY 2017-18, my agency is (mark “X”):</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%; text-align: center;"><input checked="" type="checkbox"/></td> <td>Requesting capital and/or non-recurring funds.</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td>Not requesting capital and/or non-recurring funds.</td> </tr> </table>	<input checked="" type="checkbox"/>	Requesting capital and/or non-recurring funds.	<input type="checkbox"/>	Not requesting capital and/or non-recurring funds.		
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<input type="checkbox"/>	Not requesting capital and/or non-recurring funds.						
PROVISOS (FORM D)	<p>For FY 2017-18, my agency is (mark “X”):</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%; text-align: center;"><input checked="" type="checkbox"/></td> <td>Requesting a new proviso and/or substantive changes to existing provisos.</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td>Only requesting technical proviso changes (such as date references).</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td>Not requesting any proviso changes.</td> </tr> </table>	<input checked="" type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.	<input type="checkbox"/>	Only requesting technical proviso changes (such as date references).	<input type="checkbox"/>	Not requesting any proviso changes.
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<input type="checkbox"/>	Only requesting technical proviso changes (such as date references).						
<input type="checkbox"/>	Not requesting any proviso changes.						

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

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
PRIMARY CONTACT:	Gary Glenn	803-737-2155	gglenn@che.sc.gov
SECONDARY CONTACT:	Morgan O’Donnell	803-737-3921	modonnell@che.sc.gov

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I have reviewed and approved the enclosed FY 2017-18 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	<u><i>Agency Director</i></u>	<u><i>Board or Commission Chair</i></u>
SIGN/DATE:		
TYPE/PRINT NAME:	Gary S. Glenn, Interim Executive Director	Tim M. Hofferth, Chair

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

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FORM B – PROGRAM REVISION REQUEST

DECISION PACKAGE	11478
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Provide the decision package number issued by the PBF system (“Governor’s Request”).

TITLE	Agency Operating Support for Core Mission Functions I. Administration, Classified Positions, Other Operating and IX. Employee Benefits, State Employer Contributions
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Provide a brief, descriptive title for this request.

AMOUNT	\$1,272,700
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What is the net change in requested appropriations for FY 2017-18? This amount should correspond to the decision package’s total in PBF across all funding sources.

ENABLING AUTHORITY	CHE authorizing legislation §59-103-5 <i>et seq</i> and also pursuant to responsibilities carried out under licensing of non-public postsecondary education pursuant to SC Code of Laws 59-58-10 <i>et seq</i> , and various other statutes relating to CHE programs and activities including responsibilities in administering state-supported scholarship and grant programs.
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What specific state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority? Please avoid citing general provisions of law where possible, and instead cite to the most specific legal authority supporting the request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:
	<input type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.
	<input type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.
	<input type="checkbox"/> (Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i>
	<input type="checkbox"/> IT Technology/Security related
	<input type="checkbox"/> Consulted DTO during development
	<input type="checkbox"/> Related to a Non-Recurring request – If so, Decision Package # _____
	<input checked="" type="checkbox"/> Change in cost of providing current services to existing program audience.
	<input type="checkbox"/> Change in case load / enrollment under existing program guidelines.
	<input type="checkbox"/> Non-mandated change in eligibility / enrollment for existing program.
	<input type="checkbox"/> Non-mandated program change in service levels or areas.
	<input type="checkbox"/> Proposed establishment of a new program or initiative.
<input type="checkbox"/> Loss of federal or other external financial support for existing program.	
<input type="checkbox"/> Exhaustion of fund balances previously used to support program.	

RECIPIENTS OF FUNDS	Agency staffing and operation support.
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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?

ACCOUNTABILITY OF FUNDS	1.1.1-1.1.5. 1.2.1-1.2.4. 2.1.1-2.1.6
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What specific agency objective, as outlined in the agency’s accountability report, does this funding request support? How would this request advance that objective?

POTENTIAL OFFSETS	N/A
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For decision packages that request non-mandatory funding increases to programs or initiatives, please identify a potential offset within an existing lower priority or ineffective program(s).

MATCHING FUNDS	N/A
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Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.

FUNDING ALTERNATIVES	N/A
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What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.

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SUMMARY	<p>CHE has completed a full vetting of its legislative responsibilities. This analysis resulted in the identification of 160 separate and distinct legislative mandates requiring action on the part of CHE. Current resources allow us to respond to 105 of those directives, to at least partially respond to 25 of those directives, and preclude us from responding at all to 30 of those directives. Further analysis determined that 21 legislative mandates could be deleted as they were no longer viable, were no longer the specific responsibility of CHE, or were in conflict with other statutes that had been added or amended over time; 116 directives were still appropriate as written; and the remaining 23 statutes required some degree of amending to clarify CHE responsibilities going forward. Our ability to fully comply with 9 of the statutes was directly related to our inability to resource the activity within our current level of appropriated support. Accordingly, CHE is seeking \$1,272,700 in additional recurring state funds for sixteen new full-time positions and associated operating support to meet our responsibilities as prescribed by state statutes.</p>
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Using as much detail as necessary to make an informed decision regarding this request, provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.

METHOD OF CALCULATION	<p>I. Agency Administration: Personal Services and Other Operating Expenses:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Personal Services</th> <th style="text-align: center;">Employer Contributions</th> <th style="text-align: center;">Other Operating Expenses</th> </tr> </thead> <tbody> <tr> <td>1 Program Manager III</td> <td style="text-align: right;">\$102,580</td> <td style="text-align: right;">\$28,332</td> <td style="text-align: right;">\$5,541</td> </tr> <tr> <td>1 Program Manager II</td> <td style="text-align: right;">\$84,309</td> <td style="text-align: right;">\$25,246</td> <td style="text-align: right;">\$5,541</td> </tr> <tr> <td>8 Program Manager I</td> <td style="text-align: right;">\$554,312</td> <td style="text-align: right;">\$181,669</td> <td style="text-align: right;">\$44,328</td> </tr> <tr> <td>1 Acct./Fiscal Analyst III</td> <td style="text-align: right;">\$56,947</td> <td style="text-align: right;">\$20,624</td> <td style="text-align: right;">\$5,541</td> </tr> <tr> <td>1 Program Coordinator</td> <td style="text-align: right;">\$46,799</td> <td style="text-align: right;">\$18,910</td> <td style="text-align: right;">\$5,541</td> </tr> <tr> <td>I</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Agency Operating Support*</td> <td></td> <td></td> <td style="text-align: right;">\$86,480.00</td> </tr> </tbody> </table> <p>Twelve additional State FTEs will be needed to support this additional staffing request.</p> <p>Midpoint salaries for the pay bands of each position was assumed. The Employer Contributions Rate Table as provided by the Executive Budget Office was used as the basis for employer contributions.</p>		Personal Services	Employer Contributions	Other Operating Expenses	1 Program Manager III	\$102,580	\$28,332	\$5,541	1 Program Manager II	\$84,309	\$25,246	\$5,541	8 Program Manager I	\$554,312	\$181,669	\$44,328	1 Acct./Fiscal Analyst III	\$56,947	\$20,624	\$5,541	1 Program Coordinator	\$46,799	\$18,910	\$5,541	I				Agency Operating Support*			\$86,480.00
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Agency operating support for current positions was previously covered with carryover funds that are projected to be significantly reduced in FY 2017.18.

Non-recurring expenses for the new positions requested such as office set-up (desks, phones, computers, etc.) will be covered by existing carry over.

The \$5,541 operating costs per position includes rent of additional space for offices, travel, printing, and other standard costs of running an office.

How was the amount of the request calculated? List the per unit or per FTE costs of implementation. What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?

FUTURE IMPACT

Requested funds will support the agency in re-establishing mission functions to enhance and facilitate statewide higher education coordination of initiatives. Existing funds do not enable the agency to fully support its mandated mission.

Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?

PRIORITIZATION

CHE will continue to examine its available funding but current resources are not sufficient to enable the Commission to carry out agency critical mission functions and strategic goals and objectives.

If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2017-18? Please be specific.

INTENDED IMPACT

Improved delivery of programs and services and also statewide accountability and higher education coordination.

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What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?

