SOUTH CAROLINA
COMMISSION ON HIGHER EDUCATION

ANNUAL ACCOUNTABILITY REPORT
FISCAL YEAR 2006-07

September 2007

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South Carolina
Commission on Higher Education

September 6, 2007

The Honorable Mark Sanford, Governor
Members of the General Assembly

The South Carolina Commission on Higher Education (CHE) is pleased to submit for your review this annual accountability report for Fiscal Year 2006-07. This report includes an executive summary, an organizational profile, and information pertaining to the elements of the Malcolm Baldrige Award Criteria per the Budget & Control Board's 2006-07 Accountability Report guidelines.

In addition to the accountability report, CHE also submits each year in January a separate report on the state's public institutions of higher education in accordance with South Carolina Code §59-101-350. This report details in a single source information and performance trends for key data for our state's public institutions. Until this past year, this report entitled *"A Closer Look at Public Higher Education in South Carolina: Institutional Effectiveness, Accountability, and Performance"* served as the annual accountability report for the public higher education institutions. Last year for the first time, each institution also submitted an agency accountability report under guidelines developed for higher education.

We are very proud of the work of the Commission on Higher Education in fulfilling its role as the state coordinating body for public higher education. If I can provide any additional information or material relating to our agency, please contact me at 737-2260.

Sincerely,

Garrison Walters

Garrison Walters
Executive Director

Enclosure

Accountability Report Transmittal Form

Agency Name: The South Carolina Commission on Higher Education

Date of Submission: September 6, 2007

Agency Director: Dr. Garrison Walters

Agency Contact Person: Ms. Julie Carullo

**Agency Contact's
Telephone Number:**   (803) 737-2292

Note: In accordance with Budget and Control Board requirements, CHE has submitted the required four (4) printed copies and an electronic version (e-mailed) of the report to the Office of State Budget, Attention: Karen Rhinehart (Krhinehart@budget.sc.gov), 1201 Main Street, Suite 870, Columbia, S.C. 29201.

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Mission and Values

The South Carolina Commission on Higher Education (CHE) operates pursuant to the South Carolina Code of Laws, as amended, §59-103-5, et seq. CHE's website is www.che.sc.gov.

MISSION

> *The South Carolina Commission on Higher Education will promote quality and efficiency in the state system of higher education with the goal of fostering economic growth and human development in South Carolina.*

VALUES

The South Carolina Commission on Higher Education values

- the importance of quality higher education
- the accessibility of this education to the citizens of the state
- the accountability of the institutions to their students and the General Assembly
- excellence on the part of its staff in performing its functions
- excellence on the part of the institutions in providing educational opportunities

SERVICES OFFERED

CHE serves as the coordinating board for South Carolina's 33 public institutions of higher learning and is responsible for serving a dual role within state government, acting both as an advocate for higher education as well as an oversight entity on behalf of the General Assembly. The agency's primary value to the state lies in the benefit of having an entity responsible for bringing to light and working through a myriad of issues to assure a balance between student and taxpayer rights and institutional policies, aspirations, and needs.

CHE carries out its mission through statewide planning and working with institutions to promote quality, access, and efficiency in the state's higher education system while balancing advocacy, stewardship, and accountability. The major functions of CHE can be categorized broadly into four areas including: advocacy and coordination, information services, accountability, and administration. These functions are carried out through activities of CHE and each of its divisions – Academic Affairs and Licensing; Finance, Facilities, and Management Information System; Student Services; and Access and Equity. In performing its responsibilities, CHE works closely with institutions to expand educational opportunities for the state's citizens, to invest in research for economic development and a better quality of life, and to increase cooperation and collaboration for higher levels of efficiency and quality in higher education opportunities in the state.

The following broadly defined goals have been established to provide guidance and evidence of direction for future work of CHE:

To make South Carolina a global leader by working with business and industry to foster higher education's role in economic growth and human development.

To maintain positive relations with the Governor, the Legislature, state agencies, parents, and students and to provide them and the general public with accurate information on South Carolina higher education.

To present the needs and develop support for appropriate funding of public colleges and universities.

To address strategic issues in public and private higher education as they are identified and to ensure a continuous process of assessment and improvement in the colleges and universities.

To assure access to and equality of educational opportunity among underrepresented populations in South Carolina higher education.

To promote quality and diversity in the academic offerings of institutions of higher learning.

To prevent or eliminate unnecessary duplication of degree programs among the state's institutions.

To expand postsecondary educational opportunities for South Carolina residents, to recognize student achievement, and to encourage excellence in teaching and research by administering various higher education programs.

To ensure that non-public educational institutions, other than those exempted in the statutes, are legitimate educational enterprises and that they are fulfilling their purposes.

Major Achievements from the Past Year

♦ As one of its main goals, CHE continues to support the development of a statewide strategic plan for higher education. During 2006-07, CHE conducted a search for a new Executive Director to lead CHE. A new director, Dr. Garrison Walters, was appointed effective July 9, 2007. In support of planning development in FY 2006-07, Commission staff provided assistance and support for the Governor's Task Force on Higher Education which was appointed through Executive Order 2006-01. Two of the agency's Commissioners, Dr. Bettie Rose Horne and Mr. Jim Sanders, served as Task Force members. The Task Force met from mid-spring 2006 until its final report was released in September 2006. As part of the FY 2007-08 Appropriations Act, the General Assembly authorized a study committee on higher education which is to build on the work of the Governor's Task Force and is charged with developing a plan for higher education. CHE will continue to work with this new committee and all constituencies to ensure the development and implementation of a plan. In line with these efforts, CHE will also continue its work on a revised accountability plan for higher education, pursuing legislative changes regarding higher education accountability and funding as necessary.

