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

Fiscal Year 2026-27
Agency Budget Plan

FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS *(FORM B1)*		**For FY 2026-27, my agency is (mark "X"):**
	X	Requesting General Fund Appropriations.
	X	Requesting Federal/Other Authorization.
		Not requesting any changes.

NON-RECURRING REQUESTS *(FORM B2)*		**For FY 2026-27, my agency is (mark "X"):**
		Requesting Non-Recurring Appropriations.
		Requesting Non-Recurring Federal/Other Authorization.
	X	Not requesting any changes.

CAPITAL REQUESTS *(FORM C)*		**For FY 2026-27, my agency is (mark "X"):**
		Requesting funding for Capital Projects.
	X	Not requesting any changes.

PROVISOS *(FORM D)*		**For FY 2026-27, my agency is (mark "X"):**
	X	Requesting a new proviso and/or substantive changes to existing provisos.
		Only requesting technical proviso changes (such as date references).
		Not requesting any proviso changes.

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

	Name	***Phone***	***Email***
PRIMARY CONTACT:	Bryce Wilson	803-856-0555	bwilson@che.sc.gov
SECONDARY CONTACT:	Jeff Perez	803-322-2918	jperez@che.sc.gov

I have reviewed and approved the enclosed FY 2026-27 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	Agency Director	***Board or Commission Chair***
***SIGN/DATE*:**		
***TYPE/PRINT NAME*:**	L. Jeffrey Perez	Robert "Wes" Hayes

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

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

BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	Sustain Personnel Funding	215,300	0	0	0	215,300	0.00	0.00	0.00	0.00	0.00
2	B1 - Recurring	Increase in Information Technology Fees	160,344	0	0	0	160,344	0.00	0.00	0.00	0.00	0.00
3	B1 - Recurring	Statewide Electronic Library Core Infrastructure & Content Funding (PASCAL)	2,000,000	0	0	0	2,000,000	0.00	0.00	0.00	0.00	0.00
4	B1 - Recurring	Education Scholarship Enhancement	60,000	0	0	0	60,000	0.00	0.00	0.00	0.00	0.00
5	B1 - Recurring	Increase Federal Spending Authority for the State Approving Agency	0	90,647	0	0	90,647	0.00	0.00	0.00	0.00	0.00
6	B1 - Recurring	Increase Total Funds Authorization for the State Electronic Library	0	0	400,000	0	400,000	0.00	0.00	0.00	0.00	0.00
7	B1 - Recurring	FTE Funding Source Realignment	0	0	0	0	0	-4.70	0.00	4.70	0.00	0.00
TOTALS			2,435,644	90,647	400,000	0	2,926,291	-4.70	0.00	4.70	0.00	0.00

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

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	1

Provide the Agency Priority Ranking from the Executive Summary.

TITLE	**Sustain Personnel Funding**

Provide a brief, descriptive title for this request.

AMOUNT	**General: $215,300** **Federal: $0** **Other: $0** **Total: $215,300**

What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	**0.00**

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

FACTORS ASSOCIATED WITH THE REQUEST

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

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES

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

ACCOUNTABILITY OF FUNDS	This funding will further the mission of the SC Commission on Higher Education and the state's Statewide Enterprise Strategic Objective of Education, Training and Human Development: Improve education infrastructure to elevate the levels of educational preparedness of every South Carolinian to lead a healthy and productive life, including success in a job or career and in the community.

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

RECIPIENTS OF	CHE current FTEs

FUNDS	

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

JUSTIFICATION OF REQUEST	Historically, CHE has not utilized opportunities to request additional funding in its Administration line for personnel through the annual EBO process. The agency has not requested funding for salary increases, or reclassification of positions for current staff. Instead, the agency has used existing personnel funds from position vacancies to cover these routine increased costs. CHE deeply appreciates the support from the Governor and General Assembly in the current FY26 budget to "refund" seven FTEs, the funding for which had been used elsewhere. CHE now seeks $215,300 in recurring personnel funding to support existing personnel and the anticipated expense of providing salary increases according to state salary increase regulations and position reclassifications as warranted by changes in the job description. In FY25, the most recent fiscal year for which we have complete data, CHE provided 16 pay increases for additional duties and responsibilities, pay for performance, and promotions. Further, the CHE anticipates this trend continuing in FY27. The request for $215,300.00 was determined by projecting increases similar to those in FY25.