PROGRAM EVALUATION	CHE will determine appropriate performance measures in considering accomplishment of its critical mission functions and strategic goals and objectives.
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How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?

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FORM B – PROGRAM REVISION REQUEST

DECISION PACKAGE	11491
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Provide the decision package number issued by the PBF system (“Governor’s Request”).

TITLE	Agency Technology Needs and Data/Information Security Initiatives I. Administration, Other Operating
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Provide a brief, descriptive title for this request.

AMOUNT	\$330,000
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What is the net change in requested appropriations for FY 2017-18? This amount should correspond to the decision package’s total in PBF across all funding sources.

ENABLING AUTHORITY	<p>CHE authorizing legislation §59-103-5 <i>et seq</i> and also pursuant to responsibilities carried out under licensing of non-public postsecondary education pursuant to SC Code of Laws 59-58-10 <i>et seq</i>, and various other statutes relating to CHE programs and activities including responsibilities in administering state-supported scholarship and grant programs.</p> <p>CHE carries out this security program under its authorizing legislation (§59-103-5 <i>et seq</i>) and responsibilities in maintaining data integrity and security for the agency, programs managed and the state’s higher education data system.</p>
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What specific state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority? Please avoid citing general provisions of law where possible, and instead cite to the most specific legal authority supporting the request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:
	<input type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.
	<input type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.
	<input type="checkbox"/> (Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i>
	<input checked="" type="checkbox"/> IT Technology/Security related
	<input type="checkbox"/> Consulted DTO during development
	<input type="checkbox"/> Related to a Non-Recurring request – If so, Decision Package # _____
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RECIPIENTS OF FUNDS	<p>Vendors would be receiving a portion of these funds for updating and maintenance. The State Temporary Information Technology services contract would be used to issue statements of work for procuring the best and most effective personnel to complete the required work.</p> <p>CHE will use security funds to provide for contracted staff and support needed licenses, maintenance, and procurement of security-based hardware and software to meet the implementation timeframe for the thirteen security policies.</p>
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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?

ACCOUNTABILITY OF FUNDS	<p>This funding request will support all the agency objectives.</p>
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What specific agency objective, as outlined in the agency's accountability report, does this funding request support? How would this request advance that objective?

POTENTIAL OFFSETS	<p>N/A</p>
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For decision packages that request non-mandatory funding increases to programs or initiatives, please identify a potential offset within an existing lower priority or ineffective program(s).

MATCHING FUNDS	<p>N/A</p>
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Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.

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FUNDING ALTERNATIVES	No funding alternatives have been identified.
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What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.

SUMMARY	<p>CHE is seeking a total of \$220,000 to meet agency technology needs that will enhance operations in support of core mission functions. The requested funds will support upgrades to CHE’s database and end-user capabilities and continue improvements to the agency’s website to provide for a more user-friendly and accessible system and to facilitate more efficient processing of data. In addition, the requested funds will enable CHE to upgrade its conference room technology to enhance digital meeting capabilities such as enabling interactive and streaming meetings so as to facilitate improved communications. Additionally, the funds will support technology needs to migrate the phone system as required to voice-over IP (internet protocol) as the legacy PBX system State contract ends in 2018. This request is included as part of CHE’s FY 2017-18 information technology plan submission to the SC Department of Administration, Division of Technology (DTO).</p> <p>CHE is seeking additional funds to support its data security program and initiatives to comply with State mandates regarding IT security. The request is to add \$45,000 for Other Personal Services for contracted staff to facilitate efforts to ensure security of data. The activities performed include the maintenance, and monitoring associated with the installation of equipment and software related to data security (vulnerability management, mobile device management, asset management) and other efforts to ensure data and the network are protected. The request also includes an increase of \$65,000 to Other Operating Expense to cover licenses, maintenance, and procurement of security based hardware and software. An annual assessment as well as a portion of Disaster Recovery and Business Continuity costs are included in this request. This request will in addition provide for the licenses associated with data security (firewalls, encryption software) as well as licenses for equipment included in the security technology plan (Mobile Device Management, Asset Management). CHE requested, but did not receive funding toward its request for FY 2016-17 funding and is again requesting funds for FY 2017-18.</p>
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Using as much detail as necessary to make an informed decision regarding this request, provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency’s security or technology plan.

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METHOD OF CALCULATION	<p>The recurring dollars requested will support contractual services for on-going web design and database upgrades (estimated at \$45,000 for contractual services). Funds to support the mandated Security Assessment (annualized over 3 years at \$20,000) and funds to support Disaster Recovery/Business Continuity resources (\$45,000).</p> <p>Estimated costs for additional contracted personnel support and for software and hardware licenses and equipment needs based on beginning assessments of agency budget and compliance with the state’s newly developed data security policies.</p>
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How was the amount of the request calculated? List the per unit or per FTE costs of implementation. What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?

FUTURE IMPACT	<p>Information technology funding will continue to be needed at CHE. Compliance with data security initiatives is not optional, nor is the timeline for addressing agency needs. Additionally, the rapid change of information technology may result in future increased technology costs in meeting state mandates that are not anticipated by this request.</p>
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Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?

PRIORITIZATION	<p>If funds are not provided, CHE will reassess its priorities as to what can be done with the funds that are available to spend. There is not an option to defer action on the security request because of the state-mandated IT Security Implementation Policies.</p>
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If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2017-18? Please be specific.

INTENDED IMPACT	<p>The funds provided will enable a more efficient and effective use of resources at CHE and institutional and other constituents served by reducing travel expenses while increasing communications in fulfilling CHE’s mission. With other technology improvements, better access provides more satisfied users who are able to gather information and produce desired results. By receiving the requested funds on a recurring basis, and combining those with current budgeted dollars, we anticipate fulfilling the state-mandated requirements to ensure data security.</p>
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What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?

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PROGRAM EVALUATION	<p>CHE will better serve constituents and the state in fulfilling its mission – among anticipated results are reduced travel costs to institutional personnel and CHE staff; increased participation in meetings; improved communications, and web-site re-design and upgrades that facilitate increased and more effective use of available resources. The security dollars will allow CHE to continue to meet security requirements as set forth in proviso.</p>
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How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?

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FORM B – PROGRAM REVISION REQUEST

DECISION PACKAGE	11475
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Provide the decision package number issued by the PBF system (“Governor’s Request”).

TITLE	Agency Legal Staffing Support I. Administration, Other Operating
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Provide a brief, descriptive title for this request.

AMOUNT	\$250,000
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What is the net change in requested appropriations for FY 2017-18? This amount should correspond to the decision package’s total in PBF across all funding sources.

ENABLING AUTHORITY	CHE authorizing legislation §59-103-5 <i>et seq</i> and also pursuant to responsibilities carried out under licensing of non-public postsecondary education pursuant to SC Code of Laws 59-58-10 <i>et seq</i> , and various other statutes relating to CHE programs and activities including responsibilities in administering state-supported scholarship and grant programs.
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What specific state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority? Please avoid citing general provisions of law where possible, and instead cite to the most specific legal authority supporting the request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:
	<input type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.
	<input type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.
	<input type="checkbox"/> (Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i>
	<input type="checkbox"/> IT Technology/Security related
	<input type="checkbox"/> Consulted DTO during development
	<input type="checkbox"/> Related to a Non-Recurring request – If so, Decision Package # _____
	<input checked="" type="checkbox"/> Change in cost of providing current services to existing program audience.
	<input type="checkbox"/> Change in case load / enrollment under existing program guidelines.
	<input type="checkbox"/> Non-mandated change in eligibility / enrollment for existing program.
	<input checked="" type="checkbox"/> Non-mandated program change in service levels or areas.
	<input type="checkbox"/> Proposed establishment of a new program or initiative.
<input type="checkbox"/> Loss of federal or other external financial support for existing program.	
<input type="checkbox"/> Exhaustion of fund balances previously used to support program.	

RECIPIENTS OF FUNDS	Contract support for agency legal services.
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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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ACCOUNTABILITY OF FUNDS	2.1.5
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What specific agency objective, as outlined in the agency's accountability report, does this funding request support? How would this request advance that objective?

POTENTIAL OFFSETS	No potential offset
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For decision packages that request non-mandatory funding increases to programs or initiatives, please identify a potential offset within an existing lower priority or ineffective program(s).