- During 2006-07, CHE continued work to strengthen its relationship with key state partners in order to enhance and improve communications. CHE's director and staff participated in initiatives regarding statewide planning and K-20 issues by serving on the Competitiveness Council and its Education Task Force and other relevant committees. CHE's director continued serving on the oversight council formed in 2006-07 to ensure the implementation of the Education and Economic Development Act (EEDA) of 2005. CHE also began disseminating a newsletter relating to its activities and programs. CHE's newsletter was released twice during FY 2006-07 and will continue in the upcoming year with the goal of releasing the newsletter as a quarterly publication. CHE also began a legislative information section on its website. Working with the S.C. Higher Education Foundation, CHE held the 2007 S.C. Conference for College Trustees in April 2007. The event provided a statewide professional development opportunity for college and university trustees and senior management. National speakers addressed the trustees on current higher education issues including the Spelling's report on higher education. CHE hopes to continue this event in upcoming years. The Trustees' Conference was held in conjunction with the Higher Education Foundation's inaugural Higher Education Hall of Fame Banquet where Dr. Harry M. Lightsey Jr. was inducted posthumously.

- CHE continued to work in 2006-07 to secure a fourth year of funding for the state's Higher Education Electronic Library. The project was funded initially in FY 2004-05 with $2 million in non-recurring (one-time) funds and has been funded each year since with non-recurring funds. CHE, along with colleges and universities, will continue to seek necessary recurring funds for this important statewide project. PASCAL (Partnership Among South Carolina Academic Libraries), has progressed in all three program areas that are foundational to the statewide Higher Education Electronic Library. The existing large list of full-text, on-line databases has been enhanced by online subscriptions to two essential journals in the sciences, _Science_ and _Nature_, and to more than 28,000 research papers from 57 scientific, technological, and health research journals. The book delivery service has now been extended to 30 institutions, making a virtual statewide library collection of millions of volumes available for the first time in the state's history to all. During FY 2007-08, PASCAL will work to extend this service to the remaining 29 libraries. A mix of institutional dues, funding, and a federal Library Services and Technology Administration (LSTA) grant has led a statewide effort to plan for a collaborative project for cultural heritage preservation through digitization. Technically, the PASCAL staff has worked with smaller libraries to increase their technological capacities and seamlessness which has added quality as well as quantity to available online materials.

- Adequate funding for South Carolina's public higher education institutions is critical. In 2006-07, CHE continued to advocate for operating funds for institutions and also worked to address issues related to institutional funding needs. CHE recommended increases in operating funds in line with the CHE request in the prior year. The request took into account historic funding inequities and the need for increased institutional funds to keep pace with inflation. Staff continued to work with institutions in refining the Mission Resource Requirement (MRR) calculations. As a note, the MRR was created in 1997 and considers institutional need based on steps that calculate requirement in light of institutional, peer, and national data in the areas of instruction, research, public service, libraries, student services, physical plant, and administration. Institutional student and fee revenues collected are then deducted at an agreed upon rate from the calculated need determined for the aforementioned

areas to arrive at state funding recommendations for institutional educational and operating needs. In 2004-05, the CHE adopted a revision to the model to deduct revenues from tuition and fees at a rate reflecting 50% student support and 50% state support for most institutions and 40% student support and 60% state support for technical colleges. In past years, the ratio of student-to-state expected support was 20% student and 80% state.

♦ CHE continued to advocate during FY 2006-07 for an increase to state need-based student aid. Despite a request for an increase of $10 million, the program was increased by only $385,473 for FY 2008-09. Increased support for need-based student aid continues to be a priority for CHE and will be pursued again in the upcoming year. Need-based aid is crucial in ensuring access to higher education. While merit-based aid has increased significantly each year since 1998, state need-based aid has not increased. South Carolina's economy will not be competitive if access to higher education does not improve substantially. In fact, the Need-based Grant program was the only undergraduate aid program not increased in FY 2006-07 and has not been increased substantially since FY 2003-04. CHE will continue to work with institutions to seek additional funds for this program.

Key Strategic Goals for Present and Future Years

On an annual basis, CHE's major goals and annual objectives are reviewed and included in the Executive Director's planning process and performance evaluation process. The most significant of the goals for the 2006-07 year and for the upcoming year are provided below. Key strategic goals are listed and followed by on-going and future management objectives. The status for each is indicated as applicable.