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

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

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	**2**

Provide the Agency Priority Ranking from the Executive Summary.

TITLE	**Increase in Information Technology Fees**

Provide a brief, descriptive title for this request.

AMOUNT	**General: $160,344** **Federal: $0** **Other: $0** **Total: $160,344**

What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	**0.00**

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

FACTORS ASSOCIATED WITH THE REQUEST

Mark "X" for all that apply:

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

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES

Mark "X" for primary applicable Statewide Enterprise Strategic Objective:

X	Education, Training, and Human Development
	Healthy and Safe Families
	Maintaining Safety, Integrity, and Security
	Public Infrastructure and Economic Development
	Government and Citizens

ACCOUNTABILITY OF FUNDS	This funding will further the mission of the SC Commission on Higher Education and the state's Statewide Enterprise Strategic Objective of Education, Training and Human Development: Improve education infrastructure to elevate the levels of educational preparedness of every South Carolinian to lead a healthy and productive life, including success in a job or career and in the community.

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

	Department of Administration, Division of Technology Operation.

RECIPIENTS OF FUNDS	

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

JUSTIFICATION OF REQUEST	The CHE is requesting an additional $160,344 in State funding to cover the cost of increased fees to utilize services of the Department of Administration's Division of Technology Operation. The agency's mission to "provide strategic and collaborative leadership to improve South Carolina's higher education system, expand opportunities for all citizens and advance the State's civic cultural and economic development" is achieved by the partnership with the SC Department of Administration, Division of Technology Operation (DTO). The shared services agreement with DTO, enables the Commission on Higher Education (CHE) to obtain the necessary technology resources to fulfill this mission. Technology is a critical component of all current CHE initiatives, including enhanced monitoring and assessment of academic programs and student services at public colleges and universities, as well as conducting audits of state scholarships and student aid funds administered by CHE. Through this partnership, data security is strengthened, risks are mitigated, and technology is used in alignment with state standards. This includes support for both software and hardware provided by DTO. Without the migration of hardware and services to DTO, CHE's ability to secure its network, reduce risk, and deliver optimal service to its stakeholders is significantly limited. Network security, risk mitigation, and high-quality service delivery are core components of this technology strategy.

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

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

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	**3**
	Provide the Agency Priority Ranking from the Executive Summary.
TITLE	**Statewide Electronic Library Core Infrastructure & Content Funding (PASCAL)**
	Provide a brief, descriptive title for this request.
AMOUNT	**General: $2,000,000** **Federal: $0** **Other: $0** **Total: $2,000,000**
	What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.
NEW POSITIONS	**0.00**
	Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST

Mark "X" for all that apply:

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

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES

Mark "X" for primary applicable Statewide Enterprise Strategic Objective:

X	Education, Training, and Human Development
	Healthy and Safe Families
	Maintaining Safety, Integrity, and Security
	Public Infrastructure and Economic Development
	Government and Citizens

ACCOUNTABILITY OF FUNDS

The Statewide Electronic Library (Also known as PASCAL) operates as a program through CHE pursuant to the Commission's statutory responsibility to "encourage development of joint programs" (SECTION 59-104-260).

CHE serves as the fiscal agent for PASCAL through a Memorandum of Understanding that is reviewed each fiscal year.

This request supports objective 2.1.1.