MATCHING FUNDS	N/A
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Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.

FUNDING ALTERNATIVES	CHE is presently able to support the anticipated current year (FY 2016-17) expenditures for contracted legal services with carry-over (non-recurring) funds. However, the agency anticipates an on-going need and recurring funds are requested for this purpose.
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What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.

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SUMMARY	<p>CHE is seeking funds to support needs for the assistance of a general counsel. CHE has not had general counsel on staff and has recently contracted for assistance. CHE anticipates the continued need for such legal assistance and is requesting \$250,000 in recurring funds to support the anticipated need on an on-going basis.</p>
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Using as much detail as necessary to make an informed decision regarding this request, provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.

METHOD OF CALCULATION	<p>CHE will seek approval of the requested FY 2017-18 amount for the purposes of contracting for services for needed general counsel services in assisting with vetting of statutory and regulatory responsibilities, review and development of policies and procedures, and regulatory review processes for general counsel services in carrying out agency functions. This calculation is based off of hourly legal rates and anticipated hourly needs over the year.</p>
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How was the amount of the request calculated? List the per unit or per FTE costs of implementation. What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?

FUTURE IMPACT	<p>The request does not result in any maintenance-of-effort obligations and does not impact future capital/operating budgets if not honored. If not funded, CHE would not have a source of funds to meet the anticipated on-going assistance needed with respect to direct legal support services for the agency.</p>
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Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?

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PRIORITIZATION	<p>If funds are not sufficient, CHE would prioritize by re-assessing immediate needs and using any carry-over funds as available to meet need to the extent possible in FY 2017-18.</p>
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If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2017-18? Please be specific.

INTENDED IMPACT	<p>The need for dedicated legal services has increased in recent years with the increasing complexity of the higher education landscape. Initiatives and administrative functions carried out by CHE will be improved by having dedicated access to legal advice and services.</p>
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What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?

PROGRAM EVALUATION	<p>CHE uses funds for the designated purpose and assesses benefit in relation to performance of agency mission.</p>
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How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?

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FORM B – PROGRAM REVISION REQUEST

DECISION PACKAGE	11509
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Provide the decision package number issued by the PBF system ("Governor's Request").

TITLE	Licensing Operations III. Licensing, Other Operating Expenses
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Provide a brief, descriptive title for this request.

AMOUNT	\$50,000
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What is the net change in requested appropriations for FY 2017-18? This amount should correspond to the decision package's total in PBF across all funding sources.

ENABLING AUTHORITY	CHE authorizing legislation §59-103-5 <i>et seq</i> and also pursuant to responsibilities carried out under licensing of non-public postsecondary education pursuant to SC Code of Laws 59-58-10 <i>et seq</i> , and various other statutes relating to CHE programs and activities.
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What specific state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority? Please avoid citing general provisions of law where possible, and instead cite to the most specific legal authority supporting the request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:
	<input type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.
	<input type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.
	<input type="checkbox"/> (Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i>
	<input type="checkbox"/> IT Technology/Security related
	<input type="checkbox"/> Consulted DTO during development
	<input type="checkbox"/> Related to a Non-Recurring request – If so, Decision Package # _____
	<input checked="" type="checkbox"/> Change in cost of providing current services to existing program audience.
	<input type="checkbox"/> Change in case load / enrollment under existing program guidelines.
	<input checked="" type="checkbox"/> Non-mandated change in eligibility / enrollment for existing program.
	<input checked="" type="checkbox"/> Non-mandated program change in service levels or areas.
	<input type="checkbox"/> Proposed establishment of a new program or initiative.
<input type="checkbox"/> Loss of federal or other external financial support for existing program.	
<input type="checkbox"/> Exhaustion of fund balances previously used to support program.	

RECIPIENTS OF FUNDS	Licensing staffing and operation support.
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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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ACCOUNTABILITY OF FUNDS	1.2.4
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What specific agency objective, as outlined in the agency's accountability report, does this funding request support? How would this request advance that objective?

POTENTIAL OFFSETS	N/A
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For decision packages that request non-mandatory funding increases to programs or initiatives, please identify a potential offset within an existing lower priority or ineffective program(s).

MATCHING FUNDS	N/A
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Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.

FUNDING ALTERNATIVES	N/A
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What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.

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SUMMARY	<p>This request is to increase other fund authorization of \$50,000 to account for additional operating support costs due to recent school closings such as ITT Technical Institute and the implementation of SARA (State Authorization Reciprocity Agreement), which is the voluntary, interstate reciprocity agreement that establishes comparable standards for interstate offering of postsecondary distance education. Member states recognize each other's participating institutions as eligible to enroll students in distance education programs. Participating institutions seek authorization from their home state rather than multiple states. On Monday, March 14, 2016, Governor Nikki Haley signed into law H. 4639 (Statutory Authority: 1976 Code Section 59-103-17) allowing South Carolina to join SARA.</p> <p>Surety bond funds from recent school closings and SARA licensing fee funding will support the increased authorization.</p>
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Using as much detail as necessary to make an informed decision regarding this request, provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.

METHOD OF CALCULATION	<p>Recent school closings such as ITT Technical Institute require the Licensing division to collect, store, and digitize vast amount of records and handle all necessary responsibilities for each of the closings of the in-state campus locations. Moving costs, additional storage needs, and shredding are incorporated within these costs. The implementation is SARA requires additional operational support as this is the first year of the program.</p> <p>Represents increase in operational costs only.</p>
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How was the amount of the request calculated? List the per unit or per FTE costs of implementation. What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?

FUTURE IMPACT	<p>Requested authorization will support the Licensing division in continuing mission functions with nonpublic education institutions.</p>
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Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?

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PRIORITIZATION	Other funds are available to meet this demand through surety bonds of closed institutions and SARA fees.
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If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2017-18? Please be specific.

INTENDED IMPACT	Improved delivery of licensing services to institutions and student of institutions that have closed.
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What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?

PROGRAM EVALUATION	The Licensing division will determine appropriate performance measures in considering accomplishment of its critical mission functions and strategic goals and objectives.
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How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?

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FORM B – PROGRAM REVISION REQUEST

DECISION PACKAGE	11497
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Provide the decision package number issued by the PBF system (“Governor’s Request”).

TITLE	SREB Contract Programs & Assessments X. Scholarships and Assistance Special Items
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Provide a brief, descriptive title for this request.

AMOUNT	\$36,150
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What is the net change in requested appropriations for FY 2017-18? This amount should correspond to the decision package’s total in PBF across all funding sources.

ENABLING AUTHORITY	<p>The Southern Regional Education Board (SREB) was founded in 1948 by the Governors of the member states specifically to help states share resources and improve higher education. SC has participated in SREB since its founding. Participation in SREB, which benefits K-12 and higher education, has been funded through CHE’s budget.</p> <p>FY 2015-16 Provisos 11.1 (CHE: Contract for Service Program Fees) and 11.5 (CHE: SREB Funds Exempt from Budget Cut). Regulation 62.609(B) relating to residency requirements for tuition and fee purposes for participants in SREB contract programs.</p>
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What specific state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority? Please avoid citing general provisions of law where possible, and instead cite to the most specific legal authority supporting the request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:
	<input type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.
	<input type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.
	<input type="checkbox"/> (Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i>
	<input type="checkbox"/> IT Technology/Security related
	<input type="checkbox"/> Consulted DTO during development
	<input type="checkbox"/> Related to a Non-Recurring request – If so, Decision Package # _____
	<input checked="" type="checkbox"/> Change in cost of providing current services to existing program audience.
	<input type="checkbox"/> Change in case load / enrollment under existing program guidelines.
	<input type="checkbox"/> Non-mandated change in eligibility / enrollment for existing program.
	<input type="checkbox"/> Non-mandated program change in service levels or areas.
	<input type="checkbox"/> 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.