Key Objectives for 2006-07 and Upcoming Years:

1) In following through on work begun in 2003, the Executive Director will continue efforts to work cooperatively and collaboratively with institutional presidents and other relevant stakeholders to develop an Action Plan for Higher Education in South Carolina. The plan and its implementation will inform future work and direction of CHE. *Status: See also related report above under Major Achievements. CHE will build on this work in 2007-08.*

2) Building on recent initiatives and planning considerations, CHE will continue efforts to develop a revised accountability system for higher education for consideration as an alternative to the accountability system used currently. The revised system will include considerations for statewide higher education accountability, institutional accountability, and CHE accountability in working toward and achieving goals of the statewide plan. *Status: CHE will continue discussions regarding the revised plan and accountability revisions.*

3) CHE will continue its work to strengthen CHE's relationship with key state partners including the Department of Commerce and the Department of Education as well as to enhance and improve communications with all relevant stakeholders including, but not limited to, the Governor and General Assembly, institutions, students and their parents, the public, and business community. *Status: CHE will continue efforts under this goal in 2007-08. See also related report above under Major Achievements.*

4) CHE will work with PASCAL (Partnership Among South Carolina Academic Libraries) to ensure success of the statewide Higher Education Electronic Library initiative through monitoring initial and continuing implementation of the statewide electronic library. Special emphasis in ensuring success will focus on planning for the widespread installation of electronic databases and the development of the statewide union catalog for all public and private institutions of higher education in South Carolina. CHE will continue efforts to secure recurring funds for this important statewide collaborative initiative. *Status: See also related report above under Major Achievements. CHE will continue efforts under this goal in 2007-08.*

5) CHE will continue to work in cooperation with institutional finance officers and other institutional representatives to improve CHE's policies concerning recommendations for institutional operating funding and other budgetary requests for institutions by: a) studying higher education funding models and approaches used by other states and considering suggested improvements or alternatives to South Carolina's current approach; b) reviewing and revising the criteria currently employed by CHE in making recommendations to the General Assembly for institutional requests for special funding outside of the general operating funding request; and c) developing and implementing a process for ranking of institutional capital projects for the state's capital bond process. *Status: See also related report above under Major Achievements. CHE will continue working with institutions in the upcoming year in developing a coordinated approach to higher education funding.*

6) CHE will work to identify recommended changes to improve the capital project review and approval process and to upgrade available facilities information on institutional needs. *Status: In 2005-06, CHE and institutional facilities officers reviewed the capital project approval process and developed recommendations to make the process more efficient. CHE finds that a more efficient process will save both time and money and provide better budget estimates. The recommendations of the advisory group were adopted by CHE in August 2006. In 2006-07, CHE staff, supported by institutions, began pursuing appropriate legislative changes. In the upcoming year, CHE and institutions will continue to work to bring about recommended changes. CHE staff continues to work on quantifying the deferred maintenance needs of higher education, reinstituting the "Facilities Statistical Abstract" as a web publication, and providing training for institutional personnel in implementing changes pursuant to the "2006 Federal Facilities Inventory Classification and Reporting Manual."*

7) CHE will provide leadership in transfer and articulation under the terms of the Education and Economic Development Act (EEDA) on developing more seamless transfer and articulation arrangements among the levels and types of the state's public higher education institutions and between the state's higher education institutions and the state's K-12 public school system. *Status: Since January 2006, regular reports have been given by the "Articulation and Dual Enrollment, High School Graduation and Postsecondary Entrance Alignment Committee (Expanded- ACAP) to the Education and Economic Development Coordinating Council. Expanded-ACAP has (1) reviewed all extant "career clusters" and provided feedback to the State Department of Education (SDE); (2) engaged in a research project for articulation of International Baccalaureate (IB) high school course work to collegiate credit; (3) developed a statewide articulation for engineering credit in all three engineering colleges for high school studies through "Project Lead the Way" (PLTW); and (4) developed statewide articulation for engineering technology degrees for the programs offered through the State Technical College*

System and South Carolina State University. Expanded-ACAP has proposed a legislative funding initiative through SDE for dual enrollment coursework and is collaborating with SDE on implementing an electronic transcript capability and longitudinal student academic database. Finally, Expanded-ACAP, in discussions with the Education Policy Improvement Center (EPIC) of the University of Oregon, has negotiated a contract to conduct the task analysis and timeline elements for a statewide project to align high school course learning outcomes with entry-level collegiate course requirements.

8) CHE will continue the two-year process to evaluate all education programs at the state's 11 public institutions in partnership with the National Council for the Accreditation of Teacher Education (NCATE) as part of the state's nationally recognized three-way partnership with the State Department of Education, CHE, and NCATE, including data collection, program reports, and site visits. *Status: The partnership with NCATE, SDE and CHE actively continues. Monitoring and reporting on visits to the public institutions (e.g., focus visit to Coastal Carolina University in fall 2006, a visit to The Citadel in fall 2007, and an initial visit to USC Beaufort in spring 2008) demonstrate the vitality of this alliance. The next cycle will begin in 2010, and preparation and design of a new self-study document is underway. Current and new CHE staff members are staying up-to-date on NCATE standards and training.*

9) CHE will continue to evaluate program productivity under the formal policy on program productivity authorized by CHE to ensure increased program efficiency and cost effectiveness and reduced unnecessary duplication of academic programs. *Status: The second comprehensive evaluation of the productivity of the four-year institutions' academic programs (undergraduate, graduate, and first-professional) has been completed. Programs placed on provisional status (i.e., probation) at the time of the last report (2004) and remaining in that status for the second report will be recommended for termination if they are not in compliance at the time of the next report (spring 2009).*

