

SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION

1333 Main Street, Suite 200

Columbia, SC 29201

Minutes of the Meeting

June 2, 2005

10:30 a.m.

Commission Members Present

Dr. Layton McCurdy, Chairman
Ms. Rosemary Byerly
Mr. Larry Durham
Dr. Bettie Rose Horne
Dr. Vermelle Johnson
Mr. Jim Konduros
Mr. Miles Loadholt
Ms. Cynthia Mosteller
Mr. Jim Sanders
Mr. Neal Workman
Dr. Mick Zais

Commission Members Absent

Dr. Doug Forbes
Mr. Dan Ravenel

Staff Present

Ms. Camille Brown
Ms. Julie Carullo
Ms. Lorinda Copeland
Dr. Conrad Festa
Mr. Gary Glenn
Ms. Alyson Goff
Ms. Yolanda Hudson
Ms. Lane Jeselnik
Dr. Lynn Kelley
Ms. Lynn Metcalf
Ms. Beth Rogers
Ms. Laverne Sanders
Ms. Jan Stewart
Dr. Karen Woodfaulk

Guests

Member of the Press:

no members of the press attended

Dr. Rayburn Barton, U.S.C. – Beaufort
Ms. Betty Boatwright, S.C. State University
Mr. Bill Bragdon, U.S.C. – Columbia
Dr. Diane Brandstadter, State Technical College System
Ms. Donna Collins, U.S.C. - Columbia
Dr. Anthony Coyne, U.S.C. - Sumter
Dr. Christine Ebert, U.S.C. – Columbia
Mr. Bob Isenhower, Spartanburg Technical College
Ms. Jennifer Jones Gaddy, S.C. Student Loan Corporation
Dr. Thomas Higerd, Medical University of S.C.
Ms. Brenda Holland, Piedmont Technical College
Mr. Braden Hosch, U.S.C. – Aiken
Dr. Sally Horner, Coastal Carolina University
Dr. David Hunter, U.S.C., Columbia
Mr. Charles Jeffcoat, U.S.C., Columbia
Ms. Star Kepner, U.S.C. – Sumter
Mr. Gary McCombs, College of Charleston
Mr. J. P. McKee, Winthrop University
Dr. Isaac Metts, The Citadel
Ms. Diane Newton, Lander University
Ms. Susan Prior, U.S.C. – Columbia
Mr. Charlie Schawver, S. C. Budget & Control Board
Dr. Jackie Skubal, Denmark Technical College
Ms. Christine Smalls, Medical University of S.C.
Mr. Bob Wells, Clemson University
Mr. Richard Williams, State Technical College System
Dr. Richard Weldon, Coastal Carolina University
Mr. Bryce Wilson, S.C. Budget & Control Board

This meeting was held in accordance with the Freedom of Information Act.

1. Introductions

The meeting was called to order by Chairman McCurdy. Dr. Lynn Kelley introduced the guests attending the meeting, all of whom are listed above.

2. Approval of Minutes

Chairman McCurdy asked for a motion to approve the minutes from the meeting on May 5, 2005. The **motion** was made (Byerly), **seconded** (Mosteller) and **carried** to approve the minutes as written.

3. Chairman's Report

- Layton McCurdy

- Chairman McCurdy reported that a brief meeting had taken place prior to the Commission meeting in which he, Dr. Festa, some staff members and a couple of early arriving Commissioners discussed the work of the Commission for the upcoming year. He also stated that he would provide further information about that meeting during the Executive Director's Report section of the Commission meeting.