RECIPIENTS OF FUNDS	South Carolina (SC) participates as a member state in SREB by paying member assessments to support core programs and services of SREB available to the 16 member states. Additionally, SC funds participation in select programs for residents of SC. The program funds predominately support our participation in higher education contract
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programs in veterinary medicine and optometry that offer students pursuing these degrees admission to schools in another participating state for the price of in-state tuition and fees at public institutions and for reduced tuition at private institutions. Participating states pay schools through SREB to maintain spots in their professional programs and save the expense of building and staffing these schools. Through the contract programs, SC serves 24 optometry students and 104 veterinary students each year with 16 slots in Optometry available at the Southern College of Optometry; 8 slots in Optometry available at the University of Alabama-Birmingham; 20 slots in Veterinary Medicine available at Mississippi State University; 16 slots in Veterinary Medicine available at Tuskegee University; and 68 slots in Veterinary Medicine available at the University of Georgia. As a member SREB state, SC postsecondary students are afforded access to many undergraduate and graduate programs not available in SC at in-state rates through SREB's Academic Common Market program.

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?

ACCOUNTABILITY OF FUNDS	<p>2.1.2 2.1.6</p>
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What specific agency objective, as outlined in the agency's accountability report, does this funding request support? How would this request advance that objective?

POTENTIAL OFFSETS	N/A
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For decision packages that request non-mandatory funding increases to programs or initiatives, please identify a potential offset within an existing lower priority or ineffective program(s).

MATCHING FUNDS	N/A
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Would these funds be matched by federal, institutional, philanthropic, or other

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resources? If so, identify the source, amount, and terms of the match requirement.

FUNDING ALTERNATIVES	<p>An alternative funding source is not available for participation. As described below, program carry forward funds, if any, are already factored into the program funding requests each year.</p>
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What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.

SUMMARY	<p>The increase requested is primarily due to an increase in the SREB Contract Program for student cost to cover the cost of the state's reserved places for SC students to participate at in-state rates in veterinary and optometry programs not otherwise available in SC. Demand for this program remains high and the slots remain full with the exception of occasional student stop-outs which may occur during the year. Carry forward funds result if all available SC contract seats are not filled. Any funds remaining due to seats not being filled are carried over per proviso and are used in the following year for the same purpose. The requested increase of \$36,150 for FY 2017-18 supports SREB programs and assessments at current participation levels, assumes all contract seats are filled, and is net of an estimated \$67,361 in carry forward anticipated from any contract seats not filled in FY 2016-17.</p>
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Using as much detail as necessary to make an informed decision regarding this request, provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.

METHOD OF CALCULATION	<p>Increase SREB Contract Program costs per student to cover increase cost of the state's reserved slots for SC students to participate at in-state rates in veterinary and optometry programs not otherwise available in SC and factoring estimated carry forward from FY 2016-17 for an increase of \$36,150. Details regarding the program costs are outlined in detail in the SREB information sheet attached in SCEIS.</p>
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How was the amount of the request calculated? List the per unit or per FTE costs of

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implementation. What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?

FUTURE IMPACT	<p>This is an on-going program vital to accessibility to optometry and veterinary education for SC students. Fees are set by SREB and include annual rate increases for students in the contract programs. There are no maintenance-of-effort or future capital obligations if this request is or is not honored. The agency has requested state recurring funds to meet the need to fully fund the program at existing levels.</p>
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Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?

PRIORITIZATION	<p>Participation in SREB is required to access the programs and thus the general assessment could not be reduced. If the requested increase in funds is not made available, difficult choices would be necessary that would directly impact SC residents who are participating in or entering the contract and doctoral scholars programs currently available. Contract programs slots are a priority in providing access to expensive professional programs without having to support the necessary program infrastructure. The state has participated in the veterinary medicine program since 1958 and since 1973 for optometry. While it would be possible to reduce the number of contract program slots, access may not be recovered if such an approach were taken. Alternatively, the doctoral scholar program participation could be reduced. However, doing so would be disruptive to the participating graduate students who may not be able to attend without the support of the SREB program.</p>
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If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2017-18? Please be specific.

INTENDED IMPACT	<p>The funding requested will maintain access to SREB programs and services at the long established current levels of participation.</p>
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What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?

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PROGRAM EVALUATION	<p>SC decision makers benefit from access to SREB resources and support in K-12 and higher education policy analysis and other programs that would not otherwise be available. Program enrollment and continuation to successful student completion in the available contract program and doctoral funded slots is maintained.</p>
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How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?

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FORM B – PROGRAM REVISION REQUEST

DECISION PACKAGE	11500
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Provide the decision package number issued by the PBF system ("Governor's Request").

TITLE	Needs Based Grants X. Scholarships & Assistance Special Items
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Provide a brief, descriptive title for this request.

AMOUNT	\$1,057,427
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What is the net change in requested appropriations for FY 2017-18? This amount should correspond to the decision package's total in PBF across all funding sources.

ENABLING AUTHORITY	SC Code of Laws Section 59-142-10 <i>et seq</i> and Regulation 62-450 – 62-505. Other relevant statutory provisions with respect to Need-based Grants include: the following pertaining to direction concerning program funds §59-143-10 <i>et seq</i> , §59-101-345, §59-111-25 and FY16 Part 1B proviso 11.8 (CHE Need-based Grants for Foster Youth)
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What specific state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority? Please avoid citing general provisions of law where possible, and instead cite to the most specific legal authority supporting the request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:
	<input type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.
	<input type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.
	<input type="checkbox"/> (Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i>
	<input type="checkbox"/> IT Technology/Security related
	<input type="checkbox"/> Consulted DTO during development
	<input type="checkbox"/> Related to a Non-Recurring request – If so, Decision Package # _____
	<input type="checkbox"/> Change in cost of providing current services to existing program audience.
	<input checked="" type="checkbox"/> Change in case load / enrollment under existing program guidelines.
	<input type="checkbox"/> Non-mandated change in eligibility / enrollment for existing program.
	<input type="checkbox"/> Non-mandated program change in service levels or areas.
	<input type="checkbox"/> Proposed establishment of a new program or initiative.
<input type="checkbox"/> Loss of federal or other external financial support for existing program.	
<input type="checkbox"/> Exhaustion of fund balances previously used to support program.	

RECIPIENTS OF FUNDS	The SC Need-Based Grant program was established in 1996 to provide financial assistance to residents who demonstrate a financial need at an eligible two- or four-year public institution. Need-based grants, which may be available to full-time students (up to a maximum of \$2,500) or part-time students (up to a maximum of \$1,250) at public institutions, are administered at the institutional level using funds allocated through CHE. To be eligible, students must be degree-seeking and enrolled in a minimum of six hours if part-time and twelve hours if full-time and must complete the
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Free Application for Federal Student Aid (FAFSA). Prior to 2007, available funds were allocated based on student enrollment. As a result of a statutory change, funds are now allocated to each public institution per a statutory provision that requires that funds be allocated based on a methodology that considers state resident Pell Grant recipients (a proxy for the level of need-eligible students at an institution) so that each public institution receives an amount sufficient to provide a similar level of support per state resident Pell recipient when compared to tuition and required fees. It is further provided in statute for that no institution shall receive a smaller proportion of funding than would be provided under the student enrollment methodology used in years prior to FY 2008-09.

Per statute, a portion of the appropriated need-based grant funds are used to supplement the South Carolina Tuition Grants program which provides need-based support for students attending independent institutions. The funds are provided to the Tuition Grants program based on the independent institutions' share of headcount resident undergraduate enrollment in the past year.

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?

ACCOUNTABILITY OF FUNDS	<p>2.1.2 2.1.6</p>
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What specific agency objective, as outlined in the agency's accountability report, does this funding request support? How would this request advance that objective?

POTENTIAL OFFSETS	<p>N/A</p>
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For decision packages that request non-mandatory funding increases to programs or initiatives, please identify a potential offset within an existing lower priority or ineffective program(s).

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MATCHING FUNDS	N/A
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Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.

FUNDING ALTERNATIVES	<p>Program funds are limited to those appropriated by the General Assembly and no alternative sources are available for the program. The corpus of the funds is provided from General Funds and SC Education Lottery Funds. In FY 2015-16, a total of \$27.6 million was provided with \$12 million in General Funds and \$15.6 million in lottery funds. A portion of the lottery funds was \$2.6 million from a non-recurring appropriation. Program funding for FY 2016-17 is at \$29,537,078 million with \$12 million in General Funds and \$17,537,078 in lottery funds.</p>
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What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.