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

Funds are used to support mission-critical shared library technology (shared library services -- catalog -- and remote authentication platforms) used by the state's

RECIPIENTS OF FUNDS	academic libraries to provide access to information resources, and also for databases, journals, and ebooks. Allocations to vendors are based on existing contracts and licenses. The primary system contract is with ExLibris, (#4400036316). This is the second contract with the vendor, awarded on the basis of Solicitation #5400013582, and it is scheduled to provide essential research support to the state's students and faculty through FY2031-32. The consortium's multiple license agreements for databases, journals, and ebooks operate on both annual and multi-year terms.

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

JUSTIFICATION OF REQUEST	Since 2004, the Statewide Electronic Library has provided resources, systems, and services while generating nearly $220 million in cost-avoidance for its 55 member libraries, serving the state's 237,973 college students. Over the past several years, the Governor and General Assembly have generously provided $1.5 million through lottery funding for PASCAL. CHE requests $2 million recurring funding for FY27 to account for increased costs and provide more reliable source of funding. Since 2018, the Exlibris Shared Library Service Platform (catalog) has been the bedrock of the service. The shared catalog provides a common interface for students' research needs ensuring consistency and support for the college and workforce journey, including transfer and dual enrollment. Through PASCAL, the service is provided with a 20% savings for the state over what individual institutions previously paid for individual unlinked systems. Core content provided via subscription through multiple publishers includes over 25,000 journals, 470,000 ebooks and an aggregated statewide collection of 10 million print items. State funds are used to support the maintenance of these systems and services, thus guaranteeing universal student access to the basic information resources foundational to general and technical higher education.

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

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

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	**4**

Provide the Agency Priority Ranking from the Executive Summary.

TITLE	**Education Scholarship Enhancement**

Provide a brief, descriptive title for this request.

AMOUNT	**General: $60,000** **Federal: $0** **Other: $0** **Total: $60,000**

What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	**0.00**

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

FACTORS ASSOCIATED WITH THE REQUEST

Mark "X" for all that apply:

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

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES

Mark "X" for primary applicable Statewide Enterprise Strategic Objective:

X	Education, Training, and Human Development
	Healthy and Safe Families
	Maintaining Safety, Integrity, and Security
	Public Infrastructure and Economic Development
	Government and Citizens

ACCOUNTABILITY OF FUNDS	This request correlates with strategy 3.1, which is to improve affordability and accessibility of South Carolina Higher Education programs and services for students and families.

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

RECIPIENTS OF	Commission on Higher Education

FUNDS	

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

JUSTIFICATION OF REQUEST	Starting Fall 2024, the General Assembly approved the Education Scholarship Enhancement, providing up to $2,500 in additional funding to eligible Palmetto Fellows and LIFE Scholarship recipients enrolled in approved education majors. In accordance with the statute, this enhancement is offered as a forgivable loan. To qualify for loan forgiveness, recipients must work in a South Carolina public school following graduation. In order to effectively and efficiently administer this program, the South Carolina Commission on Higher Education will designate an established entity -such as SC Student Loan Corporation- to oversee the tracking, servicing, and management of these loans until they are either fully repaid or forgiven. Doing so would be less expensive than hiring staff to provide the services.

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

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

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	**5**

Provide the Agency Priority Ranking from the Executive Summary.

TITLE	**Increase Federal Spending Authority for the State Approving Agency**

Provide a brief, descriptive title for this request.

AMOUNT	**General: $0** **Federal: $90,647** **Other: $0** **Total: $90,647**

What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	**0.00**

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

FACTORS ASSOCIATED WITH THE REQUEST

Mark "X" for all that apply:

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

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES

Mark "X" for primary applicable Statewide Enterprise Strategic Objective:

X	Education, Training, and Human Development
	Healthy and Safe Families
	Maintaining Safety, Integrity, and Security
	Public Infrastructure and Economic Development
	Government and Citizens

ACCOUNTABILITY OF FUNDS	Approval of this request will further the mission of the Commission on Higher Education's strategy, 3.2, to promote higher education's value to the state's economic growth and human capital development.

