



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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|------------------------|-------------------------------------------------|---------------------------------------------|
| Bill Number: | H 3534 | As signed by the Governor on March 14, 2016 |
| Author: | Cobb-Hunter | |
| Subject: | Higher Education Excellence Enhancement Program | |
| Requestor: | House of Representatives | |
| RFA Analyst(s): | Walling | |
| Impact Date: | August 11, 2016 | |

Estimate of Fiscal Impact

| | FY 2016-17 | FY 2017-18 |
|----------------------------------|-------------------|-------------------|
| State Expenditure | | |
| General Fund | \$0 | Undetermined |
| Other and Federal | \$0 | \$0 |
| Full-Time Equivalent Position(s) | 0.00 | 0.00 |
| State Revenue | | |
| General Fund | \$0 | \$0 |
| Other and Federal | \$0 | \$0 |
| Local Expenditure | \$0 | \$0 |
| Local Revenue | \$0 | \$0 |

Fiscal Impact Summary

This bill will increase General Fund expenditures by an undetermined amount. The increased General Fund expenditure will be absorbed within the current level of appropriations during FY 2016-17. This bill will not impact Federal Funds or Other Funds.

Explanation of Fiscal Impact

Explanation of Amendment by the Senate on March 1, 2016

The amendment expands HEEEP to include historically female institutions. Additionally, the amendment directs the Commission on Higher Education (CHE) to perform an annual review on how the funds allocated to schools through HEEEP have been used. Any funds used inappropriately, as determined by the commission, must be returned by the school and that school's allocation must be reduced by fifty percent the following year. Returned funds must be distributed equally among the remaining eligible institutions.

The Commission on Higher Education. The Commission is responsible for administering the Higher Education Enhancement Program and expects that this bill will cause additional General Fund expenditures that will be absorbed within current appropriations for FY 2016-17. However, CHE may request additional appropriations in FY 2017-18 due to the increased oversight for the program. CHE estimates the additional oversight may increase General Fund expenditures by \$5,435 for additional travel (\$750) and for the salary and fringe related to institution review (\$4,685).

Explanation of Bill Filed on February 5, 2015

State Expenditure

The bill expands the South Carolina Higher Education Excellence Enhancement Program (HEEEP) to include an institution that offers at least one non-sectarian program at the baccalaureate level. The bill would also include an institution accredited by an organization that is recognized by the United States Department of Education provided that the institution also receives Title III funding.

Section 2-77-20 requires that HEEEP be funded by appropriations from the Education Lottery Account in an amount provided by the General Assembly. Funds made available by the General Assembly are allocated equally among the eligible institutions. Currently, there are eight institutions eligible for HEEEP: Allen, Benedict, Claflin, Columbia College, Converse, Morris, SC State, and Voorhees. The Commission on Higher Education is aware of only one other institution located in South Carolina that would meet the new eligibility requirements, Clinton College.

The Commission on Higher Education. The Commission is responsible for administering the Higher Education Enhancement Program and expects that this bill would not cause any additional expenditure.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director