SUMMARY	<p>Need-based aid is a critical element for any state seeking to enhance participation in and completion of degree programs for those with limited means. With current economic conditions and increased college costs, assistance for those students who can least afford college remains critical to improving the number of SC residents who enter and graduate college. In recent years, funding for merit-based scholarships has grown to keep pace with increased numbers of eligible students, but funding for need-based grants has not. While support of student merit-based programs is important and provides incentives for our students to enroll and succeed in South Carolina colleges and universities, this creates the appearance that the appeal of merit aid has diminished the importance attached to need-based student financial aid.</p> <p>In FY 2016-17, CHE Need-based grants received \$17,537,078 in lottery funds and \$12,000,000 in general funds (Education Endowment). We are requesting an increase of \$1,057,427 in light of the average increases (3.58%) in in-state tuition & fees at public universities and colleges over the last year.</p>
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Using as much detail as necessary to make an informed decision regarding this request, provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.

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METHOD OF CALCULATION	<p>Tuition and fees at in-state public colleges and universities increased by an approximate average of 3.58% in FY 2015-16. This request provides an additional increase of \$1,057,427 to compensate for tuition and fee increases over the past year. Total Need-based grants allocation in FY 2016-17 (\$29,537,078) multiplied by the 3.58% tuition increase results in the \$1,057,427 request.</p>
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How was the amount of the request calculated? List the per unit or per FTE costs of implementation. What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?

FUTURE IMPACT	<p>Affordability continues to be of concern as cost of living and college tuition increases. South Carolina lags behind other states in educational attainment levels which affects our state's economic competitiveness. Increasing educational attainment in our state should be a high priority. We cannot afford to leave behind academically qualified but financially challenged students. Providing student financial aid is one mechanism for assisting students and their families in realizing educational success and a better future.</p>
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Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?

PRIORITIZATION	<p>Providing predictable and sustained funding for Need Based Grants assists colleges in best reaching need-eligible students who enroll each year. In addition to the importance of making available much needed direct support for students, CHE, with our colleges and universities, is seeking to improve the cost of attending and completing post-secondary education through innovative initiatives that help create more efficient, effective pathways to college completion.</p>
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If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2017-18? Please be specific.

INTENDED IMPACT	<p>The requested funds will help stabilize the available need-based grant funds as the number of enrolled eligible students and tuition and cost of living continue to rise.</p>
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What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?

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PROGRAM EVALUATION	<p>CHE is re-established its audit function for scholarship and grant programs, and will monitor institutional compliance with the guidelines and regulations of the need-based grants program to ensure proper and effective expenditure of awarded funds.</p>
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How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?

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FORM B – PROGRAM REVISION REQUEST

DECISION PACKAGE	11503
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Provide the decision package number issued by the PBF system ("Governor's Request").

TITLE	State Electronic Library – PASCAL III. Other Agencies & Entities, Special Items
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Provide a brief, descriptive title for this request.

AMOUNT	\$1,500,000 (Request to continue funding but with recurring funds)
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What is the net change in requested appropriations for FY 2017-18? This amount should correspond to the decision package's total in PBF across all funding sources.

ENABLING AUTHORITY	In carrying out its mission pursuant to SC Code of Laws §59-103-5 <i>et seq.</i> , CHE working in collaboration with the colleges and universities, launched the statewide higher education library in 2004 to provide for the cooperative sharing of physical and electronic resources among the state's public and independent colleges and universities.
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What specific state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority? Please avoid citing general provisions of law where possible, and instead cite to the most specific legal authority supporting the request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:
	<input type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.
	<input type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.
	<input type="checkbox"/> (Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i>
	<input type="checkbox"/> IT Technology/Security related
	<input type="checkbox"/> Consulted DTO during development
	<input type="checkbox"/> Related to a Non-Recurring request – If so, Decision Package # _____
	<input type="checkbox"/> Change in cost of providing current services to existing program audience.
	<input type="checkbox"/> Change in case load / enrollment under existing program guidelines.
	<input type="checkbox"/> Non-mandated change in eligibility / enrollment for existing program.
	<input type="checkbox"/> Non-mandated program change in service levels or areas.
	<input type="checkbox"/> Proposed establishment of a new program or initiative.
<input type="checkbox"/> Loss of federal or other external financial support for existing program.	
<input checked="" type="checkbox"/> Exhaustion of fund balances previously used to support program.	

RECIPIENTS OF FUNDS	The State Electronic Library, PASCAL, is a consortium of South Carolina's higher education academic libraries together with their parent institutions and state agency partners. PASCAL provides timely and universal access to information resources and library services through creative use of technology, central licensing, and collaborative action in order to support a highly productive knowledge environment for the nearly 250,000 students, as well as faculty and staff across the 56 member institutions of higher learning in South Carolina. Funds are used in support of joint procurement of
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	electronic and shared library resources.
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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?

ACCOUNTABILITY OF FUNDS	2.1.1
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What specific agency objective, as outlined in the agency’s accountability report, does this funding request support? How would this request advance that objective?

POTENTIAL OFFSETS	N/A
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For decision packages that request non-mandatory funding increases to programs or initiatives, please identify a potential offset within an existing lower priority or ineffective program(s).

MATCHING FUNDS	The requested funds are not matched and will not obligate the state to any federal or other matching requirements.
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Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.

FUNDING ALTERNATIVES	From FY 2004-05 through FY 2007-08 PASCAL received a non-recurring appropriation of \$2 million each year. In FY 2008-09 the one-time funding was not available and a \$200,000 recurring appropriation (subsequently reduced to \$164, 289) was provided. Since FY 2010-11, PASCAL has been included at \$1.5 million on a priority list for available funds from SC Education Lottery unclaimed prize monies. Funds from this source were not realized in FY 2010-11. Only a portion was realized in FY 2011-12 and FY 2012-13, \$1,253,581 and \$36,933, respectively. In FY 2013-14 and FY 2014-15, PASCAL was again listed in the priority list of unclaimed prize funds and was notified at
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year-end in each of the two years of the availability of the funding in its entirety. In FY 2015-16, PASCAL funding was included in the lottery on the list of projects to be funded on a pro-rata basis with anticipated FY 2014-15 surplus. PASCAL received \$1,412,514 (94.17%) of the \$1,500,000 appropriated. In FY 2016-17, PASCAL was appropriated \$1,412,514 in unclaimed prize funds that are in excess of the BEA's estimate. These funds in FY 2016-17 may not materialize. State resources provided in support of PASCAL have been one-time and in the past several years subject to the availability of certain lottery revenues. If recurring state funds are not available in sufficient quantity to fully support this request, we would ask that non-recurring funds be used to maintain and supplement the program, as has been done in past years.

What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.

SUMMARY

The State Electronic Library was initially funded by the General Assembly in FY 2004-05 with an appropriation of \$2 million from S.C. Education Lottery revenues. Now known as the Partnership Among South Carolina Academic Libraries (PASCAL), the electronic library is a government best practice that enables our colleges and universities through their libraries to leverage their collective purchasing power to reduce costs and avoid unnecessary duplication in acquiring academic resources for the benefit of the nearly 250,000 students, as well as faculty and staff across the 56 member served by our higher education libraries.

Developing the collections of our higher education libraries at a statewide level transforms the resources into a powerful component in the state's knowledge infrastructure, supporting research learning and economic development. Collaboration among our state's colleges (Public/Private, Two-Year/Four Year) is promoted and duplicated expenditures are avoided. Central licensing of essential academic research content is an effective way to equalize access to new resources statewide and level the playing field for smaller higher education institutions, while helping large institutions fill academic research content gaps by expanding access in core areas. The request for continued core support from the state from a more reliable funding source is critical to the continued success of PASCAL. Recurring funds will enable PASCAL project staff, working together with the colleges and universities, to predict better program funding each year which will lead to improved planning for the sharing of physical resources and most importantly provide a better vantage point from which to negotiate the best contracts and rates in procuring electronic academic resources for South Carolina.

Using as much detail as necessary to make an informed decision regarding this request, provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.