10) CHE will continue to ensure the following tasks are carried out as part of CHE's responsibilities in the area of licensing: a) continue the process of consolidating and merging student records from closed colleges and universities, which includes purging records of extraneous material, building a database of records in storage, merging purged records from the Camden warehouse into the Columbia warehouse, and, if funds are available, investigating and implementing a process to convert records to digital format for electronic storage and b) continue to seek passage of statutory amendments to exempt from licensing accredited degree-granting institutions that conduct occasional or incidental recruiting activities (such as at high school recruiting fairs or through seasonal recruitment advertising), to exempt from agent-permitting institutional staff who make occasional or incidental informational public appearances (e.g., high school recruiting fairs), to enable CHE to use bond proceeds from schools that close to sponsor teach-outs or to recover the costs of administering records, and to prohibit the use of "fake" academic credentials. *Status: In December 2006, all defunct college student records were moved from the warehouses in Camden and Columbia where they had been located to the offices of CHE. In January 2007, CHE staff began to purge 757 record boxes of all extraneous materials, a task set to be completed by early fall 2007. Digital scanning of these records by staff trained to use two scanning instruments has begun. The project is scheduled to be completed, with all purged paper documents digitized and re-filed, no later than December 31, 2007. CHE will continue its work regarding item "a," above, and will continue to pursue legislative changes in the upcoming year in regard to item "b." Legislative changes concerning*

exemptions for seasonal recruiting and use of surety bond funds to teach-out a discontinued program were enacted with the passage of Senate Bill 321 during the 2007 Session. CHE will seek approval of amended regulations in implementing this statutory change.

11) CHE will continue to improve accessibility of information and data products by: a) revamping CHE's website to provide a more user-friendly web presence that enhances the accessibility and availability of information about CHE, its work, and available data products and b) continuing efforts to automate the receiving data electronically from the public institutions. *Status: CHE staff continues to work on improving the status of data accessiblity. CHE received nonrecurring funding in support of its requests for recurring funds for technology and will continue with efforts to move forward with implementing a "Decision Support System" that will provide secure access to the data and benefit CHE staff, institutional personnel, and the public.*

12) CHE will continue to ensure availability of appropriate data for an effective Access and Equity program by: a) developing a system of accounts in order to provide Commissioners, the Executive Director and staff, the State Legislature, and other appropriate parties with financial and analytical data for decision-making as it relates to the Higher Education Access and Equity program and b) publishing an abstract for the Access and Equity program. *Status: CHE continues to make data more accessible. Additional program information is available in Section III, Category 7, Results.*

13) CHE will continue to ensure the strength of the Access and Equity Program through collaborative work with the colleges and universities to: a) ensure the efficient and prudent use of Access and Equity program funds; b) achieve more positive outcomes in expanding the pool of minority students who will be academically prepared and motivated to succeed in college, in increasing minority enrollments and graduation rates, in hiring of underrepresented faculty and professional staff (in conjunction with the SREB Doctoral Scholars Program) and in improving campus climates; c) challenge public and private institutions of higher learning to broaden their reach into secondary education schools in South Carolina through coordinated efforts to implement programs that identify, motivate, prepare, and provide assistance to underrepresented students in efforts to expand the pool of qualified applicants for college; d) encourage two-year and baccalaureate degree granting institutions to engage in partnership activities to encourage more students to complete associate degree programs and to pursue baccalaureate degrees; and e) collaborate with other campus projects that have similar goals and objectives to advance the achievement of underrepresented populations. *Status: CHE is continually looking at alternative methods for allocation of Access and Equity funds despite budget cuts. An internal Access & Equity advisory committee was implemented to enable program input across the agency. The Access and Equity program uses several accountability measures and procedures to monitor the program and determine the extent to which allocated funds are enabling each institution to achieve intended outcomes of the program. The Access and Equity Program has set aside $40,000 of appropriated funds for a competitive grant process. CHE sought a program increase of $400,000 for FY 2007-08 to support a statewide Access and Equity initiative to create a competitive grants program aimed at increasing underrepresented populations in health care. This requested increase in program funds was not supported. The annual Access and Equity Conference was held and sponsored by the CHE and the colleges and universities. CHE continues to serve as a lead agency in sponsoring this conference. In addition, one staff member*

was sent to a week-long training program in grant writing in order to assist the program in obtaining external funds.

14) CHE will continue efforts to increase awareness of campus safety issues by convening annually the Campus Safety Conference to provide a forum for discussion of issues and updated information in the area of campus safety. *Status: CHE organized and USC Upstate hosted the eighth annual Campus Safety Conference in February 2007. Participation included campus safety officers, students, parents, student personnel, and college administrators from across the state. Planning for next year's conference is underway. It will be hosted by USC Beaufort in February 2008.*