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

RECIPIENTS OF	The Commission on Higher Education's State Approving Agency

FUNDS	

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

JUSTIFICATION OF REQUEST	Each year the State Approving Agency receives funding from the U.S. Department of Veteran Affairs. The funding was increased due to an influx in workload that has consecutively increased each year. The CHE's State Approving Agency is comprised of a staff of three people. This staff travels to institutions to ensure the use of federal funds given to these institutions for veterans is being used appropriately, as mandated by the GI® Bill. An increase in spending authority will allow the State Approving Agency to continue carrying out the work it does to assist veterans in adding to the value of economic growth through receiving higher education credentials.

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

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

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	6

Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Increase Total Funds Authorization for the State Electronic Library

Provide a brief, descriptive title for this request.

AMOUNT	General: $0 Federal: $0 Other: $400,000 Total: $400,000

What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0.00

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

FACTORS ASSOCIATED WITH THE REQUEST

Mark "X" for all that apply:

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

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES

Mark "X" for primary applicable Statewide Enterprise Strategic Objective:

X	Education, Training, and Human Development
	Healthy and Safe Families
	Maintaining Safety, Integrity, and Security
	Public Infrastructure and Economic Development
	Government and Citizens

ACCOUNTABILITY OF FUNDS

The Statewide Electronic Library (Also known as PASCAL) operates through CHE pursuant to the Commission's statutory responsibility to "encourage development of joint programs" (SECTION 59-104-260).

CHE serves as the fiscal agent for PASCAL through a Memorandum of Understanding that is executed each fiscal year.

This request supports objective 2.1.1.

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

Funds are used to support shared library technology (shared library services -- catalog -- and remote authentication platforms) used by the state's academic libraries

RECIPIENTS OF FUNDS	to provide access to information resources; for license agreements supplying information through databases, journals, and ebooks; and for PASCAL staff support. Current authorization for State Electronic Library program activities is $4,786,577. Anticipated program growth, particularly in the licensing of databases, journals, and ebooks, requires an additional $400,000 in authorization.

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

JUSTIFICATION OF REQUEST	The state's 237,973 higher education students, as well as faculty and staff, at 55 public and independent institutions of higher education benefit from the use of these funds for procurement and support of shared library technology and subscriptions to core educational resources provided via libraries in electronic formats. In addition to these technologies and core resources which are universally available to all students at every institution, PASCAL negotiates "opt-in" agreements for member libraries with content providers in the academic marketplace. These agreements expand content available to students in various specialized disciplines. Costs are passed through from the institutions, but central payment to vendors is a major component of the savings generated. Since 2004, the Statewide Electronic Library has provided resources, systems, and services while generating nearly $220 million in cost-avoidance for its member libraries. Program growth primarily in the opt-in licensing program is projected to require an additional $400,000 in spending authorization through FY25-6.

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

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

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	7

Provide the Agency Priority Ranking from the Executive Summary.

TITLE	**FTE Funding Source Realignment**

Provide a brief, descriptive title for this request.

AMOUNT	**General: $0** **Federal: $0** **Other: $0** **Total: $0**

What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	**0.00**

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

FACTORS ASSOCIATED WITH THE REQUEST

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

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES

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

ACCOUNTABILITY OF FUNDS	Realign funding sources of authorized FTE positions.

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

RECIPIENTS OF	Commission on Higher Education

FUNDS	

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

JUSTIFICATION OF REQUEST	Pursuant to Proviso 117.193 of the FY 2025-2026 Appropriations Act, the CHE gave two FTE positions back to the State. Currently, the remaining 47 authorized FTE positions are broken down by State Funding at 44.78 and Other Funding at 2.22. The CHE is requesting a realignment of the funding sources for the remaining authorized 47 FTE positions as follows: State Funding at 40.08 and Other Funding at 6.92.