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METHOD OF CALCULATION	<p>The amount of funding requested maintains past year appropriations from one-time sources but requests that they be supplied from a more stable revenue source.</p>
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How was the amount of the request calculated? List the per unit or per FTE costs of implementation. What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?

FUTURE IMPACT	<p>PASCAL is a higher education best practice leveraging consortia buying power in support of the state’s knowledge infrastructure to support research, learning, and economic development. Moving the state appropriations to a recurring source will allow PASCAL and its member institutions to leverage these funds in a way that will provide long-term access to core resources, creating greater efficiencies in procuring needed academic library resources.</p>
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Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?

PRIORITIZATION	<p>To the extent state funds are not supported, it will necessitate member institutions to re-evaluate planned programming, potentially deferring additional cost saving acquisitions which may result in lost accessibility and/or higher costs in the future.</p> <p>If recurring state funds are not available in sufficient quantity to fully support this request, we would ask that non-recurring funds be used to maintain and supplement the program, as has been done in past years.</p>
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If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2017-18? Please be specific.

INTENDED IMPACT	<p>Access to reliable funding will allow PASCAL and its member institutions to leverage better their group purchasing power in seeking shared resources that would be more costly if procured separately by each individual institution.</p>
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What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?

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PROGRAM EVALUATION	<p>Program evaluation for licensed or purchased content is evaluated on the basis of cost-avoidance and cost-effectiveness. Cost-avoidance is based on the costs that would have been paid had each institution licensed or purchased material separately. Cost-effectiveness is a measure of value based on the use-per resource by students, faculty and staff at member institutions. Information Delivery services are evaluated using similar metrics.</p> <p>Historically, each dollar spent centrally on electronic resources returned \$6 – \$8 dollars in value when compared to single library licensing of the same materials. Rapid delivery savings are comparable.</p>
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How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?

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FORM B – PROGRAM REVISION REQUEST

DECISION PACKAGE	11506
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Provide the decision package number issued by the PBF system ("Governor's Request").

TITLE	Professor of the Year VIII. CHE Grant & Other Higher Education Collaborations Special Items
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Provide a brief, descriptive title for this request.

AMOUNT	\$15,000
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What is the net change in requested appropriations for FY 2017-18? This amount should correspond to the decision package's total in PBF across all funding sources.

ENABLING AUTHORITY	SC Code of Laws, as amended, Section 59-104-220 provides for the Governor's Office in conjunction with the Commission on Higher Education to select two Professors of the Year, one chosen from the public and independent 4-yr sector and one from the 2-year sector. The legislation requires an award of \$5,000 for each of the two Professors of the Year and allows the option of an award of \$500 each for up to ten finalists. It also calls for the awards to be presented at an appropriate ceremony.
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What specific state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority? Please avoid citing general provisions of law where possible, and instead cite to the most specific legal authority supporting the request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:
	<input type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.
	<input type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.
	<input type="checkbox"/> (Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i>
	<input type="checkbox"/> IT Technology/Security related
	<input type="checkbox"/> Consulted DTO during development
	<input type="checkbox"/> Related to a Non-Recurring request – If so, Decision Package # _____
	<input type="checkbox"/> Change in cost of providing current services to existing program audience.
	<input type="checkbox"/> Change in case load / enrollment under existing program guidelines.
	<input type="checkbox"/> Non-mandated change in eligibility / enrollment for existing program.
	<input type="checkbox"/> Non-mandated program change in service levels or areas.
	<input type="checkbox"/> Proposed establishment of a new program or initiative.
<input type="checkbox"/> Loss of federal or other external financial support for existing program.	
<input checked="" type="checkbox"/> Exhaustion of fund balances previously used to support program.	

RECIPIENTS OF FUNDS	The requested funds provide for an award of \$5,000 s as required under statute to each of two Governor's Professors of the Year in recognition of teaching excellence. In addition, up to ten finalists could be recognized and receive awards of \$500 each.
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing

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formula, through a competitive process, based upon predetermined eligibility criteria?

ACCOUNTABILITY OF FUNDS	1.1.3
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What specific agency objective, as outlined in the agency's accountability report, does this funding request support? How would this request advance that objective?

POTENTIAL OFFSETS	N/A
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For decision packages that request non-mandatory funding increases to programs or initiatives, please identify a potential offset within an existing lower priority or ineffective program(s).

MATCHING FUNDS	N/A
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Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.

FUNDING ALTERNATIVES	Funding for the program was lost in FY 2008-09 with the Rescissions Bill passed in November 2008. The SC Higher Education Foundation provided support for the awards from FY09 – FY12. In FY13, other funds were not available for program support and CHE funded the two \$5000 awards only through available carry-forward. However, this source of funds is not sustainable. During the 2015 Session, CHE requested restored funding for FY 2015-16 in light of the statutory requirement that CHE must request funds annually in support of the program. The funds were not provided.
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What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.

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SUMMARY	<p>Established in 1988, SC Code of Laws, §59-104-220 provides for the Governor's Office, in conjunction with CHE, to select two Professors of the Year, one chosen from the public and independent 4-yr sector and one from the 2-year sector. The legislation requires an award of \$5,000 for each of the two Professors of the Year and allows the option of an award of \$500 each for up to ten finalists. It also calls for the awards to be presented at an appropriate ceremony. This line item was cut during the recession and funding has not been restored. The program continued with support from the SC Higher Education Foundation until FY13. The program was funded solely by agency carry-over in FY14 which provided only for the monetary awards for the two winners. CHE requested state appropriations as required by statute for this award program for FY 2016-17 but the funds were not provided. The program was suspended in FY15. The request is made in keeping with the statutory requirements. Because the funds were not restored as requested for FY 2016-17, CHE does not plan to hold an event during FY 2016-17.</p>
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Using as much detail as necessary to make an informed decision regarding this request, provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.

METHOD OF CALCULATION	<p>2 awards at \$5,000 each for \$10, 000, and 10 awards of \$500 each for a total of \$15,000</p>
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How was the amount of the request calculated? List the per unit or per FTE costs of implementation. What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?

FUTURE IMPACT	<p>In 2010, CHE moved the award announcements from the fall to the spring. CHE will return the awards to the fall in order to request funding and move forward with the awards process should funding be made available to continue the awards.</p>
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Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?

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PRIORITIZATION	<p>The program was conducted for 26 years and has not been held for the past two years. CHE is requesting funds to continue the program in light of statutory requirements. However, the program, while important in recognizing exemplary teaching among our higher education faculty, could be renewed to provide a greater value to the profession by recognizing exemplary teaching and providing relevant professional development opportunities to enhance teaching statewide.</p>
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If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2017-18? Please be specific.

INTENDED IMPACT	<p>In 2010, CHE moved the award announcements from the fall to the spring. CHE will return the awards to the fall in order to request funding and move forward with the awards process should funding be made available to continue the awards.</p>
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What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?

PROGRAM EVALUATION	<p>The distribution of these funds to recipients who have displayed exceptional teaching performance will be deemed a success.</p>
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How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?

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FORM B – PROGRAM REVISION REQUEST

DECISION PACKAGE	11494
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Provide the decision package number issued by the PBF system ("Governor's Request").

TITLE	<p>Pay Plan and Health Allocation</p> <p>I. Administration, Classified Positions and IX. Employee Benefits, State Employer Contributions</p>
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Provide a brief, descriptive title for this request.

AMOUNT	\$69,199
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What is the net change in requested appropriations for FY 2017-18? This amount should correspond to the decision package's total in PBF across all funding sources.

ENABLING AUTHORITY	SC General Appropriations Bill for FY 2016-17
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What specific state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority? Please avoid citing general provisions of law where possible, and instead cite to the most specific legal authority supporting the request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:
	<input checked="" type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.
	<input type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.
	<input type="checkbox"/> (Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i>
	<input type="checkbox"/> IT Technology/Security related
	<input type="checkbox"/> Consulted DTO during development
	<input type="checkbox"/> Related to a Non-Recurring request – If so, Decision Package # _____
	<input type="checkbox"/> Change in cost of providing current services to existing program audience.
	<input type="checkbox"/> Change in case load / enrollment under existing program guidelines.
	<input type="checkbox"/> Non-mandated change in eligibility / enrollment for existing program.
	<input type="checkbox"/> Non-mandated program change in service levels or areas.
	<input type="checkbox"/> Proposed establishment of a new program or initiative.
<input type="checkbox"/> Loss of federal or other external financial support for existing program.	
<input type="checkbox"/> Exhaustion of fund balances previously used to support program.	