On-going and Future Program Management Objectives of the Agency

1) CHE will provide management of the following programs under its purview:

a) CHE will manage various competitive grants programs and competitions including the Professor of the Year Awards, the Service Learning Awards, the Education Improvement Act (EIA) Centers of Excellence program, and the federal Improving Teacher Quality (ITQ) Competitive Grants program. *Status: In November 2006, the 19th annual awards were made to two faculty members (one representing four-year and one representing two-year institutions) for Professor of the Year. In March 2007, The Citadel, Midlands Technical College, and Benedict College each received an award for Service Learning Excellence for their respective programs. The RFP is being prepared for the 2007 competition for EIA Centers of Excellence. A review panel will be selected to choose the institutional projects which will receive the funding. Budgets are being closely monitored for projects which were funded for the current and past years. CHE staff has been providing on-site technical assistance and leadership to campus personnel for meeting the goals stated in institutional grants. In FY 2007-08, staff plans to initiate a symposium for Centers of Excellence in Teacher Education for all the active centers in order to showcase their work with K-12 students and teachers. Also, this year CHE's Division of Academic Affairs and Licensing instituted technical assistance workshops for the federal ITQ grants. The technical assistance workshop was successful in establishing better communication between CHE staff and institutional faculty and administrators and in raising the quality of proposals for the projects submitted. For these reasons, the workshops will continue to be offered in the future. Finally, CHE staff implemented the first-ever ITQ Showcase where principal investigators shared the successes of their projects.*

b) CHE will manage three lottery-funded programs including the Centers of Economic Excellence (Endowed Chairs), the Teaching Scholarship Grants program, and the Higher Education Excellence Enhancement program. For the Centers of Economic Excellence, on-going activities include submission and evaluation of Endowed Chair proposals, financial tracking of fund disbursements, certification of pledges for non-state matching funds to the three research universities, and coordination of Review Board meetings and meeting agendas. New activities initiated in 2006-07 included the initiation of two requests for proposals (RFP): one for hiring an auditing firm to gather and process data for evaluation purposes and one for hiring a marketing firm to assist, among other things, in identifying potential private matching funds. For the Higher Education Excellence

Enhancement program, the appropriate processes for collecting necessary program data and for conducting an audit function as required have been implemented as part of on-going management. *Status: CHE continues to administer these programs as required. Six CHE staff members contributed varying percentages of time from 5% to 60% to staff the Research Centers of Economic Excellence Review Board, which is responsible for implementing policies and procedures for this competitive grants program, contracting with evaluators and consultants, and coordinating the peer review and on-site visitation processes, resulting in the successful awarding of program funds for the fifth year. The Review Board began working with a marketing firm. An audit firm was selected and the audit released at the beginning of FY 2007-08. In addition to its responsibilities for staffing the Centers of Economic Excellence program, CHE provides staff support to the Review Board under the S.C. Research University Infrastructure Act, which was a part of Act 187 of 2004. CHE staff assists the Board in certifying the match and preparing the certification for the research infrastructure projects. The scholarship grants program for teachers was discontinued as the result of program funding ending in 2005. CHE sought funding to re-establish the program for FY 2007-08 but funds were not appropriated for this purpose. CHE completed the processing of all applications received prior to June 20, 2006, in accordance with the approved guidelines. CHE continues to administer the Higher Education Excellence Enhancement Program as required and has worked to revise the audit program to review types of expenditures of program funds as well as amounts and eligibility of participants.*

c) CHE will manage a federal FIPSE grant that involves a multi-state effort led by South Carolina to explore models of best practices in accountability. The project involves the continuation of on-going research required by the grant as well as conducting a national survey to support and expand web- and literature-based research, convening a chief business officers group to guide a field test of proposed cost containment measures, planning and implementing a national conference held in Charleston in September 2005 for purposes of disseminating relevant information, and producing a draft final report prior to the conference. *Status: The federal grant ended as of August 31, 2006. As required, the final project report was sent to the principal consultant in early fall and to the federal FIPSE office by November 30, 2006.*

d) CHE will manage the Southern Regional Education Board (SREB) programs including the Academic Common Market, the Contract Program in Veterinary Medicine and Optometry, the Electronic Campus, and new programs as these may become available. *Status: The Contract Programs in Veterinary Medicine and Optometry and the Academic Common Market continue to be administered in partnership with the SREB. The programs show continued growth in student participation.*

e) CHE will manage the state-supported scholarship, grant, and loan programs (Palmetto Fellows, LIFE, HOPE, Need-based Grants, Lottery Tuition Assistance, and National Guard Tuition Repayment Program) and improve information available about program participation. *Status: CHE continues to administer the programs as required and strives to improve continually information available about the programs to expand public/student awareness of eligibility requirements. Information regarding state scholarship programs and federal financial aid was provided through CHE's website. Additionally, during the year, CHE staff participated in college information sessions and*

*financial aid workshops held at middle schools, high schools and higher education
institutions throughout the state in order to reach students, parents, guidance counselors,
and school administrators. Also, CHE staff held statewide workshops for financial aid
representatives, admissions officers, and student personnel administrators. CHE
released a comprehensive report on the state's scholarship and grant programs,
"Summary Report of State Scholarships and Grants, 1988 – 2005" in 2007. CHE again
sponsored the South Carolina Scholarship Day during National Scholarship Month to
encourage academic achievement and recognize scholarship recipients, parents, school
officials and members of the legislature. CHE received a planning grant from the
Lumina Foundation to establish College Goal Sunday activities in underserved areas
along the I-95 corridor by providing workshops and financial aid information and by
collaborating with school districts, financial aid officers and community leaders in the
targeted areas. CHE will continue to expand this program from the current 9 to 12 sites
in 2007-08. The South Carolina Association of Student Financial Aid Administrators
Advisory Committee was formed to advise CHE in addressing statewide issues relating to
the scholarship/grant programs. CHE staff explored through a survey of institutions and
focus visits the amount of unmet need of students for need-based aid recipients. The
information will assist in informing better the higher education request for increased
need-based student aid.*

