

MINUTES OF MEETING
OF
SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION

October 15, 1975
10:30 a.m. - 3:30 p.m.

PRESENT:

COMMISSION MEMBERS

Dr. R. Cathcart Smith, Chairman
Mr. Howard L. Burns
Mr. Hugh M. Chapman
Mr. M. Calhoun Colvin
Dr. Marianna W. Davis
Dr. William C. Draffin
Mrs. Wanda L. Forbes
Mr. Gedney M. Howe, Jr.
Mr. F. Mitchell Johnson
Mr. Paul W. McAlister
Mr. T. Eston Marchant
Mr. William F. Prioleau, Jr.
Mr. Alex M. Quattlebaum
Mr. J. Clyde Shirley
Mr. I. P. Stanback

STAFF

Dr. Howard R. Boozer
Mr. Charles A. Brooks
Mr. Horace F. Byrne
Mrs. Clara W. Evans
Dr. George P. Fulton
Mr. William C. Jennings
Dr. Frank E. Kinard
Mr. Alan S. Krech
Mr. Cannon R. Mayes
Mr. James R. Michael
Ms. Rosita M. Ramsey
Mr. James L. Solomon, Jr.
Mrs. Gaylon Syrett
Mrs. Judi R. Tillman

I. Approval of Minutes of October 8, 1975, Commission Meeting

It was moved (Quattlebaum) and seconded (Howe) and unanimously voted that the minutes of the October 8, 1975, Commission meeting be approved, as written.

II. Consideration of Recommendations of Executive Committee on College and University Appropriation Requests

Dr. Smith reported that the Executive Committee had met on October 9 to review and make recommendations on the appropriation requests of the colleges and universities. He stated that the Committee concerned itself primarily with requests for special funding under Steps 12 and 13 of the Formula. The Medical University's line item budget request was reviewed in detail. The recommendations of the Commission on Higher Education, as approved on October 15, and to be presented on October 21 to the Budget and Control Board and the legislative finance committees, are summarized in Exhibit A.

Recommendations of the Executive Committee, and Commission action with respect to each institution's appropriation request, are set forth in detail below. It was moved (Davis) and seconded (Stanback) that the recommendations of the Executive Committee be considered in alphabetical order of the institutions. The motion was disapproved. Mr. Quattlebaum suggested that the institutions be listed alphabetically when considering appropriation requests in the future.

Winthrop College - Winthrop College requested \$7,024,557 by Formula for 1976-77, including \$25,000 in Special Funding (Step 12) for continuing education, and \$40,000 in Separately Budgeted Research (Step 13) for home economics research.

In addition, Winthrop requested a special appropriation of \$193,255 to cover its dormitory operations deficit. The Executive Committee recommended \$6,989,557, including \$6,959,557 in Basic Educational and General (Steps 1-11) and \$30,000 in Step 13.

It was noted that a year ago Winthrop estimated that its 1975-76 housing operations would incur a deficit of \$387,500 because a number of its dormitories were vacant. Fees obtained from residents of the occupied dormitories would not cover the costs of operating and maintaining both vacant and occupied dormitories. Rather than increasing further its already high dormitory fees, Winthrop requested, the Commission recommended, and the General Assembly approved a special appropriation to cover the dormitory operations deficit because the vacant dormitories apparently resulted, at least in part, from past legislation which restricted male enrollment. Despite a prospective enrollment increase, Winthrop has estimated that a housing operations deficit of \$193,255 will be incurred in 1976-77. The Executive Committee again recommended a special appropriation, of \$193,255, to cover the deficit. As in 1975-76, the Committee recommended that funds for the housing deficit not be included as an appropriation for educational and general purposes.

It was moved (Johnson) and seconded (Quattlebaum) and unanimously voted to adopt the recommendations of the Executive Committee with reference to Steps 12 and 13 and the special appropriation for dormitory operations. It was further moved (Marchant) and seconded (Johnson) and unanimously voted to adopt the Executive Committee's entire recommendation for Winthrop College, including Steps 1-11 of the Formula.

The Citadel - The Citadel requested \$6,622,221 by Formula, including \$5,833, 027 in Basic Educational and General (Steps 1-11). Under Special Funding (Step 12), \$380,663 was requested for military costs unique to a military institution; \$318,846 to cover the amount produced by the Formula using The Citadel's average faculty salary in excess of the amount derived by using Winthrop's average; \$69,275 for plant maintenance and operation; and \$20,410 for fire insurance. The Executive Committee recommended \$6,532,536, including \$380,663 for military costs, which were determined in accord with Formula intent; and \$318,846 for faculty salaries. The Committee expressed the hope that The Citadel's average faculty salaries will, in the future, gradually approach Winthrop's, and recommended to the Commission that it urge The Citadel Board of Visitors to consider modifying the faculty rank structure to include instructors. The Citadel's requests for increased fire insurance and excess plant maintenance costs were not recommended.

It was moved (Chapman) and seconded (Johnson) to approve the recommendations of the Executive Committee for The Citadel. The motion was adopted. Mr. Quattlebaum requested that Mr. Prioleau inform The Citadel Board of Visitors of the Executive Committee's recommendation concerning modification of faculty rank structure to include the rank of instructor.

South Carolina State College - South Carolina State College requested \$6,874,711 by Formula for 1976-77, including \$6,369,211 in Basic Educational and General (Steps 1-11). Under Special Funding (Step 12), \$120,000 was requested for the Basic Skills Program; \$185,000 for extra costs of operating the Felton Laboratory School; \$60,500 for the University Year for Action Program; \$40,000 for additional security officers; and \$100,000 for accounting-bookkeeping machines.

The Executive Committee recommended \$6,674,211, including \$6,369,211 in Basic Educational and General (Steps 1-11); \$120,000 for the Basic Skills Program; and \$185,000 for the Felton Laboratory School. The University Year for Action Program, additional security officers, and accounting-bookkeeping machines were considered by the Executive Committee to be covered by Formula Steps 1-11 and were not, therefore, recommended. With respect to the proposal to replace obsolete bookkeeping machines essentially in kind, the Committee recommended that the Commission recommend to the Board of Trustees of S.C. State College that consideration be given to installing terminals connected to the computer operated by the University of South Carolina, which would give S.C. State immediate access to successful programs, trained personnel, and modern data processing facilities already in existence.

After considerable discussion, it was moved (Chapman) and seconded (Colvin) that the recommendations of the Executive Committee be approved. The motion was adopted, with two dissenting votes. In later discussion it was further moved (Prioleau) and seconded (Quattlebaum) and voted that, in addition to the recommended total of \$6,674,211, a special appropriation of \$40,000 be approved to provide for security needs beyond those normally supplied by a college security staff and the local police department. Since such a special appropriation was not considered by the Committee to be an educational and general appropriation, it recommended disapproval of the \$40,000 request in Special Funding (Step 12).

College of Charleston - The College of Charleston requested \$10,263,184 by Formula for 1976-77, including \$9,637,552 under Basic Educational and General (Steps 1-11). Under Special Funding (Step 12), \$350,232 was requested for plant maintenance and operation; \$145,000 for additional campus security; and \$130,400 for library volumes. The Executive Committee recommended \$9,987,784, including \$350,232 in Special Funding (Step 12) for plant maintenance costs resulting from rapid enrollment growth and rapid plant expansion. It was noted that enrollment and facility growth are expected to level off, thereby removing the need for future special funding of this type.

The Committee also recommended a special appropriation of \$145,000 to provide for security needs beyond those normally supplied by a college security staff and the local police department, in recognition of the College's location in an impacted urban area and the problems caused by the presence of many small buildings required to be preserved for historical purposes. Since such a special appropriation was not considered by the Committee to be an educational and general appropriation, it recommended disapproval of the \$145,000 request in Special Funding (Step 12). The Committee did not recommend special funding for additional library volumes.

It was moved (Howe) and seconded (Chapman) and unanimously voted to approve the recommendations of the Executive Committee.

Francis Marion College - Francis Marion College requested \$4,677,499 by Formula, including \$4,633,999 under Steps 1-11 and \$43,500 under Step 13 (Separately Budgeted Research) for an Institute for Economic Development. The Executive Committee recommended \$4,633,999 in Basic Educational and General (Steps 1-11). It was noted that since the Committee understands that Francis Marion proposes to seek Commission approval of a new program embracing the establishment of an Institute for Economic Development of the Pee Dee, the Committee did not recommend approval of \$43,500 in Special Funding (Step 13) for that purpose.

It was moved (Howe) and seconded (Colvin) to approve the recommendations of the Executive Committee. The motion was adopted.

Lander College - Lander College requested by Formula \$3,175,624 for 1976-77 under Steps 1-11 (Basic Educational and General). Lander did not make a request for special funding under Steps 12 or 13 of the Formula; however, the College again proposed to request approval to retain and use for current operating purposes student tuition income in the amount of \$305,000 which otherwise would be saved for future debt service. It was noted that the Commission previously agreed to recommend full tuition retention by Lander for 1976-77 and one-half tuition retention for 1977-78. The Executive Committee recommended approval of \$3,175,624, as requested.

It was moved (Burns) and seconded (Stanback) and unanimously voted to adopt the recommendations of the Executive Committee.

Clemson University - Clemson University requested \$33,802,694 by Formula for 1976-77, including \$29,093,331 in Basic Educational and General (Steps 1-11). Under Special Funding (Step 12) \$240,867 was requested for a Textile Department supplement; \$52,100 for in-service training in agriculture; \$325,000 for textile equipment; \$1,900,000 for instructional equipment; \$43,345 for the Federal Affirmative Action Program; \$206,138 for extension and public service; and \$178,700 for teaching and research in Water and Sewage. Under Separately Budgeted Research (Step 13) \$1,123,168 was requested for engineering research; \$97,473 for textile research; \$102,685 for research in sciences; \$96,954 for other research; and \$342,933 in computer costs for research.

The Executive Committee recommended approval of Special Funding (Steps 12 and 13) totaling \$1,467,729, including \$6,879 for a Textile Department supplement representing the difference between what the Formula would generate for Clemson's current number of full-time equivalent Textile Department teaching faculty and what the Formula actually produces in terms of FTE Textile Department faculty; increased enrollment in textile science courses has reduced the need for special funding to the recommended amount. The Committee recommended that Clemson seek funds for in-service agricultural training through its 1976-77 Agricultural Public Service budget; last year the Commission requested that this be done in the future. Last year the Commission also recommended \$302,000 for the second year in a three-year program for acquiring textile equipment; a similar amount is recommended by the Committee for 1976-77 as the third and final increment of this program.

Special funding of \$178,700 was recommended to enable Clemson to expand and improve its legally mandated activities in the water and sewage area. In recognition of Clemson's generally recognized special efforts in continuing education, the Committee recommended special funding of \$200,000, which is approximately the amount computed by Clemson as its projected expenditures in excess of the amount provided by Steps 1-11 of the Formula; the Committee suggested that future cost increases beyond the \$200,000 level be covered by other means such as increased fees from participants.

The Committee recommended \$780,150 in Special Funding for Research (Step 13), including funding in the same amounts as in 1975-76 for engineering research (\$183,600), textile research (\$95,000), and research in physical, mathematical, and biological sciences (\$65,050). The amount also includes \$436,500 based on \$250 for each FTE graduate student, the factor prescribed for this purpose in the 1976-77 Formula.

It was moved (Chapman) and seconded (Howe) and unanimously voted to adopt the recommendations of the Executive Committee.

University of South Carolina - The University of South Carolina requested \$53,987,070 by Formula, including \$50,744,440 in Basic Educational and General (Steps 1-11). Under Special Funding (Step 12) \$1,187,130 was requested for the Medical School; \$159,500 for the School of Public Health; \$100,000 for the Drug Education Program; and \$76,000 for University Archives. Under Separately Budgeted Research (Step 13) \$40,000 was requested for the Bureau of Government Research and Service; \$55,000 for the Bureau of Business and Economic Research; \$95,000 for the Institute of Archeology and Anthropology; \$50,000 for the Social Problems Research Institute; \$1,360,000 for General Research; and \$120,000 for the Baruch Institute.

The Executive Committee recommended \$2,589,275 in Special Funding (Steps 12 and 13), including \$989,275 for the Medical School; \$240,000 for special institutes and bureaus; and \$1,360,000 for general research. Special funding for the School of Public Health, drug education, and archives was not recommended because adequate coverage was believed to be available within Steps 1-11. It was noted that USC reduced its special funding requests from a tentative total of \$6,444,676 forecast on August 1 to the \$3,242,630 actually included in its formal appropriation request. The Committee also noted that USC's 1976-77 basic educational and general entitlement under Steps 1-11 is \$50,744,440, rather than \$51,679,440, because a \$50 per student fee increase made in 1975-76 will reduce the need for State funding in 1976-77 by \$935,000. This treatment of fee income is entirely correct and in full compliance with the wording and intent of the Formula; it was ratified by the Commission on September 4, 1975, based on a report endorsed by the Council of Presidents of Public Colleges and Universities. Since the current provisions of Formula Step 10 might inhibit needed future fee increases by USC and the other institutions, however, the Committee recommended consideration of a change in Step 10 for the 1977-78 Formula whereby a uniform fee deduction (probably higher for the universities than for the colleges) would be made in lieu of the deduction of actual fees as is now the case.

Mr. Marchant noted that President Patterson stated, in his letter of October 14, 1975, to Dr. Boozer, "The fee increase was assigned to Student Services, Institutional Support, Public Service, and Organized Activities which are generally the functional areas covered by Step 8 of the Formula. . . . Even with the fee increase the formula does not produce the necessary funds to finance these services at an adequate level. . . . The fee increase was imposed to offset funding deficiencies of 1975-76 which were continued into 1976-77 by the Budget Formula, and therefore assigned to offset this deficit. We are of the firm position that such a 'deficiency fee' should not be considered formula related revenue as subtracted in Step 10 of the Budget Formula and hereby request proper reinstatement." It was moved (Marchant) and seconded (Stanback) that in the event of any fee increases by any institution during the past year or in the event of any future increase by any institution that the funds generated by that action not be subtracted from Step 10, and that Step 10 be amended in whatever ways required so that effect would not be the result.

Mr. Burns suggested that the Commission look at the over-all picture and establish a uniform amount for colleges and for universities. A substitute motion was made (Chapman) that in case the funding is not 100 percent, the Commission consider the \$935,000 fee increase assignment before the reduction is made.

Mr. Howe suggested that Mr. Marchant amend his motion to add, "as a temporary corrective measure." A second substitute motion was made (Chapman) and seconded (Howe) that the Commission approve the recommendations of the Executive Committee and inform the Budget and Control Board at the Commission's presentation on October 21 that USC has been penalized by the student fee assignment regulation.

Mr. Colvin suggested that the Commission's formal appropriation recommendation include a notation concerning USC's deficiency, along with commentary, as has been done in the cases of Winthrop and the College of Charleston.

It was moved (Burns) and seconded (McAlister) to call for the previous question. The motion was approved. The substitute motion to approve the recommendation of the Executive Committee and inform the Budget and Control Board that USC has been penalized was disapproved, with 7 voting in favor and 8 opposed.

Mr. Marchant amended the motion to add, pending action of the Commission on Higher Education, after a recommendation is received from the Council of Presidents and the business officers of the institutions, that sums generated from any increases of the past year or from future increases not be subtracted from Step 10. The motion was further amended (Marchant) and seconded (Quattlebaum) to provide that, pending the action of the Commission on Higher Education on the matter of fee increases in their impact on the Formula, which action of the Commission would take into account a recommendation of the Council of Presidents and/or their business officers or boards of trustees, funds generated by any increase in the past year or future increases by any institution not be subtracted from Step 10, and that Step 10 be amended in whatever ways required so that effect would not be the result. The motion was adopted, with 7 voting in favor and 5 opposing. Dr. Davis abstained.

It was moved (Howe) and seconded (Shirley) that if the Budget and Control Board or the House Ways and Means Committee or the Senate Finance Committee requests that a reduction be made in the amount of money recommended for higher education in the State, the matter be referred back to the Commission on Higher Education for a uniform and equitable reduction for all institutions. The motion was adopted.

USC - Spartanburg - The University of South Carolina requested \$2,662,254 by Formula for 1976-77 for USC-Spartanburg under Steps 1-11. The Executive Committee recommended approval of the amount requested. It was moved (Marchant) and seconded (Johnson) and unanimously voted to adopt the recommendation of the Executive Committee.

USC-Coastal Carolina - The University of South Carolina requested \$2,348,787 by Formula for USC-Coastal Carolina, including \$2,119,532 under Steps 1-11 and \$229,255 in Special Funding (Step 12). The Executive Committee recommended \$2,119,532, noting that the request for special funding was not recommended since \$2,119,532 represents a 44.1 percent increase over that institution's appropriation for 1975-76. It was moved (Howe) and seconded (Colvin) to adopt the recommendations of the Executive Committee. The motion was adopted.

USC-Aiken - The University of South Carolina requested \$2,030,359 by Formula for USC-Aiken under Steps 1-11. The Executive Committee recommended \$1,799,308, an amount half-way between what the Formula would provide Aiken as a two-year branch and what the Formula would provide it as a mature four-year institution. It was moved (Johnson) and seconded (Chapman) to approve the recommendation of the Executive Committee. The motion was adopted.

Medical University of South Carolina - The Medical University of South Carolina requested \$54,674,200, including \$21,138,743 for instruction, and \$402,171 for research. Under Public Service, \$733,535 was requested for continuing education; \$1,681,705 for the Consortium of Community Hospitals; and \$3,900,506 for the Statewide Family Practice Residency Program. Under Academic Support, \$588,632 was requested for the library, and \$2,173,958 for other academic support. In addition, \$427,693 was requested for Student Services; \$4,274,994 for institutional support; \$5,139,852 for operation and maintenance of plant; \$12,725,829 for the Medical University Hospital; and \$1,181,842 for salary increments.

The Executive Committee recommended a State appropriation of \$49,497,147, which is \$5,177,053 less than the amount requested. The recommended reductions occur in categories that fund programs of instruction and related support functions, and support operations of the plant facilities. The Committee recommended that the number of new faculty positions be reduced to 31, and the number of new classified personnel be reduced to 22. It was also recommended that the increases in costs be reduced for operation of the academic, clinical, service-oriented, and hospital-based programs. The rationale for the recommended reductions is based upon the fact that federal funds will still be available under the Area Health Education Center contract with the Department of Health, Education, and Welfare during 1976-77, the terminal year for the five-year contract. The Committee urged that MUSC's long-range plans and decisions on priorities be shared with the Commission on Higher Education to assist in future budgetary assessments.

It was moved (Howe) and seconded (Shirley) that the recommendations of the Executive Committee be adopted. The motion was approved. Mr. Burns requested that the staff provide comparative data from medical schools in other states to assist the Commission in future budgetary deliberations.

III. Other Business

Dr. Smith requested that all Commission members able to do so attend the Budget and Control Board Hearing on October 21. He requested also that Commission members attend the meeting of the Legislative Committee "To Study the Overlapping and Duplication of Academic Offerings and Opportunities in Various Geographical Areas of the State . . .," at which Dr. Boozer will make a presentation, on October 23.

It was moved (Burns) and seconded (Stanback) and unanimously voted that the meeting be adjourned at 3:30 p.m.

Respectfully submitted,

Gaylon Syrett
 Gaylon Syrett
 Recording Secretary