RECIPIENTS OF FUNDS	CHE for purposes of pay plan and employer health insurance plan increases.
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing

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formula, through a competitive process, based upon predetermined eligibility criteria?

ACCOUNTABILITY OF FUNDS	N/A
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What specific agency objective, as outlined in the agency's accountability report, does this funding request support? How would this request advance that objective?

POTENTIAL OFFSETS	N/A
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For decision packages that request non-mandatory funding increases to programs or initiatives, please identify a potential offset within an existing lower priority or ineffective program(s).

MATCHING FUNDS	N/A
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Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.

FUNDING ALTERNATIVES	N/A
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What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.

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SUMMARY	<p>This decision package requests the annualization of funds received in FY 2016-17 for the allocations. These allocations include the pay plan allocation of \$55,009 which will increase Section I Administration by \$55,009. The SCRS .5% rate increase (\$7,045) and the employer’s share of the State’s health and dental plan increase (\$7,145) will increase Section VI Employee Benefits, Employer Contributions.</p> <p>The total allocation received in August 2016 from the Department of Administration was \$69,199.</p>
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Using as much detail as necessary to make an informed decision regarding this request, provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency’s security or technology plan.

METHOD OF CALCULATION	<p>The amount was determined by the Executive Budget Office and communicated to CHE by letter dated September 1, 2016.</p>
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How was the amount of the request calculated? List the per unit or per FTE costs of implementation. What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?

FUTURE IMPACT	<p>N/A</p>
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Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?

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PRIORITIZATION	N/A
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If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2017-18? Please be specific.

INTENDED IMPACT	N/A
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What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?

PROGRAM EVALUATION	N/A
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How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?

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FORM C – CAPITAL OR NON-RECURRING APPROPRIATION REQUEST

DECISION PACKAGE	11512
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Provide the decision package number issued by the PBF system ("Governor's Request").

TITLE	Maintenance, Equipment, and Other Facilities Needs
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Provide a brief, descriptive title for this request.

AMOUNT	\$19,900,000
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How much is requested for this project in FY 2017-18?

BUDGET PROGRAM	Various including Lottery Critical Care and Maintenance (1:1) Match funds provided to institutions (Proviso 3.6 in FY 2015-16) and institutional operating and capital related.
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Identify the associated budget program(s) by name and budget section.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:
	<input type="checkbox"/> IT Technology/Security related
	<input type="checkbox"/> Consulted DTO during development
	<input type="checkbox"/> Related to a Recurring request – If so, Decision Package # _____
	<input checked="" type="checkbox"/> Capital Request
	<input type="checkbox"/> Included in CPIP – If so, CPIP Priority # _____
	<input checked="" type="checkbox"/> Non-recurring request for funding
<input type="checkbox"/> Non-recurring request for authorization to spend existing cash/revenue	

SUMMARY	<p>Capital investment is a normal business operating cost—not an exceptional or unusual one. The lack of a statewide bond bill since 2000, as well as the lack of a predictable source of funding for educational and general (E&G) facilities for our public colleges and universities has created pressure to rely on tuition and fees, local funds, and benefactor support as institutions maintain and develop needed infrastructure. Since 2011, the vast majority of state support for major E&G construction, repurposing, and renewal projects has come from one-time sources. Support for maintenance needs has also been provided through one-time funding. We appreciate the support of the General Assembly and encourage your support of these much needed resources and consideration of institutional requests.</p>
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Provide a summary of the project and explain why it is necessary. If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.

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CLASSIFICATION OF FUNDS	Capital project.
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Is this request in support of a capital project or is it in support of other non-recurring expenditures? If this request is for a capital project, is it included in the agency's CPIP (please include CPIP year and priority)? How does this project rank in priority to all other nonrecurring agency requests?

MATCHING FUNDS	In FY 2013-14, FY 2014-15, and in FY 2015-16, maintenance funds provided through the lottery required to provide a 1:1 match with non-state monies relative to the lottery appropriations provided for maintenance of E&G buildings.
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Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source and amount.

FUNDING ALTERNATIVES	Funding specifically related to E&G maintenance needs, renovation, and equipment upgrades could be provided through the state general fund, through lottery appropriations, the Capital Reserve Fund, and/or State bond funding.
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What other possible funding sources were considered?

LONG-TERM PLANNING AND SUSTAINABILITY	This on-going need is best addressed by a sustainable funding source that would allow for effective programming of resources and needs over time.
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What other funds have already been invested in this project (source/type, amount, timeframe)? Will other capital and/or operating funds for this project be requested in the future? If so, how much, and in which fiscal years? Has a source for those funds been identified/secured?

OTHER APPROVALS	Institutions would be required to submit PIPs to CHE and BCB staff in order to expend these funds.
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What approvals have already been obtained? Are there additional approvals that must be secured in order for the project to succeed? (Institutional board, JBRC, BCB, etc.)

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EXPLANATION	<p>CHE has responsibilities under 59-103-35 with respect to the submission of budget requests of the public institutions of higher learning. CHE is recommending further clarification of its authority in the processing of budgets and proposes that a new proviso be added to clarify the current statute. The proposed proviso would require that budget requests be submitted to CHE which will in turn review and approve the requests and transmit its recommendations directly to the Governor and House and Senate Finance Committees for purposes of the annual budget process.</p>
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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	<p>CHE is seeking funding to support its administrative operations. The request is not anticipated to have any significant impact on the institutions as the information under consideration should be available.</p>
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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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11.##. (CHE: Submission of budget requests)

Budget requests from each public institution of higher education learning shall be submitted to the Commission on Higher Education, except that the State Board for Technical and Comprehensive Education shall submit to the commission the total requests of the technical and comprehensive educational institutions.

Budget requests submitted to the commission by each institution and the State Board for Technical and Comprehensive Education must include all state, federal, and other funds subject to annual audit by the State. Such other financial information that may not be included in the budget requests shall be submitted to the commission, upon request, by each institution and the State Board for Technical and Comprehensive Education.

Once approved, the commission shall submit the budget requests for the public higher education system to the Governor and appropriate standing committees of the General Assembly in conjunction with the preparation of the annual general appropriations act for the applicable year.

PROPOSED
PROVISO TEXT

Paste FY 2016-17 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

AGENCY NAME:	Commission on Higher Education		
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FORM D – PROVISO REVISION REQUEST

NUMBER	NEW
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Cite the proviso according to the renumbered list for FY 2017-18 (or mark "NEW").

TITLE	11.XX (CHE: Program Approval and Termination)
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Provide the title from the FY 2016-17 Appropriations Act or suggest a short title for any new request.

BUDGET PROGRAM	I. Administration, Personal Services and Other Operating
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Identify the associated budget program(s) by name and budget section.

DECISION PACKAGE	Related in part to revised Package # TBD, Agency Operating Support for Core Mission Functions
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Is this request associated with a decision package you have submitted for FY 2017-18? If so, cite it here.

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

OTHER AGENCIES AFFECTED	Public institutions of higher learning.
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Which other agencies would be affected by the recommended action? How?

SUMMARY	CHE requests adding a new proviso to clarify its authority relating to academic program approval pursuant to 59-103-35 and 59-101-150 to include, in addition to program approval, a process whereby CHE may recommend program termination.
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Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it.