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

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

FORM D – PROVISO REVISION REQUEST

NUMBER	11.12
	Cite the proviso according to the renumbered list (or mark "NEW").
TITLE	Other Funded FTE Revenue
	Provide the title from the renumbered list or suggest a short title for any new request.
BUDGET PROGRAM	Administration
	Identify the associated budget program(s) by name and budget section.
RELATED BUDGET REQUEST	N/A
	Is this request associated with a budget request you have submitted for FY 2026-2027? If so, cite it here.
REQUESTED ACTION	Delete
	Choose from: Add, Delete, Amend, or Codify.
OTHER AGENCIES AFFECTED	Executive Budget Office; Higher Education Institutions
	Which other agencies would be affected by the recommended action? How?
SUMMARY & EXPLANATION	The CHE requests that Proviso 11.12 be deleted. The agency does not need to receive information from the Executive Budget Office about institutions requesting additional other funded FTE positions. The Executive Budget Office provided support for the deletion as long as the CHE no longer needs the data.

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

FISCAL IMPACT	None

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

PROPOSED PROVISO TEXT	**~~11.12. (CHE: Other Funded FTE Revenue) When institutions of higher learning request additional other funded full time equivalent positions, the Executive Budget Office shall inform the Commission on Higher Education of its decision regarding the request and whether or not sufficient revenues exist to fund the salary and fringe benefits for the positions.~~**

Paste existing 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	3.5 (N)
	Cite the proviso according to the renumbered list (or mark "NEW").
TITLE	SCIII Funding to HEEEP
	Provide the title from the renumbered list or suggest a short title for any new request.
BUDGET PROGRAM	Lottery Administration
	Identify the associated budget program(s) by name and budget section.
RELATED BUDGET REQUEST	N/A
	Is this request associated with a budget request you have submitted for FY 2026-2027? If so, cite it here.
REQUESTED ACTION	Delete
	Choose from: Add, Delete, Amend, or Codify.
OTHER AGENCIES AFFECTED	N/A
	Which other agencies would be affected by the recommended action? How?
SUMMARY & EXPLANATION	In the 2025 legislative session, the General Assembly deleted. Proviso 11.21, which provided for the creation of the SC Institutes of Innovation and Information (SCIII) and directed the CHE to serve as the organization's fiscal agent. With the deletion of Proviso 11.21, the SCIII is no longer in existence. The General Assembly also approved Proviso 3.5 (N) for FY 2026 which directed the CHE to transfer all remaining SCIII funding to the Higher Education Excellence Enhancement Program (HEEEP). The SCIII remaining funds will be redirected to HEEEP in Fall 2025, no later than December 1, 2025. Since the action required by Proviso 3.5 (N) will have been completed, the CHE requests that this proviso section be deleted for the FY2026-27 budget. Also, a final report on the expenditures of the SCIII program will be submitted by March 15, 2026 to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee.

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

FISCAL IMPACT	None

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

PROPOSED PROVISO TEXT	~~**(N) Any funds carried forward for the South Carolina Institutes of Innovation and Information (SCIII) shall be redirected to support the Higher Education Excellence Enhancement Program and be distributed based on the requirements of Section 2-77-20 and those contained in this act. By March fifteenth, the Commission on Higher Education shall provide a final report on the expenditures of the SCIII program to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee.**~~