2) CHE will continue efforts through the Higher Education Awareness Program (HEAP) and
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) to promote
early awareness and participation in post-secondary education among low-income and
underrepresented groups. *Status: CHE staff continued this work during the year. Additional
program details are found in the "Results" section of this report.*

3) CHE will ensure required reports and publications such as the agency accountability report
and institutional effectiveness report that must be submitted to the General Assembly are
completed and properly disseminated. CHE staff will conduct any necessary work to integrate
legislative changes as applicable into Commission's policies and procedures. *Status: CHE Staff
completed and disseminated all reports as required, and accomplished work to integration
legislative changes into CHE policies and procedures as applicable.*

Opportunities and Barriers That May Affect the Agency's Success in Fulfilling its Mission and Achieving its Strategic Goals

The current fiscal climate has resulted in limitations affecting the opportunities for CHE in
relation to successful achievement of its mission and goals. In recent years, CHE has
experienced major cutbacks in state funding for operations coupled with significant growth in
programs requiring CHE administration. Reductions in available resources have forced CHE to
look very critically at how functions are performed, and every process is being reviewed
continuously for potential efficiencies. At this juncture, CHE cannot continue to absorb budget
cuts and carry out its mission in the most effective way. In addition, CHE is still feeling the
negative effect of efforts in 2003 to dismantle CHE in terms of staff morale and turnover. As a
result, the primary barriers to functioning at optimal levels have included: major cutbacks in state
funding, reductions in staffing, increases in staff workload, turnover in key staff positions, and
constraints on the ability to provide for appropriate technology support. CHE has recently

received increases in funding including funds in 2006-07 for two additional staff positions in finance and facilities and information technology and one-time funds (recurring were requested) for 2007-08 for agency technology initiatives to improve data accessibility. These funds will assist CHE in better meeting its mission, and CHE will continue to explore its administrative needs to ensure the agency's mission is carried out most efficiently and effectively.

CHE continued to experience significant changes in leadership with the appointment of seven new Commissioners during 2006-07. Over the past three years, CHE has had a total of eleven newly appointed members including the appointment of a new chair in 2005. All seats on CHE are currently filled, but a few additional changes in membership may take place in the upcoming year as three commissioners are serving in terms that have expired. In addition to changes in CHE membership, the agency again experienced staff changes in key roles. CHE's Executive Director stepped down in June 2006, and Dr. Gail Morrison was appointed Interim Executive Director. CHE conducted a search for a new director during the year and hired Dr. Garrison Walters, who assumed his responsibilities July 9, 2007. At year-end, CHE's Director of Finance, Facilities and MIS announced her retirement effective in August. Changes in membership and staffing leadership require a renewed focus on planning and professional development activities.

In the upcoming year, CHE will continue to seek necessary support to maximize statewide capacity in higher education and to promote statewide programs to improve the quality and effectiveness with which higher education is delivered and to ensure accessibility of higher education opportunities for all eligible South Carolinians. CHE's agency request will continue to focus on improvements to agency technology and programs to increase affordability (e.g., need-based aid and SREB programs) and to improve college-going and student success in higher education (e.g., GEAR UP and Access & Equity). Other funding priories are targeted to ensure adequate state operating support for higher education institutions and to provide for important collaborative statewide programs that will enhance the state's capacity in competing in the new economy (e.g., research initiatives, technology initiatives, and statewide electronic library).

Use of Accountability Report to Improve Performance

CHE uses the agency accountability report as a tool for planning and assessing progress in carrying out CHE's mission and achieving its goals and objectives. The report also serves to pull together in a single reference document descriptions of the operations of CHE.

SECTION II – ORGANIZATIONAL PROFILE

Major Products and Services and Delivery Method

The major programs operated by CHE fall within the structure of the divisions as described on page 16 and illustrated through the organizational chart on page 17. As reported elsewhere in this report, CHE relies heavily on staff work with key constituencies in policy development and in communicating necessary regulatory requirements. CHE maintains a website with readily accessible information as to the scheduled CHE activities and in regard to higher education information and data. Relevant data and descriptions of specific programs of CHE are also found in the *Results* section of this report.

Outlined below are the major programs and functions of CHE categorized broadly into four areas including: Advocacy and Coordination, Information, Accountability, and Administration.

Advocacy and Coordination

- Promote statewide higher education action planning and policies to optimize the efficiency and collaboration with which South Carolina colleges and universities are meeting state needs.

- Serve as a higher education advocate in supporting statewide initiatives and promoting and securing funds for needed programs including: higher education operational and capital funding, merit- and need-based student aid, research initiatives, statewide academic electronic library, statewide licensing agreements, state procurement contracts, and state planning issues.

- Promote cooperation and collaboration in coordinating efforts to address issues affecting the states' citizens such as: access and equity, campus safety, higher education awareness and readiness programs for K-12 students, and a seamless K-20 education system.

- Provide direction at the state-level in the area of academic quality by developing state-level policies and best practices guidance for such items as: minimum admissions standards, dual enrollment, transfer and articulation, program productivity, remedial education, quality standards for professional development courses for teachers, post-tenure review, and annual review of faculty.

Information

- Provide statewide oversight and coordination for a higher education database necessary to respond to federal and state reporting requirements, legislative and citizen inquiries, and to study, monitor, and report on higher education issues such as those related to enrollment, student aid, program offerings, faculty, and facilities use and maintenance.

- Provide pertinent information about higher education to parents and students and to promote access to higher education.

- Make recommendations by means of data collection, research, and studies to the Governor, the Budget and Control Board, and the General Assembly regarding policies, roles, operations, and structure of South Carolina's higher education institutions.

Accountability

- Serve in a consumer advocate role by assuring accountability of public higher education institutions through, for example, performance funding, institutional effectiveness, facilities management, and data verification or audit functions of programs.

- Ensure institutional and program quality of South Carolina's public institutions through partnership with National Council for Accreditation of Teacher Education Programs (NCATE) and the Department of Education in reviewing teacher education programs, reviewing and approving institutional mission statements, reviewing and approving new academic programs and evaluating existing degree programs, reviewing admission standards and compliance with the state's English-language fluency Act, and reviewing minimum undergraduate admissions standards for in-state and out-of-state institutions.

- Serve in a consumer protection role by carrying out the responsibilities for evaluating and licensing educational providers of higher education programs that desire to provide higher education programming in South Carolina.

Administration

- Oversee the awarding of over $250 million in state merit- and need- based scholarship, grant and loan programs including Palmetto Fellows, LIFE, HOPE, Lottery Tuition Assistance, Need-based Grants, National Guard Student Loan Repayment, and Access & Equity programs including Graduate Incentive Scholarships, Undergraduate Scholars Program, and SREB Doctoral Scholars Program.

- Administer and provide early awareness and outreach programs to increase awareness of higher education, provide coordinated support, including mentoring, tutoring, college and career exploration and planning, informational workshops, parent/guardian and guidance counselor meetings, and financial aid information through the state's Higher Education Awareness Program (HEAP), Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP), College Goal Sunday, Go Alliance, and Passport to Opportunity.

- Oversee other state lottery-funded programs including the South Carolina Research Centers of Economic Excellence, the South Carolina Higher Education Excellence Enhancement Program, and the Technology Incentive Funds program for public colleges and universities.

- Oversee and administer other state and federal programs affecting S.C. higher education including:
  - Statewide Access and Equity Program to include monitoring implementation and evaluating the effectiveness of programs designed to provide underrepresented populations with access to higher education programs,

- Governor's Professor of the Year Award Program,
- The Veterans Education and Training Program in which the state acts on behalf of the federal government to evaluate educational/vocational institutions and training establishments where veterans and dependents eligible for veteran's educational benefits can achieve either an educational, professional or vocational objective,
- S.C. Alliance for Minority Participation,
- Experimental Program to Stimulate Cooperative Research (EPSCOR), and
- Southern Regional Education Board (SREB) Programs such as Electronic Campus, Academic Common Market and Contract Programs in Veterinary Medicine and Optometry.

Key Customers and Their Key Requirements/Expectations

As a coordinating board for higher education, CHE is responsible for providing services to the public, colleges and universities, the State Legislature and Governor, other state and private entities, and the federal government. CHE administers several federal and state programs, provides services to institutions of higher education, develops and administers policies, and serves in dual roles of responsibility to the legislative and administrative branches of state government as both an advocate for higher education and intermediary for accountability of the state's public colleges and universities.

In fulfilling these roles, and in accordance with its mission, CHE serves three primary customer groups: the citizens of the state, the General Assembly, and the public colleges and universities. In order to meet most effectively the needs of these customer groups, CHE and its staff are organized along functional lines into the following divisions: Academic Affairs & Licensing; Finance, Facilities, and Management Information System; Student Services; and Access & Equity. Customers are also served by staff responsible for coordinating communications efforts, governmental relations and administrative functions.

Other Key Stakeholders

CHE also interacts regularly with other key stakeholders whether it be in policy development or constituent services. Key among these are the K-12 community and the business community. Focus on taxpayer interests and student concerns and interests is also vital to the agency's mission and service.

Key Suppliers and Partners

In its role as a state-level coordinating board, CHE's key suppliers provide needed data and information that is used by CHE in fulfilling its advisory, advocacy, and accountability roles for the state. Key suppliers of information and data include the public colleges and universities, private colleges, and the K-12 community. For example, public institutions provide data critical in determining the resource needs for the institutions as well as student enrollment and other institutional data necessary for required federal and state reporting purposes. Reported data are used for multiple purposes by CHE in carrying out its responsibilities. For example, data reported to determine critical resources are also used in the process of evaluating both existing and proposed academic programs. Student-specific information that is reported by public and

independent colleges enables CHE to administer the scholarship and grant programs as well as respond to data requests and analyze trends for policy development. Data from the K-12 community, including information from middle and high schools, students, and parents, provides CHE with resources to ensure the effectiveness of our higher education awareness programs.

CHE also uses external firms for the development, production, and dissemination of program materials for the higher education awareness programs (e.g., *Higher Education Awareness Program* – HEAP, *Gaining Early Awareness and Readiness for Undergraduate Programs* GEAR UP, *College Goal Sunday, Go Alliance, PassPort to Opportunity,* and the *South Carolina On-line Application and Resources SCHOLAR*). During the first stages of development for HEAP and GEAR UP, CHE evaluated several alternatives for developing program materials in-house as compared to utilizing external organizations. CHE has consistently found the expertise and technology needed to address the particular aspects of these programs are best provided by external services. The technical aspects of SCHOLAR (a web-based application that enables students to apply online to one institution or several institutions at once and import the application(s) directly into the college or university database) require resources and expertise that is more efficiently provided through external resources, and CHE has relied on an external supplier for the operation and maintenance of this process.