AGENCY NAME:	Commission on Higher Education		
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EXPLANATION	<p>CHE has responsibilities for program approval pursuant 59-103-35 and related 59-101-150 and is seeking to re-establish authority for recommending program termination. The proposed proviso would provide clarification and enable the Commission to recommend program termination.</p>
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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	<p>The proviso does not result in changes to the current process of academic program approval and clarifies CHE's ability through its monitoring and review process for academic programs to recommend termination of programs. CHE is seeking funding to support its administrative operations (revised Package #TBD) and in part the request supports activities relating to academic program approval and termination. The request is not anticipated to have any significant fiscal impact on the institutions which would be able to pursue appeals of any CHE recommendation of termination.</p>
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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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11.XX (CHE: Program Approval and Termination)

The Commission on Higher Education shall have the authority to recommend the termination of an existing program at any public institution of higher learning as defined in 59-103-35 and shall submit program termination recommendations to the Senate Education Committee and the House Education and Public Works Committee no later than the second Tuesday in January of each year. An appeal of this recommendation may be made by the governing board of an affected institution within sixty days to the Senate Education Committee and the House Education and Public Works Committee which will hear the parties to the appeal. If the committees concur in the recommendation for termination, the program will be terminated at a time to be determined by the commission. A decision shall be reached by the committees within one hundred and twenty days from the date of the filing of the appeal. Should the committees fail to reach a decision within the one hundred and twenty days, the decision of the commission will prevail. The commission shall maintain policies and procedures for the approval of new programs and termination of existing programs.

PROPOSED
PROVISO TEXT

Paste FY 2016-17 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

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

FORM D – PROVISO REVISION REQUEST

NUMBER	<p>NEW (Depending on funding source, enact as standalone proviso or within Proviso 3.3 (LEA FY 2015-16 Lottery Funding) if related appropriation continues through the lottery</p> <p><i>Cite the proviso according to the renumbered list for FY 2017-18 (or mark "NEW").</i></p>
TITLE	<p>11.## (CHE: Institutional Maintenance Funds) -- Title suggested if not included within Proviso 3.3 (LEA FY 2015-16 Lottery Funding)</p> <p><i>Provide the title from the FY 2016-17 Appropriations Act or suggest a short title for any new request.</i></p>
BUDGET PROGRAM	<p>I. Administration, Personal Services and Other Operating</p> <p><i>Identify the associated budget program(s) by name and budget section.</i></p>
DECISION PACKAGE	<p>Related to revised Package #TBD – Maintenance, Equipment & Other Facilities Needs</p> <p><i>Is this request associated with a decision package you have submitted for FY 2017-18? If so, cite it here.</i></p>
REQUESTED ACTION	<p>Add</p> <p><i>Choose from: Add, Delete, Amend, or Codify.</i></p>
OTHER AGENCIES AFFECTED	<p>Public institutions of higher learning. Proviso would affect requirements for allocation of any funds appropriated through CHE and distributed for maintenance needs.</p> <p><i>Which other agencies would be affected by the recommended action? How?</i></p>
SUMMARY	<p>CHE is seeking a change to the allocation methodology for funds that have been appropriated in recent years for facility maintenance needs for higher education institutions through the lottery. The methodology, which was included in FY16 Proviso 3.3 (LEA: FY 2015-16 Lottery Funding) for funds allocated to institutions for maintenance, has required that appropriated funds for this purpose be allocated on a pro-rata basis relative to institutional base appropriations. CHE recommends a change to enable funds to be appropriated relative to institutional estimated maintenance needs. Additionally, CHE is requesting that certain conditions relating to requirements for maintenance reserve accounts be met in order for institutions to participate in the distribution of any maintenance funds that may be appropriated.</p> <p><i>Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it.</i></p>

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EXPLANATION	<p>Should funding be included for critical maintenance and repair, CHE recommends that the language for allocation that has been used for past distributions of such funds be changed to enable CHE to allocate funds based on a formula derived by CHE. Additionally, CHE is requesting that institutions participating in any such distribution be required to demonstrate 1) that a Maintenance Reserve Account has been established; 2) that student tuition and fees include a dedicated maintenance fee; and 3) that out-of-state students are assessed an amount greater than or equal to their share of maintenance program costs.</p>
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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	<p>Proviso would impact allocation and distribution of any funds appropriated for distribution to the higher education institutions for maintenance needs.</p> <p>The request is not anticipated to have any significant impact on the institutions as the information under consideration is within existing processes.</p>
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Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

AGENCY NAME:	Commission on Higher Education		
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PROPOSED PROVISO TEXT	<p>Excerpt from Proviso 3.3 (LEA: FY2015-16 Lottery Funding). Proviso language was not in FY2016-17 Lottery Funding Proviso 3.3. Suggested new proviso language in bold and underlined.</p> <p><u>Of the funds appropriated in sub item above for the Commission on Higher Education-Maintenance-Critical Care and Replacement-1 to 1 Match, each public four-year university, two-year branch campus and state technical college shall use the amount appropriated only for critical repair and related maintenance and/or other critical equipment and systems repair and maintenance that are necessary for the safe and efficient operation of an institution's physical plant in its support of the institution's educational purpose.</u></p> <p><u>Funds must not be used for new construction and may only be utilized by an institution to the extent the funds are matched by the institution for necessary repair and maintenance projects generally.</u></p> <p><u>Matching funds exclude supplemental, capital reserve, lottery, or non-recurring state funds appropriated to an institution either in the current fiscal year or from a prior fiscal year for repair and maintenance or deferred maintenance projects.</u></p> <p><u>Prior to the distribution of these funds, institutions must certify to the Commission on Higher Education, in a manner it prescribes, the extent to which they have met this requirement, including the sources of funds utilized to meet this requirement.</u></p> <p><u>The distribution of the funds shall be based on a formula derived by the Commission on Higher Education such that institutions participating in the distribution must demonstrate that a Maintenance Reserve Account has been established; that student tuition and fees include a dedicated maintenance fee; and that out-of-state students are assessed an amount greater than or equal to their share of the maintenance program costs.</u></p> <p><u>Not later than one hundred twenty days after the close of the fiscal year, the Commission on Higher Education shall report to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee regarding the utilization of this provision.</u></p> <p><u>Funds may be carried forward and utilized for the same purpose, subject to the matching requirement.</u></p>
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Paste FY 2016-17 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

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FORM E – 3% GENERAL FUND REDUCTION

DECISION PACKAGE	11515
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Provide the decision package number issued by the PBF system (“Governor’s Request”).

TITLE	Agency General Fund Reduction Analysis
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Provide a brief, descriptive title for this request.

AMOUNT	-\$241,177
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What is the General Fund reduction amount (minimum based on the FY 2016-17 recurring appropriations)? This amount should correspond to the decision package’s total in PBF.

METHOD OF CALCULATION	The following programs will have their general funds reduced.			
	<u>Program</u>	<u>Base Funding</u>	<u>Pro Rata Share of Total Base</u>	<u>Reduction of General Funds</u>
	Performance Funding	1,397,520	29.38%	70,861
	EPSCoR	161,314	3.39%	8,179
	Academic Endowment	160,592	3.38%	8,143
	Gear Up	177,201	3.73%	8,985
	Greenville TC - University Center	594,390	12.50%	30,138
	University Cntr of Grnville - Operations	1,084,899	22.81%	55,010
	EEDA	1,180,576	24.82%	59,861
		Total		241,177
	Each of these programs will be cut on a pro rata basis until the reduction is equal to the 3% reduction required.			

Describe the method of calculation for determining the reduction in General Funds.

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ASSOCIATED FTE REDUCTIONS	N/A
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How many FTEs would be reduced in association with this General Fund reduction?

PROGRAM/ACTIVITY IMPACT	Performance Funding, EPSCor, Academic Endowment, Gear Up, Greenville Technical College - University Center; University Center of Greenville – Operations; EEDA
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What programs or activities are supported by the General Funds identified?

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SUMMARY

The 3% general fund reduction is \$241,177. This is due to the base budget being adjusted after excluding items exempt from general fund budget cuts. These programs are the Need Based Grants scholarships and the Palmetto Fellows scholarships, as well as SREB funds.

Base Budget	35,824,414	FY 16-17 Revised Base GF Appropriations
Adjustment	(24,000,000)	Educational Endowment. Educational Endowment is comprised of \$12M for Need Based Grants and \$12M for Palmetto Fellows scholarships.
Adjustment	<u>(3,785,183)</u>	SREB Contract Program & Assessments. Proviso 11.5 states that these funds shall be excluded from the base budget in the calculation of any across the board cut.
New Base	8,039,231	
New 3% Reduction	241,177	

The \$241,177 will impact the following programs:
Performance Funding, EPSCor, Academic Endowment, Gear Up, Greenville Technical College - University Center; University Center of Greenville – Operations; EEDA

Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations.