

MINUTES OF MEETING
OF
SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION

January 7, 1977
10:30 a.m. - 12:30 p.m.

PRESENT:

COMMISSION MEMBERS

Dr. R. Cathcart Smith, Chairman
Mr. Howard L. Burns
Mr. Arthur J. H. Clement, Jr.
Mr. M. Calhoun Colvin
Mrs. Wanda L. Forbes
Mr. F. Mitchell Johnson
Mr. Paul W. McAlister
Mr. T. Eston Marchant
Dr. John M. Pratt
Mr. William F. Prioleau, Jr.
Mr. Alex M. Quattlebaum
Mr. Y. W. Scarborough, Jr.
Mr. J. Clyde Shirley
Mr. I. P. Stanback
Mr. Arthur M. Swanson
Mr. T. Emmet Walsh

GUESTS

Mr. Samuel S. Bacote
Mr. William R. Barnhart
Mr. G. William Dudley, Jr.
Mr. Elliott Elam
Dr. Marion Jamison
Dr. William H. Knisely
Mr. J. Lacy McLean
Dr. M. Maceo Nance, Jr.
Mr. Joseph D. Sapp
Mrs. Esther H. Tecklenburg

STAFF

Dr. Howard R. Boozer
Mrs. Clara W. Evans
Dr. George P. Fulton
Mr. William C. Jennings
Dr. Frank E. Kinard
Mr. Alan S. Krech
Mr. James R. Michael
Mr. James L. Solomon, Jr.
Mrs. Gaylon Syrett
Mrs. Judi R. Tillman

I. Approval of Minutes of December 2, 1976, Commission Meeting

It was moved (Marchant) and seconded (Swanson) that the minutes of the December 2, 1976, Commission meeting be approved as written. The motion was adopted.

II. Consideration of Capital Improvement Request - University of South Carolina

In the absence of Mr. Howe, Chairman of the Committee on Facilities and Federal Programs, Mr. Michael reported that the University of South Carolina had submitted a request to construct six all-weather tennis courts for varsity athletics at a cost of \$100,000, to be paid from Athletic Department revenue. He stated that U.S.C. presently does not have an adequate number of tennis courts to meet demands for intercollegiate, intramural, and recreational tennis. The proposed construction would be done at no expense to the State. The staff recommended approval. Mr. Michael stated that, with Mr. Howe's permission, the staff had polled the members of the committee by mail, and that the staff recommendation was unanimously approved by the committee. It was moved (McAlister) and seconded (Forbes) that the recommendations of the staff and the committee be approved. The motion was adopted.

Mr. Marchant stated that U.S.C. had submitted another request, received by Commission staff too late to be included on the formal agenda, for Permanent Improvement Project funds to construct new bathhouse facilities at the University's Student Union Recreation Camp (the R. G. Bell Camp) at a cost of approximately \$36,000, to be funded from student activity fees. Recently the State Health Department objected to the condition and inadequacy of existing bathhouse facilities. Although the request, mailed on January 5, was not received in time to be placed on the agenda, Mr. Marchant requested that consideration be expedited in order that the facilities might be constructed before the beginning of the swimming season. The staff recommended approval. It was moved (Quattlebaum) and seconded (Shirley) that, since no State funds are involved, the staff recommendation be approved, with the understanding that it constitutes a waiver of the usual procedure. The motion was adopted.

III. Consideration of Presentation on Capital Improvements to Budget and Control Board on January 12

Mr. Michael reported that the Budget and Control Board had scheduled hearings on Capital Improvement Bond Authorization Requests on Wednesday, January 12, for the public colleges and universities, to be followed by the Commission on Higher Education. A letter (Exhibit A), received on January 4 from the State Auditor, advised the staff that the Budget and Control Board would like information from the Commission on utilization of facilities, over-all needs, projected growth in higher education, and any other information that might assist the Board in formulating its recommendations to the General Assembly. Copies of the draft of a proposed presentation for the January 12 hearing were distributed to Commission members.

On November 5, 1976, the Commission reviewed requests from the public colleges and universities for funds from Capital Improvement Bonds totaling \$111,864,676. In its subsequent report to the Budget and Control Board, the Commission recommended deferral of projects totaling \$26,840,000, disapproval of other projects totaling \$13,140,833, and approval of projects totaling \$71,883,843. The amount recommended for approval included \$36,529,214 for projects which were included in Capital Improvement Bonds Acts passed by the General Assembly.

In reporting to the Budget and Control Board, the Commission identified 15 projects which appear to meet exceptional requirements, including the provision of basic facilities at five newer senior institutions (College of Charleston, Francis Marion, Lander, U.S.C.-Aiken, and U.S.C.-Spartanburg); renovation of a facility at The Citadel to meet accreditation standards; renovation of the main teaching hospital at the Medical University; and the replacement of boilers in the energy facility at South Carolina State College -- a total of \$21,886,129. These projects were listed in a letter, dated November 9, 1976, to the State Auditor (Exhibit B).

The staff recommended that, in view of the stringent fiscal situation, the Commission's January 12 presentation be primarily concerned with the 15 projects reported as exceptional. The staff recommended further that the presentation emphasize the Commission's position that the annual appropriation for the six newer senior colleges (the five named above plus U.S.C.-Coastal Carolina) be sufficient to enable them to use tuition income for financing capital improvements rather than for current operating expenses. It is estimated that in 1977-78 these six newer senior colleges will assign to

general operating revenue approximately \$2,000,000 identifiable as tuition and legally assignable to funding for capital improvements. These institutions seek over \$16,000,000 from Capital Improvement Bonds. If the State appropriation for each affected institution were sufficient to cover the \$2,000,000, each would have, in part, an alternative to reliance on Capital Improvement Bonds.

Mr. Marchant informed the Commission that the Board of Trustees of U.S.C. had reevaluated the recommendations it made on November 5, 1976, concerning exceptional requirements, and requested that top priority be given to the renovation of Barnwell and Hamilton Colleges on the Main Campus at a cost of \$1,500,000 rather than to facilities at U.S.C.-Aiken and U.S.C.-Spartanburg. He stated that the University's presentation to the Budget and Control Board on January 12 will reflect this reevaluation. He noted that a letter to this effect was mailed to the Commission staff but had not been received prior to the meeting. It was moved (Shirley) and seconded (Stanback) that the substitution of the renovation of Barnwell and Hamilton Colleges on U.S.C.'s Main Campus as a project which meets exceptional requirements be approved. The motion was adopted.

Dr. Smith requested that Commission members take time to read the draft presentation prepared by the staff for the January 12 Budget and Control Board hearing. Mr. Quattlebaum stated that care should be taken by the Commission in making statements concerning enrollment forecasts. Dr. Boozer noted that one of the planning studies currently underway by the Postsecondary Education Planning Commission is on enrollment projections. A draft summary of the study will be distributed for comment in the near future. He noted that specific indices must be considered in making projections, such as historical data, as opposed to subjective factors considered in making forecasts. Indications are that, based on the historical information and trends considered in the enrollment study, enrollments in South Carolina will continue to increase, though at a slower rate than in the past decade, until 1985.

Mr. Johnson stated that the first paragraph on page 4 of the draft presentation should be revised to state more explicitly what is meant by "sufficient." The paragraph read as follows: "The Commission recommends that the annual appropriation for the College of Charleston, Francis Marion, Lander, U.S.C. at Aiken, U.S.C. at Coastal Carolina, and U.S.C. at Spartanburg be sufficient to enable these institutions to use tuition income for financing capital improvements rather than for current operating expenses. This would enable them to deposit tuition income with the State Treasurer for servicing State Institution Bonds." Mr. Johnson stated that the College of Charleston, Francis Marion, and Lander have not been adequately or fairly funded in the past, according to the Formula, and as a result the three institutions governed by the State College Board have requested tuition retention each year to supplement their appropriations. He stated that if these institutions are to be fairly funded, they will not continue to seek tuition retention, but if the previous year's appropriations are used as a base, and reductions are then made on that inadequate base, they will continue to be unfairly and inadequately funded. He stated further that, although the Commission is pledged to the Formula, it has not abided by it in past years.

Mr. Burns stated that the tuition retention process was intended from the beginning to be phased out as the developing institutions became established. Mr. Johnson stated that the income from tuition retention was not supposed to

be used primarily for operating expenses but had to be so used as a result of the unfair allocation of funds in relation to the other institutions. Mr. Walsh stated that he could not accept Mr. Johnson's statement that the Commission has treated any institution unfairly.

Dr. Smith suggested that Commission members endorse the draft presentation in principle and plan to discuss it further in the next few days. Mr. Johnson stated that in his opinion the draft should be amended to emphasize the needs for higher education in the State. He noted that a number of Legislators have expressed the opinion that more money should be allocated to secondary education rather than to higher education. He stated the view that the draft does not present the needs of all the institutions, nor does it advocate the need for the advancement of higher education in the State.

Mr. Prioleau commented that he has detected an underlying feeling in both the Governor's Office and the Legislature concerning competition between higher and elementary and secondary education in the State. He stated the view that the Commission should make an effort to combat such an idea by requesting that the staff continue to stress the point that higher education is not in competition with secondary and primary education. He noted that many in the Legislature appear to believe that additional appropriations for lower education must be taken from funds available for higher education. He stated that the Commission should emphasize, in any presentation it makes, the concept that education in the State should be perceived as having a single objective, and that the Commission should not be placed in the position of competing with lower education for funds. He stated that the Commission should not miss any opportunity to dispel such an idea. Dr. Boozer concurred with Mr. Prioleau's comments and stated that this problem is not unique to South Carolina but reflects the national situation which is aggravated by economic difficulties around the country.

It was moved (Marchant) and seconded (Walsh) that the Commission accept the general thrust of the draft presentation, subject to further refinement. Mr. Burns suggested that action be deferred until refinement has been accomplished. Mr. Walsh noted that everything stated in the draft is based upon previous official action by the Commission.

Mr. Johnson stated that if the Commission is the advocate of higher education in South Carolina, the draft is not a good presentation, in his opinion. Mrs. Forbes stated the view that promoting unlimited spending does not necessarily make one an advocate of higher education. Dr. Boozer noted that Mr. Johnson and others have used the word "advocate" several times in the past. He stated that in addition to being an advocate of the institutions, the Commission has the responsibility of being objective concerning all higher education in the State. He noted that this is the type of assistance expected from the Commission at the Budget and Control Board hearing on January 12. Representatives of the institutions will have made their own presentations. They will be followed by the Commission's presentation, which should reflect, insofar as possible, an objective, balanced view. He observed that this discussion illustrated the ambivalence of the role of the Commission and its staff -- that of looking toward the institutions on the one hand and the Legislature and the needs of the State on the other.

A substitute motion was made (Colvin) and seconded (Forbes) that the intent of the draft presentation be approved and that further refinements be made before the presentation is put into final form. The motion was adopted. [A copy of the January 12 presentation, as revised, was forwarded to Commission members on January 13.]

IV. Semi-annual Progress Reports on Cooperative Institutional Arrangements

Dr. Kinard reported that at its meeting on June 5, 1975, the Commission gave its final approval to the transfer of the regional campus at Sumter from Clemson University to the University of South Carolina. In so doing, the Commission requested that the staff provide semi-annual reports on cooperative arrangements to be developed between U.S.C.-Sumter and the Sumter Area Technical College. The Commission also approved at that time the initial complement of baccalaureate degree programs at U.S.C.-Spartanburg, accompanied by a similar request for semi-annual reports on specified cooperative arrangements among institutions in the Spartanburg area. The third semi-annual progress report is attached as Exhibit D.

The staff recommended, with the concurrence of the institutions in Sumter and in Spartanburg, that in both situations the institutions be relieved in May, 1977, of the necessity of reporting semi-annually on these cooperative arrangements and that, following the next semi-annual report due in May, annual reports be required in May of subsequent years from both areas. It was moved (Marchant) and seconded (Pratt) that the recommendation be approved. The motion was adopted. Mr. Johnson noted that similar situations exist in a number of areas in the State. Dr. Boozer stated that the staff has discussed the possibility of requesting annual reports on cooperative arrangements from each area of the State where multiple institutions exist in proximity. On invitation of the Chairman, Mr. Dudley stated that in his opinion the suggestion was a wise one and would be endorsed by the State Board for Technical and Comprehensive Education. He stated that all higher educational institutions in the State should cooperate to make the best possible economic use of available State funds.

V. Progress Report on Optometric Education

Dr. Fulton reported that at its December 2, 1976, meeting, the Commission authorized the Chairman to appoint an Interstate Planning Committee that would have as its prime responsibility the development of a draft proposal for the establishment of a tri-state regional school of optometry as proposed by the Southern Regional Education Board. Letters of invitation were issued by the Chairman to members of SREB's original three-state optometric education advisory group (with Dr. Pratt replacing Dr. Draffin) that assisted in formulating the Policy Statement for the school, augmented by additional representatives from South Carolina, to serve on this committee.

The initial meeting of the committee will be held on January 28 in Charleston. An ad hoc executive committee of the Interstate Planning Committee will meet on January 11 in Columbia to draft materials related to the charge of the committee.

In other action by the Commission on December 2, the HEA Task Force on Optometric Education was requested to gather additional data concerning the need for optometry and ophthalmology in South Carolina, now and for the next five to ten years. A Committee on Need, appointed by the Chairman of the Task Force on Optometric Education, "to assess the present and future requirements for vision care services and training opportunities in this State," will meet in Columbia on January 12. Dr. Fulton noted that optometric education will be on the agenda of the February and March meetings of the Commission for further consideration.

VI. Other Business

Dr. Boozer reported that the staff had learned on January 6, through a newspaper account which appeared in the Columbia State on that date, that the House Ways and Means Committee had recommended on January 5 adding an additional \$2 million to the total higher education appropriation, to be allocated among the institutions on the basis of enrollment, and an additional \$1.107 million to the M.U.S.C. appropriation. The staff received information on January 6 from the Budget and Control Board staff concerning the details of the Ways and Means Committee's allocation of the additional \$2 million.

Mr. Prioleau asked if the Budget and Control Board is inclined at this point to adhere to the Appropriation Formula. Dr. Boozer stated that the Budget and Control Board's recommendations to the Legislature included increases to institutions based upon certain incremental requirements as well as \$2 million distributed among the institutions on the basis of the Formula. The House Ways and Means Committee on January 5 recommended still another \$2 million, distributed on the basis of projected enrollments for Fall 1977. Mr. Jennings noted that the Ways and Means Committee recommendations indicate an attempt to provide additional funds to the emerging regional campuses and to some of the institutions that have grown more rapidly than others. The results are shown in Exhibit D.

Mr. Johnson stated that the appropriations recommended by the Ways and Means Committee, divided by the estimated FTE enrollments, produce the following amounts per FTE student: U.S.C. - \$2,424; Clemson - \$2,394; Winthrop - \$1,988; The Citadel - \$2,155; South Carolina State College - \$2,103; College of Charleston - \$1,792; Francis Marion - \$1,753; and Lander - \$1,664. He stated that the Commission is to blame for an unfair distribution of funds, because of its long-standing policy of not recommending for any institution a reduction in appropriation from that of the previous year. Mr. Shirley stated that Mr. Johnson should consider other factors when making such computations. Mr. Walsh noted that differences in disciplines must be considered. A factor that contributes to the lower FTE funding recommendations for the three last-named institutions above relates to tuition retention, which was originally intended to provide special "start-up" funds for those institutions. It has been assumed by the General Assembly, in the fiscal crisis of the past several years, that retained tuition is to be used in regular operating budgets, resulting in lower appropriations per student in those three cases. (For related discussion, see pages 3 and 4 above.)

Mr. Clement suggested that arrangements be made for a group photograph to be taken of Commission members. He stated that at each Commission meeting he has been impressed by the vociferousness of the representatives of the various institutions, and expressed the hope that efforts will be made to stimulate more activity on the part of the appointed members of the Commission.

President Nance welcomed the Commission to South Carolina State College and invited members and guests to lunch, to be followed by a bus tour of the campus. The Chairman expressed to President Nance and Mr. Stanback the appreciation of the Commission for the generous hospitality that had been extended. The meeting was adjourned at 12:30 p.m.

Respectfully submitted,

Gaylon Syrett
Gaylon Syrett
Recording Secretary