4. Committee Reports

4.01 Report of the Executive Committee (No Report)

-Layton McCurdy

4.02 Report of the Committee on Academic Affairs and Licensing (No Report)

-Vermelle Johnson

4.03 Report of the Committee on Access & Equity and Student Services

- Dan Ravenel

A. Consideration of Administrative Budget for S. C. Teacher Loan Program

Dr. Woodfaulk stated that Commissioner Ravenel had attended their committee meeting on June 1, 2005 and he advised at that time that he may not be at the Commission meeting. Commissioner Horne delivered the committee's report in his place. Dr. Horne stated that a successful teleconference call had taken place on the previous day between the committee and S. C. Student Loan Corporation staff who administer the S. C. Teachers Loan Program. She also stated that Dr. Woodfaulk would be making arrangements to meet with those staff members at a later date in order to clarify some additional questions that the committee had. Dr. Horne referred to the slight increases in the FY 2005-2006 budget request for this program as found in **Attachment I**. An annual review of the S. C. Teacher Loan Program is found in **Attachment II** and a letter in which Mr. William M. Mackie, Jr., President of the S. C. Student Loan Corporation, summarizes his agency's request is found in **Attachment III**.

A **motion** was then made (Horne), seconded (Byerly), and carried to approved the

following **recommendation:**

The Access & Equity and Student Services Committee recommends that the Commission approve the FY 2005-2006 budget request from the South Carolina Student Loan Corporation in the amount of \$409,900 for administration of the S.C. Student Loan Program.

4.04 Report Committee on Finance and Facilities

A. Performance Funding Ratings and Appeals for 2004-2005

1. Summary of Overall Institutional Performance

2. Institutional Performance Reports

3. Summary Overview of Performance Funding Ratings (Power Point)

Commissioner Byerly introduced Ms. Julie Carullo who provided an explanation about Performance Funding and the process by which institutional scores are determined. She stated that this year all institutions scored within the achieves or higher categories. Ms. Carullo also stated that one institution had appealed an indicator and that the Finance and Facilities Committee had recommended the Commission approve that appeal. An overall summary of the 2004-2005 institutional ratings, detailed information about each of the institutions' scores, and a power point presentation summarizing the impact of the 2004-05 ratings on those of 2005-06 can be found in **Attachments IV, V, & VI**, respectively. Commissioner Horne questioned whether this method of rating institutions actually provides sufficient information as to how well prepared their students are to succeed in their lives after they've graduated. Commissioner Byerly explained that the Presidents' Accountability Workgroup is attempting to incorporate that objective in the plan currently under development. Dr. Festa remarked on the significance of the fact that all of our institutions achieved, and in some cases substantially exceeded the required benchmarks and Commissioner Byerly commended the institutions for their hard work in this regard.

A **motion** was then made (Byerly) and **seconded** (Mosteller), to approve the overall performance funding ratings for 2004-2005. Commissioner Mosteller had a question about the why indicator 5A on each of the institutions report cards was deferred and Ms. Carullo explained that a change in required financial reporting has caused a delay in the time that it can be used for the indicator, though past performance has indicated that administrative costs have been very low.

Discussion then followed regarding the type indicators used in institutional ratings. Considered in this discussion was the question of whether we have data on the quality of the education received by students upon completion of their degrees. Dr. Festa said that this information could be accumulated and volunteered that the Commission staff could begin that process. Ms. Carullo also reviewed indicators related to student and program quality.

Commissioner Zais remarked that he felt some of the performance funding criteria penalized students who may come from more disadvantaged backgrounds. Chairman

McCurdy commented that Commissioner Zais' remarks were indeed valid and tied in not only with the Commission's future efforts to help improve education in S. C. but also with the work and the objectives of the Presidents' Accountability Workgroup. Commissioner Mosteller then inquired as to where Commissioners might provide their input regarding accountability. Dr. Festa replied that Commissioners should put their thoughts in writing and he would deliver that information to the members of the workgroup as well as to the other Commissioners.

The **motion** was then brought to the table and **carried**.

B. Performance Funding for the Upcoming Year (2005 – 2006)

Ms. Carullo explained that the committee recommended that the scores approved in item A above be carried forward for next year in order to provide an opportunity to focus energies on the development of a new statewide accountability plan. Details about this recommendation may be found in **Attachment VII**.

A motion was then made (Byerly) and seconded (Durham) to approve the following **recommendation**:

The Finance and Facilities Committee recommends for approval of the Commission a recommendation that institutional performance scores adopted by the Commission in June 2005 be carried forward in the upcoming year and that institutional data reporting be continued as outlined above.