Paste existing 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	3.5 (O)
	Cite the proviso according to the renumbered list (or mark "NEW").
TITLE	LEA: FY 2025-26 Lottery Funding - College Transition Program
	Provide the title from the renumbered list or suggest a short title for any new request.
BUDGET PROGRAM	Lottery Administration
	Identify the associated budget program(s) by name and budget section.
RELATED BUDGET REQUEST	N/A
	Is this request associated with a budget request you have submitted for FY 2026-2027? If so, cite it here.
REQUESTED ACTION	Amend
	Choose from: Add, Delete, Amend, or Codify.
OTHER AGENCIES AFFECTED	See explanation below.
	Which other agencies would be affected by the recommended action? How?
SUMMARY & EXPLANATION	We request to amend language to include independent South Carolina institutions with an approved College Transition Program (CTP) and to authorize the use of unexpended and/or carryforward funds for start-up funding for future CTPs. This adjustment would promote program growth, sustainability, and expanded access for students across the state. Start-up funding would be capped at $90,000 per program. Estimated Start-Up Costs (per program): • Staff resources (time/effort) – $25,000 • Campus programming (curriculum, software, fees, etc.) – $35,000 • Facility and accessibility modifications (e.g. classroom adaptations, residence hall adjustments, furnishings, equipment, etc.) – $25,000 • Communications, community outreach, etc. – $5,000 Reasonable Cap: $90,000 Accessibility: The SC Department of Education's Office of Special Services has identified approximately 1,000 students each year who exit South Carolina public high schools and may qualify for a CTP experience. Existing CTP programs are at capacity and developing new programs in additional geographic regions will ensure more equitable access for these students. Affordability: The lowest residential CTP program in South Carolina currently costs

$28,000 per academic year, which exceeds the existing level of CTP funding. Start-up support would help institutions offset initial implementation costs, reducing the financial burden passed on to students and families. While these programs typically require ongoing institutional and state support, start-up funding provides a foundation to keep costs more manageable and expand access.

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

FISCAL IMPACT

None

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

PROPOSED PROVISO TEXT

3.7. (LEA: FY 2025-26 Lottery Funding)

(O) Of the funds appropriated to the Commission on Higher Education for College Transition Scholarships, the commission shall provide scholarships to South Carolina resident students enrolled at a public **or independent** institution of higher education in an established College Transition Program (CTP) that serves students with intellectual disabilities. The commission, in consultation with the CTPs, shall develop guidelines establishing scholarship eligibility, retention, and/or renewal requirements in accordance with this paragraph. Scholarships shall be awarded to each South Carolina resident student enrolled in an established public **or independent** CTP in an amount of at least $2,500 per semester, not to exceed $15,000 per academic year (including summer semester), and no student may receive a scholarship for more than eight semesters in total. In addition, the limitations of Proviso 11.10 notwithstanding, individual CTPs shall have the discretion to allocate a portion of their aggregate funding provided pursuant to this provision for need-based grants to eligible students. This discretion is allowable only to the extent that the funding for need-based grants for eligible CTP students provided pursuant to Proviso 11.10 has first been fully exhausted. The commission, in cooperation with the CTPs, shall collect and report the number of scholarship recipients and other information determined necessary to evaluate the effectiveness of these scholarships in assisting students with intellectual disabilities in college transition programs. The commission shall provide this report to the Governor, the Chairman of the House Education and Public Works Committee, the Chairman of the Senate Education Committee, the Chairman of the House Ways and Means Committee, and the Chairman of the Senate Finance Committee no later than September 30. Unexpended funds may be carried forward and used for the same purpose, except that: **1)** up to $250,000 may be used by the CTP consortium (known as The South Carolina Inclusive Post-Secondary Education Consortium) to be used collaboratively by the consortium to promote better awareness of CTP programs statewide as an option for youth with intellectual disabilities after high school through dedicated support for activities such as, but not necessarily limited to, student recruitment, development and maintenance of a consortium website and associated materials, and the provision of strategic informational events for prospective students and families across the State; **and 2) the commission may use unexpended and/or carryforward funding to expand College Transition Programs in South Carolina by providing start-up funding, not to exceed $90,000 per program, for the development of new CTPs on additional campuses. Such funding shall support program growth and opportunities for South Carolina residents.**

Paste existing 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 E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION CONTINGENCY PLAN

TITLE

Agency Cost Savings and General Fund Reduction Contingency Plan

AMOUNT

$1,264,739

What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.

ASSOCIATED FTE REDUCTIONS

Approximately 3 – 4 FTEs

How many FTEs would be reduced in association with this General Fund reduction?

