

MINUTES OF
Budget and
Control Board
Meeting
October 15, 1982

008381

MINUTES OF BUDGET AND CONTROL BOARD MEETING

OCTOBER 15, 1982 9:00 A. M.

The Budget and Control Board met at 9:00 A. M. on Friday, October 15, 1982, in the Governor's conference room in the State House with the following members in attendance:

Governor Richard W. Riley
Mr. Grady L. Patterson, Jr.
Mr. Earle E. Morris, Jr.
Senator Rembert C. Dennis
Representative Tom G. Mangum

Also attending were Executive Director W. T. Putnam; Board Secretary William A. McInnis; Governor's Executive Assistant Katherine M. Clarke; and staff members of various Board divisions.

COMMISSION ON HIGHER EDUCATION - 1983-84 BUDGET RECOMMENDATIONS -

Governor Riley opened the meeting by indicating to Chairman James E. Bostic, Jr., of the Commission on Higher Education, that the Board had carefully considered the recommendations of the Commission on Higher Education and that he considered this a good opportunity to have a good dialogue with that Commission. Governor Riley noted that with high unemployment and the relatively poor performance in the economy generally it was considered advantageous to target expenditures and to eliminate non-essential and duplicative programs. He expressed the view that the Commission on Higher Education had considered the Board's resolution in good faith. He concluded his remarks by indicating that his personal inclination is to go along with the recommendations of the Commission on Higher Education as much as possible.

008382

BCB Minutes
2 - 10/15/82

In response, Chairman Bostic expressed his appreciation for the opportunity given to the Commission on Higher Education to target increases and decreases in the higher education system. He pointed out that the Commission had considered an across-the-board approach to the situation but that there was almost universal agreement that that had been done too many times already and that it would serve only to reduce the entire system to a common level of mediocrity.

Chairman Bostic then indicated that his Commission today reaffirms its recommendations that reductions for 1983-84 be made in the budgets of the USC School of Medicine (\$750,000) and the MUSC Hospital (\$750,000) and that the USC-Columbia two-year occupational degree programs (except nursing) be phased out over a three-year period for a reduction of \$729,000. Chairman Bostic noted that the Commission looked at the possibility of restricting expenditures for medical doctor education to not more than \$30,000 per student and found that, at that level, the reduction would amount to \$2.7 million and he pointed out that the Commission is recommending a reduction of \$1.5 million. He also called attention to the approximately \$12.3 million of unfunded indigent care provided to the several counties in the area served by the Medical University and expressed the view that with a more aggressive collection program the \$750,000 reduction probably could be largely offset.

With regard to the USC Medical School, Chairman Bostic indicated that the Commission had concluded that the University could have delayed the addition of some faculty in that enrollment has not been achieved as planned. Chairman Bostic noted that it would be 1988-89 before the maximum enrollment

008383

could be achieved but that the school presently is staffed for the maximum. He indicated that 173 students are enrolled in the USC Medical School for the fall term with 48 of that number being in the freshman class. He indicated that the school is staffed for about twice the number of students presently there. In response to Representative Mangum, Chairman Bostic expressed doubt that a freshman enrollment of 100 could be achieved next year and CHE staff member Brooks indicated that his statement had been that the facilities and staff available would allow an enrollment of 100 but that an enrollment of some 64 had been projected for next fall.

In response to Mr. Patterson's question about the high faculty to student ratio, USC Provost Frank Borkowski indicated that accreditation requirements are largely responsible in that a basic staff has to be in place in the various areas in order to meet accreditation standards.

Senator Dennis indicated to Chairman Bostic that there appears to be some disagreement with regard to the comparative cost figures as between the Medical University and the University of South Carolina Medical School. He further noted that using the figures \$25,000 per student at the Medical University and \$53,600 at the USC Medical School is comparing apples and oranges because of the way certain cost factors are allocated at the two institutions.

Chairman Bostic begged to differ with Senator Dennis and noted that the Medical University had presented a very detailed report and that they had indicated that they felt that the cost was something less than \$25,000 per student. Chairman Bostic also expressed the view that, if anything, all of

BCB Minutes
4 - 10/15/82

the costs for the USC Medical School were not reflected in that only the \$9.3 million included in the Appropriations Act were considered in arriving at the per student costs at that facility. Chairman Bostic also indicated that the Commission on Higher Education had found no real difference of opinion on the magnitudes of costs indicated and noted further that the problem at the USC Medical School arises out of its present overstaffed condition.

Senator Dennis then indicated that he had asked Executive Director Putnam and State Auditor Vaughn to look at the cost allocation figures and Mr. Putnam indicated that he and Mr. Vaughn had met with Dean MacDonald and Dr. Higgins and reported that he is not sure that as a result of that meeting any light can be shed on the actual numbers. Mr. Putnam observed that the Medical University has for years been tracking these costs in a detailed fashion while the Medical School of the University of South Carolina is new. He noted that the physical facilities provided by local hospitals are not figured in and that, in addition to the 175 medical students enrolled at the University of South Carolina Medical School, 148 residents are also identified with that institution along with 16 Ph.D. students. Mr. Putnam expressed the view that it is very difficult to tell what the USC Medical School costs per student and reported that the best estimate available is that some \$2,000,000 are spent on the residency program. Chairman Bostic noted that the residency program is paid for from separate funding and that this shouldn't be confused with the other costs being discussed. Mr. Putnam acknowledged that the University of South Carolina had pointed out that the residents themselves are paid from the separate appropriation to the Medical University for the statewide program

008385

but he also pointed out that the faculty at the USC Medical School also spends an indeterminate amount of time on the residency program.

Senator Dennis pointed out that the Dean of the USC Medical School has indicated that the number of medical students at that institution can be increased rather significantly with only a minimum increase in cost and that that arrangement is predicated on the assumption of that School being able to use facilities at the Veterans Administration Hospital. Senator Dennis noted that renovation of those V.A. facilities will be undertaken soon and will be available in 1983-84. These renovations are costing the federal government about \$18 million and the facilities are being made available to the State at no cost. Senator Dennis then pointed out that the State is committed to do certain things with the Medical School at USC and that coordination with the Medical University is necessary and essential but that any talk of eliminating the USC Medical School or holding it at status quo would, in his opinion, be in violation of agreements made by the General Assembly.

Mr. Morris observed that if the Board's resolution had been followed literally with the effect of reducing \$2.7 million from medical doctor education at the two institutions the effect would have been much worse on both institutions.

Governor Riley stated that the Board's move had helped the process of getting the two institutions to work together.

Mr. Patterson observed that the Board's effort is aimed at improving the health care of the State's citizens at least expense but he expressed the view that the limiting factor in all of this is the residency program. He

008386

BCB Minutes
6 - 10/15/82

indicated that it makes no sense to add additional medical students to the program if the residency program is not capable of handling them.

Chairman Bostic then briefly reviewed the Commission on Higher Education's recommendations regarding the two-year occupational programs of the University of South Carolina and restated that Commission's view that except for the nursing program this activity should be phased out over a three-year period.

Chairman Bostic then advised the Board that the Commission on Higher Education had considered numerous other hard options which had been referred to its standing committees for further study. He then reviewed the list which includes the possibilities of merging the USC Medical School into the Medical University; terminating graduate education programs at Clemson; terminating graduate programs in the humanities and social sciences at Clemson; terminating graduate programs in engineering at USC-Columbia; closing the downtown Charleston campus of Trident Technical College and the Harbison campus of Midlands Technical College; terminating doctoral programs in business at Clemson with certain exceptions; reevaluating the CHE's recent action on business administration programs and terminating those not professionally accredited; terminating low-productivity doctoral programs that are duplicated in the State; and reconsidering the recently-approved master's degree program in professional accountancy at Clemson.

Chairman Bostic then listed a number of other options which had been reviewed by the Commission on Higher Education but on which no action had been taken.

008387

With regard to faculty salary enhancement and equipment, Chairman Bostic reported that CHE reaffirms its recommendations for the allocation of funds for nursing education, computer science, physical sciences, engineering, and biological sciences. He noted that if the biological sciences were eliminated it would have an adverse effect on the critical area of nursing. He reported that CHE also urges approval of its recommendation that the institutions be given complete flexibility in using the enhancement and equipment funds allocated in the specified high priority areas.

In response to Representative Mangum, Chairman Bostic stated that the Commission Higher Education determined the cost of medical doctor education at the USC Medical School simply by dividing the number of undergraduate medical students into the 1982-83 appropriation and that the cost at the Medical University had been arrived at by dividing the total cost of the program there by the number of undergraduate students. He indicated that no residents had been included in either calculation.

In the ensuing discussion, Representative Mangum urged that the various institutions be given the opportunity and the time to work out where the cuts could best be absorbed.

Mr. Morris then moved that the \$3.5 million reduction be reduced by 50% using funds in the budget for anticipated FICA increases in the budget of the Department of Education and accepting the Commission's recommendations otherwise.

Senator Dennis indicated his agreement with Representative Mangum that he does not believe the colleges and universities have had enough time to react to the recommendations by the Commission on Higher Education.

BCB Minutes
8 - 10/15/82

Governor Riley then expressed the view that the Board now has the best estimate of the Commission on Higher Education and that the package makes basic sense. He noted that CHE had recommended cuts where they thought they could be done and enhancements where needed. Governor Riley expressed some concern with continuing the inclusion of the biological sciences but he suggested that the Board adopt the recommendations of the Commission on Higher Education as presented for the purposes of sending allocations out to the agencies for preparing their detailed budget submissions.

Governor Riley then recommended that the Board adopt the recommendations of the Commission on Higher Education in full with the understanding that the Board will look back at everything when the budget submissions come back.

Mr. Patterson agreed to make a motion to accomplish Governor Riley's recommendation if it could be modified to provide that the Board tentatively approves the Commission on Higher Education recommendations.

Following a further discussion, Mr. Morris restated his motion to reduce the \$3.5 million cut as recommended by the Commission on Higher Education by 50% and to provide the needed \$1,750,000 by reducing the provision made in the Department of Education budget for the anticipated FICA increase. Senator Dennis seconded that motion. Mr. Morris voted for it, and Governor Riley, Mr. Patterson, Senator Dennis and Representative Mangum voted against it and the motion was not adopted.

Senator Dennis then indicated that the Board always wants to follow the leadership of the Governor but he expressed concern that he does not want the word to go out that the Budget and Control Board has approved the CHE recommendations in toto.

008389

Mr. Patterson then moved that the Board tentatively approve the Commission on Higher Education recommendations for the purpose of sending 1983-84 allocations out to the colleges and universities and on the understanding that the Board would consider this matter finally when the budget recommendations are finalized. Senator Dennis seconded that motion and he and Mr. Morris emphasized the tentative nature of the Board's action as expressed in this motion. In the initial vote on this motion, Governor Riley, Mr. Patterson, Mr. Morris, and Senator Dennis voted for it and Representative Mangum voted against it for a vote of 4 to 1 in favor of the motion. Shortly after the first vote was taken, Mr. Morris changed his vote to no, making the final vote 3 to 2 in favor of the motion with Governor Riley, Mr. Patterson, and Senator Dennis voting for it, and Mr. Morris and Representative Mangum voting against it.

In the ensuing discussion, Board members emphasized that the action taken on this matter is tentative and subject to change later and also emphasized that there is nothing sacrosanct about budgetary deadlines.

Upon a motion by Mr. Patterson, the meeting was adjourned at 10:30 A. M.

Information relating to this matter has been retained in these files and is identified as Exhibit 1.

[Secretary's Note: In compliance with Section 9 of Act 593 of 1978 (the Freedom of Information Act), public notice of and the agenda for this meeting were posted on bulletin boards in the office of the Governor's press secretary in the State House and near the Board Secretary's office in the Wade Hampton Building at 12:00 noon on Wednesday, October 13, 1982.]

008390



EXHIBIT

OCT 15 1982 NO. 1

STATE BUDGET & CONTROL BOARD

SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION

RUTLEDGE BUILDING

1429 SENATE STREET

COLUMBIA, S. C. 29201

October 14, 1982

TELEPHONE
803/758-2407

The Honorable Richard W. Riley
Governor of South Carolina
State House
Columbia, South Carolina 29201

Dear Governor Riley:

I am writing in response to the request of the Budget and Control Board on October 12, 1982, that the Commission reconsider several of its recommendations concerning the 1983-84 budgets of the public senior colleges and universities. Members of the Commission have endorsed the enclosed statement with reference to the Commission's recommendations that were submitted on October 11.

I plan to be present at the meeting of the Budget and Control Board on Friday, October 15, to comment on the enclosed statement and respond to any questions.

Sincerely,

James E. Bostic, Jr.
Chairman

JEBjr:gs

Enclosures

cc: The Honorable Rembert C. Dennis
The Honorable Tom G. Mangum
The Honorable Earle E. Morris, Jr.
The Honorable Grady L. Patterson, Jr.
Mr. Francis L. Bell
Presidents, Public Senior Colleges
and Universities
Members, Commission on Higher Education

bc: Mr. G. William Dudley, Jr.
Mr. J. Lacy McLean
Mr. William T. Putnam
Mr. Milton Kimpson
Mr. William A. McInnis
Dr. Terry Peterson

008391

008392

Allocation of 1983-84 Faculty Salary Enhancement Funds in Specified Disciplines
at 96.6% of Formula Faculty Salary Averages

(as submitted on October 11, 1982)

	<u>Nursing</u> (1)	<u>Biological Sciences</u> (2)	<u>Computer Science</u> (3)	<u>Mathematics</u> (4)	<u>Physical Sciences</u> (5)	<u>Engineering</u> (6)	<u>Total</u> (7)
The Citadel						\$4,135	\$4,135
Number of Faculty*						11.00	11.00
College of Charleston		\$11,373	\$9,282	\$2,503	\$33,036		\$56,194
Number of Faculty		14.17	2.75	14.75	16.50		48.17
Francis Marion		\$10,679	\$1,423	\$19,352	\$15,269		\$46,723
Number of Faculty		5.75	.75	8.00	7.50		22.00
Lander		\$6,354		\$7,220			\$13,574
Number of Faculty		4.50		5.00			9.50
USC-Aiken		\$22,239	\$1,635	\$11,137	\$13,175		\$48,186
Number of Faculty		5.25	1.58	6.17	4.00		17.00
USC-Coastal		\$23,102	\$2,159	\$18,783	\$7,774		\$51,818
Number of Faculty		7.75	.65	6.60	4.75		19.75
USC-Spartanburg	\$12,664	\$29,395	\$6,235	\$26,035	\$13,372		\$87,701
Number of Faculty	4.25	6.00	2.82	6.33	3.75		23.15
USC-Columbia	\$78,275	\$112,257	\$42,999	\$17,381	\$3,851	\$76,381	\$331,144
Number of Faculty	46.85	30.50	7.66	30.44	51.86	33.62	200.93
Clemson		\$207,336	\$7,068		\$9,137		\$223,541
Number of Faculty		77.00	9.00		63.00		149.00
MUSC	\$122,371	\$14,613					\$136,984
Number of Faculty	56.35	12.10					68.45
TOTAL	\$213,310	\$437,348	\$70,801	\$102,411	\$95,614	\$80,516	\$1,000,000
Number of Faculty	107.45	163.02	25.21	77.29	151.36	44.62	568.95

STATE BUDGET & CONTROL BOARD

OCT 15 1982

NO. 1

EXHIBIT

* Full-Time Equivalent (FTE)

10/11/82

Enclosure 1

Alternative Allocation of 1983-84 Faculty Salary Enhancement Funds by Credit Hours

	<u>Nursing</u> (1)	<u>Computer Science</u> (2)	<u>Mathematics</u> (3)	<u>Physical Sciences</u> (4)	<u>Engineering</u> (5)	<u>Total</u> (6)
The Citadel Credit Hours *		\$5,373 1,645	\$17,979 5,505	\$17,179 5,260	\$13,871 4,247	\$54,402 16,657
S.C. State Credit Hours			\$18,371 5,625	\$14,988 4,589		\$33,359 10,214
Winthrop Credit Hours		\$12,623 3,865	\$21,311 6,525	\$11,382 3,485		\$45,316 13,875
College of Charleston Credit Hours		\$8,884 2,720	\$28,035 8,584	\$28,911 8,852		\$65,830 20,156
Francis Marion Credit Hours		\$2,675 819	\$20,269 6,206	\$13,293 4,070		\$36,237 11,095
Lander Credit Hours	\$3,279 1,004	\$3,824 1,171	\$11,441 3,503	\$4,690 1,436		\$23,234 7,114
USC-Aiken Credit Hours	\$4,948 1,515	\$2,028 621	\$12,104 3,706	\$5,680 1,739	\$1,009 309	\$25,769 7,890
USC-Coastal Credit Hours	\$3,612 1,106	\$2,074 635	\$13,384 4,098	\$6,944 2,126	\$1,081 331	\$27,095 8,296
USC-Spartanburg Credit Hours	\$6,869 2,103	\$4,399 1,347	\$12,519 3,833	\$5,383 1,648	\$979 300	\$30,149 9,231
USC-Columbia Credit Hours	\$23,771 7,278	\$30,119 9,222	\$69,504 21,281	\$105,705 32,365	\$61,071 18,699	\$290,170 88,845
Clemson Credit Hours	\$5,458 1,671	\$29,897 9,154	\$87,735 26,863	\$85,481 26,173	\$137,297 42,038	\$345,868 105,899
MUSC Credit Hours	\$22,571 6,911					\$22,571 6,911
TOTAL Credit Hours	\$70,508 21,588	\$101,896 31,199	\$312,653 95,729	\$299,634 91,743	\$215,309 65,924	\$1,000,000 306,183

EXHIBIT
 OCT 15 1982
 NO. 1
 STATE BUDGET & CONTROL BOARD

008393

* Total Credit Hours by Discipline Weighted by Level and Support Percentages

Enclosure 2

EXHIBIT

OCT 15 1982 NO. 1

FACULTY SALARY ENHANCEMENT

STATE BUDGET & CONTROL BOARD

	Allocated by Average Salary Including Biological Sciences*	Allocated by Credit Hours Excluding Biological Sciences	Increase/Decrease
The Citadel	\$ 4,135	\$ 54,402	\$ 50,267
S. C. State	-	33,359	33,359
Winthrop	-	45,316	45,316
College of Charleston	56,194	65,830	9,636
Francis Marion	46,723	36,237	-10,486
Lander	13,574	23,234	9,660
USC-Aiken	48,186	25,769	-22,417
USC-Coastal	51,818	27,095	-24,723
USC-Spartanburg	87,701	30,149	-57,552
USC-Columbia	331,144	290,170	-40,974
Clemson	223,541	345,868	122,327
MJSC	<u>136,984</u>	<u>22,571</u>	<u>-114,413</u>
TOTAL	\$1,000,000	\$1,000,000	-

*Based on 96.6% of Formula

10/14/82

008394

Recommendations of the
South Carolina Commission on Higher Education
in Response to the Budget and Control Board
Resolution of September 14, 1982,
Concerning 1983-84 Budgets of the Public
Senior Colleges and Universities
October 14, 1982

by
James E. Bostic, Jr., Chairman
South Carolina Commission on Higher Education

EXHIBIT
OCT 15 1982 NO. 1
STATE BUDGET & CONTROL BOARD

The Commission on Higher Education, on October 7, 1982, in response to the September 14 Resolution of the Budget and Control Board, adopted recommendations for targeted reductions and targeted increases for 1983-84 in the budgets of the public senior colleges and universities. The Budget and Control Board on October 12 requested that the Commission reconsider its recommendations concerning reductions affecting the USC Medical School, the MUSC Hospital, and the phasing out of the USC-Columbia two-year occupational degree programs (except nursing), and that it report further to the Board by Thursday evening, October 14. The Commission had a conference telephone meeting on October 14 and the following actions were taken:

The Commission on October 7 considered and rejected the suggestion that the mandated reduction of \$3.5 million for 1983-84 be achieved by pro rata, across-the-board cuts. It has reconsidered and again rejected this option as inconsistent with the requirement of the Board's Resolution that priorities for reductions be established.

The Commission reaffirms its recommendations that reductions for 1983-84 be made in the budgets of the USC School of Medicine (\$750,000) and the MUSC Hospital (\$750,000), and that the USC-Columbia two-year occupational degree programs (except nursing) be phased out (\$729,000).

In arriving at its recommendations on October 7, 1982, the Commission considered 26 suggested options for 1983-84 reductions that had been received for consideration from a variety of sources. Suggestions had been solicited from the Council of Presidents of Public Colleges and Universities, the Budget and Control Board staff, the Governor's staff, and members of the Commission.

DD8395

Among the options considered were the following that were referred to standing committees for further study:

1. Merge the USC Medical School into the Medical University of South Carolina.
2. Terminate graduate education programs at Clemson.
3. Terminate graduate programs in the humanities and social sciences at Clemson.
4. Terminate graduate programs in engineering at USC-Columbia, with Clemson then offering the only graduate engineering in the State.
5. Close the downtown Charleston campus of Trident Technical College and the Harbison campus of Midlands Technical College.
6. Terminate doctoral programs in business at Clemson (except those operated jointly with such colleges as engineering, sciences, and agriculture).
7. Re-evaluate recent Commission action on business administration programs and terminate those not professionally accredited by the American Association of Collegiate Schools of Business (AACSB).
8. Terminate low-productivity doctoral programs that are duplicated in the State.
9. Reconsider the recently approved master's degree program in professional accountancy at Clemson.

A number of other possible options that had been suggested were considered, on which no action was taken. Among those were the following:

1. Close USC-Salkehatchie and USC-Union.
2. Phase out support for indigent care funded through State appropriations for the MUSC Hospital.
3. Reduce funding for Tuition Grants to entering freshmen in the independent colleges by imposing more stringent academic eligibility requirements.
4. Eliminate Bureaus, Centers, and Institutes at USC and Clemson.
5. Eliminate State funding for the Charleston Higher Education Consortium (CHEC).
6. Merge two-year systems (USC two-year campuses and TEC system), or selected two-year institutions or support services of selected two-year institutions located in proximity.

EXHIBIT

008396

OCT 15 1982 NO. 1

STATE BUDGET & CONTROL BOARD

7. Remove control of the MUSC Hospital from the Medical University of South Carolina.
8. Impose a moratorium on all new degree programs except those included in the State Desegregation Plan.

With reference to the allocation of 1983-84 funds for faculty salary enhancement and equipment, the Commission reaffirms its recommendations for the allocation of funds for nursing education, computer science, physical sciences, engineering, and biological sciences. The Commission believes that this is an equitable way to allocate the available funds among these high priority disciplines. It urges approval of its recommendation that an institution, within the total allocated to it for these purposes, be given complete flexibility in using those funds in the specified high priority areas.

If the Budget and Control Board concludes, however, that for faculty salary enhancement biological sciences should be excluded from the high priority areas, the Commission recommends that the preferred way to allocate those funds would be on the basis of credit hour production. Such a change would have an adverse effect on the critical area of nursing, as shown on the enclosed tables.

We recognize that these are tough decisions that must be made, given the State's financial constraints, and we welcome the opportunity to establish priorities in higher education.

EXHIBIT

OCT 15 1982 NO. 1

STATE BUDGET & CONTROL BOARD

008397



RECEIVED

OCT 11 1982

BUDGET AND CONTROL BOARD
OFFICE OF EXECUTIVE DIRECTOR

SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION

RUTLEDGE BUILDING
1429 SENATE STREET
COLUMBIA, S. C. 29201

October 11, 1982

TELEPHONE
803/758-2407

EXHIBIT

OCT 15 1982 NO. 1

STATE BUDGET & CONTROL BOARD

The Honorable Richard W. Riley
Governor of South Carolina
State House
Columbia, South Carolina 29201

Dear Governor Riley:

I am writing, on behalf of the Commission on Higher Education, in response to the Resolution adopted by the Budget and Control Board on September 14, 1982, requesting that the Commission submit recommendations for targeted reductions and targeted increases for 1983-84 in the budgets of the public senior colleges and universities.

Immediately upon receipt of the September 14 Resolution, suggestions of possible ways in which reductions might be made for 1983-84 were requested from the Council of Public College and University Presidents, members of the Commission, the Budget and Control Board staff, and your staff. Twenty-six (26) suggested options that were received for consideration were carefully evaluated by several committees of the Commission on October 1.

The Commission on October 7 adopted the recommendations set forth below for reductions totaling \$3,500,000 and for increases totaling \$3,236,486 (for faculty salary enhancement, \$1,000,000; for implementation of Act 187 by the public institutions, \$126,000; and for equipment, \$2,110,486).

1. Recommended Reductions in 1983-84 Budgets of Public Senior Colleges and Universities

The Commission recommends that funding of the USC Medical School and MUSC be reduced by \$1.5 million, that the two-year occupational programs (except nursing) at USC-Columbia be phased out, that Clemson's funding be based on undergraduate enrollment at the Fall 1981 level, and that the remainder of the required reduction be achieved by proportionately reducing the funding of 1982-83 undergraduate enrollment growth at the other public senior institutions to bring the total reduction to the required amount of \$3.5 million.

008398

EXHIBIT

The Honorable Richard W. Riley
 Page 2
 October 11, 1982

OCT 15 1982 NO. 1
 STATE BUDGET & CONTROL BOARD

The Commission's recommendations are as follows:

	<u>Recommended 1983-84 Budget Reductions</u>
USC School of Medicine	\$750,000
MUSC Hospital	750,000
USC-Columbia Two-year Occupational Programs (except nursing)	729,000
Clemson University	720,072
The Citadel	59,477
South Carolina State College	47,519
*Winthrop College	----
College of Charleston	122,591
Francis Marion College	113,719
Lander College	94,326
USC-Aiken	55,395
USC-Coastal Carolina	57,901
*USC-Spartanburg	----
	<u>\$3,500,000</u>

*Winthrop and USC-Spartanburg (and USC-Columbia) did not have undergraduate enrollment growth in Fall 1982.

The Commission also voted on October 7 to request its Blue Ribbon Committee on Medical Doctor Education to study the feasibility of merging the University of South Carolina Medical School into the Medical University of South Carolina and to determine the cost savings, if any, involved with such a merger. The Blue Ribbon Committee will be asked to report its findings to the Commission on Higher Education by February 3, 1983.

2. Recommended Allocation of 1983-84 Salary Enhancement, Equipment, and Act 187 Implementation Funds

The Budget and Control Board on September 14 also requested that the Commission on Higher Education allocate \$3,000,000 to the public senior institutions for salary enhancement and equipment, and \$350,000 to the public and private institutions for 1983-84 implementation of Act 187 concerning teacher training. The Commission's recommendations are as follows:

a. Allocation of Funds for Salary Enhancement (\$1,000,000)

The rationale for arriving at the recommended distribution of the \$1,000,000 is based on bringing the faculty salary averages in the disciplines specified as close to the faculty salary averages used in the 1983-84 Appropriation Formula as funds will permit. Attachment 1 shows the results of this calculation for all institutions based on 96.6% of the faculty salary averages used in the 1983-84 formula. If an institution's average faculty salary in a specified discipline is 96.6% or more of the average used in the formula,

008399

EXHIBIT

OCT 15 1982 NO. 1

The Honorable Richard W. Riley
Page 3
October 11, 1982

STATE BUDGET & CONTROL BOARD

no additional funds are recommended. In the case of South Carolina State College and Winthrop, the faculty salary averages in all specified disciplines are at or above 96.6% of formula averages.

The Commission also recommends that an institution, within the total funds allocated to it for salary enhancement, be given complete flexibility in budgeting those funds among the specified high priority disciplines.

b. Recommended Allocation of Funds to the Public Institutions for Implementation of Act 187 in 1983-84 (\$126,000)

The Budget and Control Board requested that the Commission on Higher Education allocate \$350,000 to the public and private colleges and universities for the implementation of Act 187 in 1983-84. The Commission has determined that the public institutions need \$126,000 (see Attachment 2) and that the private institutions need \$113,514 to assist them in implementing this Act in 1983-84, leaving a balance of \$110,486 not required in 1983-84 for this purpose. The Commission recommends that \$110,486 be added to the \$2,000,000 provided for equipment for the public colleges and universities. These funds have been incorporated in the allocations in item c below.

The Commission further recommends that the \$113,487 for use by private institutions in implementing Act 187 in 1983-84 be allocated to the State Board of Education for reallocation to those institutions.

c. Recommended Allocation of Funds for Equipment (\$2,110,486)

The rationale for arriving at the recommended allocation of \$2,110,486 for equipment in the specified disciplines (one-half of the increases requiring a 2:1 match -- private funding to State funding -- to secure the involvement of business and industry) is based on credit hours produced by level with each level weighted, and additional weight added for instructional support from the 1983-84 Appropriation Formula. For example, Clemson's credit hour production in mathematics in Fall 1982 is as follows:

	<u>Credit Hours</u>		<u>Weight</u>	=	
Undergraduate	21,193	x	1.00	=	21,193
Master's	710	x	1.25*	=	888
Doctoral	295	x	1.67**	=	493
Total Credit Hours Weighted					22,574
Instructional Support Percentage				x	1.19
					26,863

*The weight for Master's = 15 U/G hours + 12 Master's hours = 1.25

**The weight for Doctoral = 15 U/G hours + 9 Doctoral hours = 1.67

008400

EXHIBIT

OCT 15 1982 NO. 1

The Honorable Richard W. Riley
Page 4
October 11, 1982

STATE BUDGET & CONTROL BOARD

The results of the credit hour calculations are shown in Attachment 3. The allocation of the \$2,110,486 is based on the total weighted credit hours as shown in column 7 of Attachment 3. The Commission recommends, however, that \$1,910,486 be allocated based on column 7, with the remaining \$200,000 to be provided to USC for purchase of computer equipment to implement the doctoral program in Computer Science in Fall 1983 as approved by the Commission on September 9, 1982.

The Commission also recommends that an institution, within the funds allocated to it for equipment, be given complete flexibility in budgeting those funds among the specified high priority disciplines.

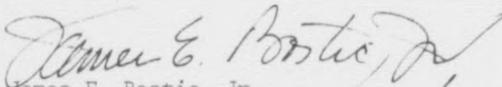
3. Summary

If the Budget and Control Board concurs with the above recommended reductions of \$3,500,000 and increases totaling \$3,236,486, allocations for 1983-84 will be made by the Commission to the colleges and universities as detailed in Attachment 4.

The Commission believes that the above recommendations are responsive to the Board's September 14 Resolution and urges their approval by the Board.

These are critical times for higher education in South Carolina and we have made some tough choices while maintaining quality and the basic missions of the public colleges and universities.

Sincerely,



James E. Bostic, Jr.
Chairman

JEBjr:gs

Attachments

cc: The Honorable Rembert C. Dennis
The Honorable Tom G. Mangum
The Honorable Earle E. Morris, Jr.
The Honorable Grady L. Patterson, Jr.
Presidents, Public Senior Colleges
and Universities
Members, Commission on Higher Education

008401

008402

Allocation of Salary Enhancement Funds in Specified Disciplines

	<u>Nursing</u> (1)	<u>Biological Sciences</u> (2)	<u>Computer Science</u> (3)	<u>Mathematics</u> (4)	<u>Physical Sciences</u> (5)	<u>Engineering</u> (6)	<u>Total</u> (7)
The Citadel Number of Faculty*						\$4,135 11.00	\$4,135 11.00
College of Charleston Number of Faculty		\$11,373 14.17	\$9,282 2.75	\$2,503 14.75	\$33,036 16.50		\$56,194 48.17
Francis Marion Number of Faculty		\$10,679 5.75	\$1,423 .75	\$19,352 8.00	\$15,269 7.50		\$46,723 22.00
Lander Number of Faculty		\$6,354 4.50		\$7,220 5.00			\$13,574 9.50
USC-Aiken Number of Faculty		\$22,239 5.25	\$1,635 1.58	\$11,137 6.17	\$13,175 4.00		\$48,186 17.00
USC-Coastal Number of Faculty		\$23,102 7.75	\$2,159 .65	\$18,783 6.60	\$7,774 4.75		\$51,818 19.75
USC-Spartanburg Number of Faculty	\$12,664 4.25	\$29,395 6.00	\$6,235 2.82	\$26,035 6.33	\$13,372 3.75		\$87,701 23.15
USC-Columbia Number of Faculty	\$78,275 46.85	\$112,257 30.50	\$42,999 7.66	\$17,381 30.44	\$3,851 51.86	\$76,381 33.62	\$331,144 200.93
Clemson Number of Faculty		\$207,336 77.00	\$7,068 9.00		\$9,137 63.00		\$223,541 149.00
MUSC Number of Faculty	\$122,371 56.35	\$14,613 12.10					\$136,984 68.45
TOTAL Number of Faculty	\$213,310 107.45	\$437,348 163.02	\$70,801 25.21	\$102,411 77.29	\$95,614 151.36	\$80,516 44.62	\$1,000,000 568.95

STATE BUDGET & CONTROL BOARD

OCT 15 1982 NO. 1

EXHIBIT

*Full-Time Equivalent (FTE)

EXHIBIT

OCT 15 1982 NO. 1

STATE BUDGET & CONTROL BOARD

Recommended Allocations to Public Institutions
For FY 83-84 For "Act 187 Implementation"

<u>Institution</u>	<u>Institutional Share (%)*</u>	<u>Allocation</u>
Clemson U.	16.0	\$ 20,160
USC-Columbia	21.4	26,964
Coll. Charleston	10.4	13,104
Francis Marion	7.1	8,946
Lander	5.4	6,804
S.C. State	8.9	11,214
The Citadel	3.3	4,158
USC-Aiken	3.9	4,914
USC-Coastal	5.2	6,552
USC-Spartbg.	5.6	7,056
Winthrop	<u>12.8</u>	<u>16,128</u>
Total	100.0	\$126,000

*Equals share of practice student teachers in public institutions in FY 83-84 as estimated by each institution and reported to the Task Force.

008403

STATE BUDGET & CONTROL BOARD

OCT 15 1982

NO. 1

EXHIBIT

Recommended Allocation of 1983-84 Funds for Equipment

	<u>Total Credit Hours by Discipline Weighted by Level and Support Percentages</u>						<u>Allocation of Funds (8)</u>	
	<u>Nursing (1)</u>	<u>Biological Sciences (2)</u>	<u>Computer Science (3)</u>	<u>Mathematics (4)</u>	<u>Physical Sciences (5)</u>	<u>Engineering (6)</u>		<u>Total (7)</u>
The Citadel		2,251	1,645	5,505	5,260	4,247	18,908	\$ 89,210
S.C. State		4,076		5,625	4,589		14,290	67,422
Winthrop		5,484	3,865	6,525	3,485		19,359	91,338
College of Charleston		6,664	2,720	8,584	8,852		26,820	126,540
Francis Marion		4,061	819	6,206	4,070		15,156	71,508
Lander	1,004	2,341	1,171	3,503	1,436		9,455	44,610
USC-Aiken	1,515	2,021	621	3,706	1,739	309	9,911	46,761
USC Coastal	1,106	3,053	635	4,098	2,126	331	11,349	53,546
USC-Spartanburg	2,103	2,644	1,347	3,833	1,648	300	11,875	56,028
USC-Columbia	7,278	18,401	9,222	21,281	32,365	18,699	107,246	706,000*
Clemson	1,671	20,283	9,154	26,863	26,173	42,038	126,182	595,342
MUSC	<u>6,911</u>	<u>27,463</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>34,374</u>	<u>162,181</u>
Total	21,588	98,742	31,199	95,729	91,743	65,924	404,925	\$2,110,486

*Includes \$200,000, for Computer Equipment

NOTE: Institutions must generate from other sources an equal match for State funds allocated.

Summary of 1983-84 Allocations to the Public Senior Colleges and Universities

	1983-84 CHE Recommendation	Allocation Based on Column 1 ¹	1981-82 Desegregation Allocation and Salary Enhancement	1982-83 Desegregation Allocation	Total Columns 2, 3, & 4	1983-84 B&B Adjustments	Total Columns 5 & 6	CHE Adjustments	CHE Allocation of Salary Enhancement Funds	CHE Allocation of Equipment Funds	CHE Allocation of Funds to Implement Act 187	1983-84 Total Allocation
	1	2	3	4	5	6	7	8	9	10	11	12
The Citadel	\$ 10,733,094	\$ 9,041,863	\$ 14,456	\$ 23,203	\$ 9,079,522	\$ -	\$ 9,079,522	(59,477)	4,135	89,210	4,158	9,117,548
S.C. State	15,791,885	13,303,532	771,048 ²	1,031,881	15,106,461	-	15,106,461	(47,519)	-	67,422	11,214	15,137,578
Winthrop	14,233,745	11,990,910	30,005	63,376	12,084,291	90,000 ⁴	12,174,291	-	-	91,338	16,128	12,281,757
College of Charleston	13,966,556	11,765,823	19,496	51,794	11,837,113	-	11,837,113	(122,591)	56,194	126,540	13,104	11,910,360
Francis Marion	7,275,254	6,128,880	13,885	17,894	6,160,659	178,838 ⁴	6,339,497	(113,719)	46,723	71,508	8,946	6,352,955
Lander	5,354,540	4,510,816	29,958	13,581	4,554,355	-	4,554,355	(94,326)	13,574	44,610	6,804	4,525,017
USC-Aiken	4,160,535	3,504,953	-	-	3,504,953	-	3,504,953	(55,395)	48,186	46,761	4,914	3,549,419
USC-Coastal	5,626,185	4,739,658	-	-	4,739,658	-	4,739,658	(57,901)	51,818	53,546	6,552	4,793,673
USC-Spartanburg	5,478,273	4,615,052	-	-	4,615,052	-	4,615,052	-	87,701	56,028	7,056	4,765,837
USC-Beaufort	780,347	657,386	-	-	657,386	-	657,386	-	-	-	-	657,386
USC-Lancaster	1,456,967	1,227,390	-	-	1,227,390	-	1,227,390	-	-	-	-	1,227,390
USC-Salkehatchie	901,993	759,864	-	-	759,864	-	759,864	-	-	-	-	759,864
USC-Sumter	1,823,443	1,536,120	-	-	1,536,120	-	1,536,120	-	-	-	-	1,536,120
USC-Union	568,773	479,151	-	-	479,151	-	479,151	-	-	-	-	479,151
USC-Columbia	82,613,434	69,595,898	60,697	38,779	69,695,374	(47,700) ⁵	69,647,674	(729,000)	331,144	706,000	26,964	69,982,782
Clemson	49,601,645	41,785,831	586,083 ³	48,884	42,420,798	-	42,420,798	(720,072)	223,541	595,342	20,160	42,539,769
Total Formula Institutions	\$220,366,669	\$185,643,127	\$1,525,628	\$1,289,392	\$188,458,147	\$ 221,138	\$188,679,285	\$(2,000,000)	\$ 863,016	\$1,948,305	\$ 126,000	\$189,616,606
Medical University:												
Academic Division	47,995,152	43,432,098	10,937	91,776	43,534,811	(286,200) ⁴	43,248,611	-	136,984	162,181	-	43,547,776
MUSC Hospital	16,933,850	15,306,064	-	-	15,306,064	-	15,306,064	(750,000)	-	-	-	14,556,064
Statewide Programs	11,787,980	11,253,622	-	-	11,253,622	-	11,253,622	-	-	-	-	11,253,622
Chas. Higher Ed. Consort.	189,719	182,355	-	-	182,355	-	182,355	-	-	-	-	182,355
Total Medical University	\$ 76,906,701	\$ 70,174,139	\$ 10,937	\$ 91,776	\$ 70,276,852	\$(286,200)	\$ 69,990,652	\$(750,000)	\$ 136,984	\$ 162,181	\$ -	\$ 69,539,817
USC School of Medicine	11,267,739	9,021,063	-	-	9,021,063	-	9,021,063	(750,000)	-	-	-	8,271,063
Total Public Senior Colleges & Universities	\$308,541,109	\$264,838,329	\$1,536,565	\$1,381,168	\$267,756,062	\$(65,062)	\$267,691,000	\$(3,500,000)	\$1,000,000	\$2,110,486	\$ 126,000	\$267,427,486

¹ Includes annualization of 1983-84 salary adjustments, excludes 1981-82 Desegregation Funds

² Includes \$400,313 salary enhancement

³ Includes \$510,000 salary enhancement

⁴ Transfer of nursing program funds for Winthrop/MUSC & Francis Marion/MUSC joint programs

⁵ Palmetto Prison Center

EXHIBIT

OCT 15 1982 NO. 1

STATE BUDGET & CONTROL BOARD

008405

THE END

008406