Discussion followed as to whether any of the indicators in the approved reports would move toward a regular system of program review, and if they did not how the Commission might assist in advocating that. It was concluded that, due to a lack of financial support, it was unlikely that a system for program review would be developed. Dr. Festa then remarked that he intended to work with the institutions to come up with a plan for program review that they would fully support. Conversation also took place about the history of program review, when it ceased to be funded, and how it needs to be re-instituted.

The **motion** was then brought to the table and **carried**.

C. Consideration of Interim Capital Projects

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| 1. Clemson University | - | Boiler #4 Emissions Control |
| | - | Waste Water Treatment Plant |
| | - | Jordan Hall Renovation and Improvement |
| | - | Earle Hall High Bay Conversion |
| 2. U.S.C. – Columbia | - | Honors Residence Hall Construction |
| | | Humanities Pavilion Restaurant |
| | | Baseball Stadium Construction |
| 3. Coastal Carolina University | - | Use/Lease Agreement |

4. College of Charleston - Concept – Student Housing RFP

Commissioner Byerly stated that her committee had met, reviewed and approved all nine of the projects. A detailed description of each of them may be found in **Attachment VIII**.

Commissioner Byerly described each of the projects at Clemson University and U.S.C. – Columbia. A **motion** was then made (Byerly) and **seconded** (Durham) to approve those projects as recommended.

Commissioner Sanders commented that he was disturbed that there was such a wide variance in the per bed cost for proposed dormitories. Ms. Lynn Metcalf replied that that issue would be discussed at the Facilities Advisory Committee meeting on June 14, 2005. The results of that meeting should bring forth information that will assist in understanding the reasons for those variances.

The **motion** was then brought to the table and **carried**.

Commissioner Byerly made reference to the mail ballot on the Coastal Carolina Lease Agreement that was sent to each of the Commissioners due to the fact that the project was due before the Budget and Control Board by June 1, 2005. The Commissioners voted in favor of that lease agreement (see **Attachment IX**). On advice from council, Coastal Carolina asked for a modification to the approved agreement. A **motion** was then made (Byerly), **seconded** (Durham), and **carried** to change the parties to the agreement from Coastal Carolina and CCA (the developer) to Coastal Carolina and the Coastal Educational Foundation, Inc. The annual rent and all other terms and conditions were not changed. Chairman McCurdy commended CHE staff for expediting this project to meet the requirements of the Budget and Control Board, as did Dr. Sally Horner, a representative of Coastal Carolina University.

Commissioner Byerly described the College of Charleston's request for concept approval for their proposal for additional housing. Mr. Gary McCombs of the College of Charleston explained that, though they'd never been required to seek concept approval in the past for additional housing needs, they had on this occasion to satisfy the particular request that they do so in order to meet the requirements of state statutes.

Chairman McCurdy then called for a vote to approve the recommendation that this concept be approved. It was approved unanimously.

D. Comprehensive Permanent Improvement Plans (CPIP)

Commissioner Byerly introduced Ms. Lynn Metcalf who gave an explanation of Comprehensive Permanent Improvement Plans. She also advised that what was being considered at the meeting today pertained to the first year of the CPIP for each institution. (See **Attachment X**.) She explained that the information provided for years two through five of the CPIPs in the attachment were provided for information only. The year two CPIP requests will be submitted as part of the institutions' capital

bond requests in Fall 2005 and will be included in the Commission's next annual budget request.

Ms. Metcalf also provided an explanation about how the Governor, the legislature and the Budget and Control Board are kept apprised of CPIP requests in response to the question of Commissioner Konduros regarding their economic impact on the state. Chairman McCurdy raised the question as to whether it would make sense for higher education to go to the legislature with a coordinated request for a bond bill. He concluded that South Carolina was not quite ready for that, although the power of our collective institutions may provide a significant force in advocating a request of that nature. Commissioner Zais commented that the total cost of educating a college student does not take into account capital expenditures. Ms. Metcalf explained that determining appropriate capital costs per student would be difficult, but some capital expenditure information could be included in the Commission's statistical abstracts.