PROGRAM / ACTIVITY IMPACT

The short term plan would be to offset the 3% reduction with funds carried over from FY 202425 under Proviso 117.23 which authorizes agencies to carry forward up to 10% of general fund appropriations. However, a 3% general fund reduction that extends beyond the current fiscal year would need to be offset by a reduction in recurring expenditures. All programs of the agency, with the exception of federal programs and our licensing work, would be affected by a threepercent reduction of General Funds. This would include offices of the President and Executive Director, Academic Affairs and Licensing, Student Affairs, Fiscal Affairs and Operations, and Information Technology and Data Analysis.

The CHE would apply the three percent reduction across the board, which would affect pass-through funds ($35,152,487) to other entities and stakeholders, including the $24 million in the agency's budget that provides need based grants and Palmetto Fellows scholarships to South Carolina students, and funds for the agency operations ($6,095,658). The only passthrough funds not affected would be the Southern Regional Educational Board's $6,585,183 which are exempt from budget cuts via Proviso 11.5.

Therefore, the effect of a 3% budget reduction on the agency's operating costs would be approximately $380,425.

What programs or activities are supported by the General Funds identified?

SUMMARY

The General Funds reduction applied to agency operations would primarily affect

personnel costs and directly reduce the number of staff available to carry out the mission of the CHE as outlined in the agency's Accountability Report. The offices of the President and Executive Director, Academic Affairs and Licensing, Student Affairs, Fiscal Affairs and Operations, and Information Technology and Data Analysis would all be impacted by the FTE reductions. To accommodate this reduction, the agency may not fill vacant positions due to retirement or other employee turnover.

Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.

AGENCY COST SAVINGS PLANS	The agency has and continues to look at cost saving measures. The agency is currently migrating its database from an antiquated system to a new, more widely adopted system. This will result in annual cost savings greater than $50,000 as the agency will no longer need to contract with specialized consultants familiar with the current database's architecture. The agency is also procuring new IT systems to make employee work more efficient and effective. This will allow staff to focus on other important work to fulfill the agency's statutory mission and reduce the need to hire additional staff in addition to providing efficiencies for students, families, and the agency's institutional partners. In addition, the agency will be conducting a space utilization study and technology efficiency study in the next year which might lead to increased efficiency and cost savings.

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

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

FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE	Up0date data system, electronic payments, online portals
	Provide a brief, descriptive title for this request.
EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	>$100,000 on a recurring basis
	What is the expected savings to South Carolina's businesses and citizens that is generated by this proposal? The savings could be related to time or money.

FACTORS ASSOCIATED WITH THE REQUEST

Mark "X" for all that apply:	
	Repeal or revision of regulations.
	Reduction of agency fees or fines to businesses or citizens.
X	Greater efficiency in agency services or reduction in compliance burden.
X	Other

METHOD OF CALCULATION	Annual salary and benefits for one FTE and time savings for businesses, the public and other public officials.
	Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.
REDUCTION OF FEES OR FINES	N/A
	Which fees or fines does the agency intend to reduce? What was the fine or fee revenue for the previous fiscal year? What was the associated program expenditure for the previous fiscal year? What is the enabling authority for the issuance of the fee or fine?
REDUCTION OF REGULATION	N/A
	Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?
SUMMARY	The agency is undertaking multiple initiatives to reduce the burden on the public, businesses, and other governmental officials. The CHE has recently instituted the option to accept ACH and credit card payments as a convenience and service to the public and institutions. Currently, the option to pay via credit card or ACH is only for institutions paying licensing fees or participation fees for SARA (State Authorization Reciprocity Agreements), but the use may be expanded in the future. Another initiative is upgrading the agency's data management system, which will provide dashboards of higher education data for public and governmental consumption without the need to perform intensive queries, thereby saving internal staff time and delivering results more seamlessly. The agency is implementing online portals for constituents, which allows for submitting online applications and requesting services, such as transcripts and scholarship applications, electronically. In addition, the agency will be conducting a space utilization study and technology efficiency study in the next year which might lead to increased efficiency and cost savings.

Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?