After additional discussion in this regard as well as Ms. Metcalf's response to Commissioner Horne's question regarding priorities between year one and year four of CPIPs, a **motion** was made (Byerly), **seconded** (Mosteller), and **carried** to approve the entire CPIP (in concept) for submission to the Joint Bond Review Committee and the Budget and Control Board.

5. Legislative Update

- Julie Carullo

Ms. Julie Carullo provided information on the work of the legislature and the Governor with regard to the FY 05-06 budget (see Attachment XI). She also reported on the status of various pieces of legislation pertaining to higher education as described in **Attachment XII**. Ms. Carullo explained that the legislature would come back in session on June 14 and 15 to consider any vetoes that the Governor may make on the legislation they passed. Commissioner Zais commented that, of the increases approved, need-based aid received less than 5%. Chairman McCurdy then stated that it was an objective of the Commission to formulate legislative priorities and that it would strive to accomplish that. Commissioner Mosteller stated that the Committee on Access and Equity and Student Services was working toward providing the Commission with a report on the state's various scholarships. Chairman McCurdy commented that the passage of the Education and Economic Development Act should have far-reaching effects on the movement toward a unified K-16 effort. He then directed that a copy of that legislation be sent to each Commissioner.

6. Report of the Executive Director

-Conrad Festa

With regard to economic development, Dr. Festa reported that he felt the Pathways to Prosperity program will be helpful in providing articulation between K-12 and higher education. He also stated that the technical colleges are taking more of a leadership role in this regard and that the Chamber of Commerce appears to be recognizing the importance of a coordinated effort between education and economic development. Dr. Festa said that the aforementioned populations appear to have acquired a deeper sense of understanding about the development of minds capable of thinking of dealing with a new economy.

Dr. Festa reported that the CHE staff would soon begin producing a quarterly newsletter that will be sent to a variety of populations, the purpose of which is to raise the agency's visibility and

provide information on the function of the CHE and its activities. He also reported on the status of the work of the Presidents' Accountability Workgroup and advised that this group would present a report of their activity to the larger group of Presidents on June 13, 2005. Dr. Festa stated that he would like to schedule Commissioners' Retreat in early September 2005 at which a plan would be developed to present to legislators as well as a strategy to articulate this information

to them. Chairman McCurdy then reiterated to the Commissioners the value of re-reading the Foundations for the Future report.

Ms. Carullo then distributed for the Commissioners' review a copy of the May 26, 2005 news release from the S. C. Council on Competitiveness entitled, *Action Agenda Outlines Plans to Boost S. C.'s Economy (Attachment XIII)*.

The topic of committees providing more detailed information about their activities to the Commissioners prior to the Commission meetings was then raised. Commissioner Johnson then explained the process by which the committees consider and approve or disapprove the institutional requests presented to them. She also suggested that all committee materials be provided to all the Commissioners prior to Commission meetings so that any questions they might have may be answered in advance.

A. Alternate Procurement Code

Dr. Festa made reference to the Alternate Procurement Code for the University of South Carolina as described in **Attachment XIV**. This code specifically pertains to matters involving economic development and research for the university. He then recommended that the Commission receive this information and forward it to the Budget and Control Board for their review and approval. Some discussion followed about the state's procurement policies and how this alternative code relates to them. Commissioner Sanders requested that it be noted in the transmittal of the information to the Board that consideration be made for a single procurement for the three research universities rather than three separate codes. The Commission approved forwarding the code with comment to the Budget and Control Board.

7. Other Business

Commissioner Horne commented that the Commission had been treated well by the legislature this year. She also commended and expressed gratitude for the excellent efforts of Dr. Festa and his staff in this regard. Other members of the Commission then joined her in applauding those efforts.

8. Adjournment

Chairman McCurdy adjourned the meeting at 12:30 p.m.

Respectfully submitted,

Beth Rogers

Recording Secretary

Attachments I - XIV *Attachments are not included in this mailing, but will be filed with the permanent record of these minutes and are available for review upon request.