Operation Locations

CHE's offices are located in Columbia at 1333 Main Street, Suite 200. The agency's main telephone number is 803.737.2260 and its fax number is 803.737.2297. CHE's web address is www.che.sc.gov.

Number of Employees

As of the end of fiscal year 2006-07, CHE has 23 full-time employees (21 classified and 2 unclassified), 2 part-time employees; and 32 temporary grant/time-limited employees.

Regulatory Environment

CHE serves as the coordinating board for South Carolina's 33 public institutions of higher learning. Operating pursuant to §59-103-5, *et seq.,* of the South Carolina Code of Laws, as amended, CHE serves a dual role within state government acting both as an advocate for higher education as well as an oversight entity on behalf of the General Assembly. Regulations promulgated by CHE pursuant to the State Code of Laws are found in Chapter 62 of the State Code of Regulations. Policies implemented by CHE in carrying out its legislated role and in administering programs are available from CHE's website at www.che.sc.gov. CHE also operates in accordance with applicable federal regulatory requirements for higher education programs and in regard to regulatory requirements pertaining to agency services and programs.

Key Strategic Challenges

As the coordinating board for South Carolina's 33 public institutions of higher learning, CHE is responsible for serving a dual role within state government, acting both as an advocate for higher education as well as an oversight entity on behalf of the General Assembly. These dual roles present a key challenge. The agency must work with its stakeholders in ensuring an appropriate balance between the regulatory and advocacy functions. CHE works to promote quality, access, and efficiency while balancing advocacy, stewardship, and accountability. CHE's primary value to the state lies in the benefit of having an entity responsible for bringing to light and working through a myriad of issues to assure a balance between student and taxpayer rights and institutional policies, aspirations, and needs. CHE is challenged in accomplishing its mission with limited resources and the lack of incentive funds to bring together stakeholders to implement collaborative initiatives.

Performance Improvement System

CHE relies on internal and external agency feedback in improving its program and services. CHE will continue to work to formalize its performance improvement system to ensure efficient and effective channels for identifying and implementing improvement opportunities.

Organizational Structure

As illustrated in the organization chart found on the following page, CHE is governed by a board of Commissioners. CHE's board consists of 14 Commissioners appointed by the Governor including: one at-large member appointed as Chair, three other at-large members, six members representing the Congressional Districts, three members representing the public higher learning institutions, and one member representing the independent higher learning institutions. Members serve four-year terms with the exception of the three public institutional trustees who serve two-year terms. All except the independent institution representative are voting members.

CHE conducts its business through committees organized along the functional lines of Academic Affairs and Licensing, Finance and Facilities, and Student Services and Access and Equity. CHE's Chair, Vice Chair, and Committee Chairs make up the Executive Committee of CHE.

An Executive Director oversees daily operations of CHE and its supporting staff. CHE staff is organized in divisions that provide support for the committees including Academic Affairs and Licensing; Finance, Facilities, and Management Information System; Student Services; and Access and Equity. Work of the divisions is also informed on a regular basis by formal and informal advisory committees comprised of institutional representatives. The directors of the divisions and the directors of Communications, Governmental Affairs and Special Projects, and Internal Operations along with the Executive Director make up the staff's Executive Management Team. A non-profit foundation continues to support CHE and the higher education community by raising private funds for use in supporting programs that are not possible within CHE's available state resources.

South Carolina Commission on Higher Education

Organizational Chart
June 30, 2007

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                    ┌─────────────────────────┐
                    │   SC HIGHER EDUCATION   │
                    │     COMMISSIONERS       │
                    └─────────────────────────┘
                                 │
┌──────────────────────┐   ┌──────────────┐   ┌──────────────────────┐
│ EXECUTIVE ASSISTANT  │───│  EXECUTIVE   │───│   COMMUNICATIONS     │
└──────────────────────┘   │  DIRECTOR    │   └──────────────────────┘
                           └──────────────┘   ┌──────────────────────┐
┌──────────────────────┐                      │ GOVERNMENTAL AFFAIRS │
│ SC HIGHER EDUCATION  │                      │  & SPECIAL PROJECTS  │
│ ELECTRONIC LIBRARY   │                      └──────────────────────┘
└──────────────────────┘                      ┌──────────────────────┐
                                              │ INTERNAL OPERATIONS  │
                                              └──────────────────────┘
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ACADEMIC AFFAIRS & LICENSING	FINANCE, FACILITIES, & MANAGEMENT INFORMATION SYSTEM	STUDENT SERVICES	ACCESS & EQUITY

Advisory Committee on Academic Programs (ACAP)	Funding Advisory Committee	SC Association of Student Financial Aid Administrators Advisory Committee	Advisory Committee on Access & Equity
"Articulation & Dual Enrollment, High School Graduation and Postsecondary Entrance Alignment Committee" under EEDA (Expanded-ACAP)	Facilities Advisory Committee	Students or other appropriate institutional representation provide input on topics as needed.	
	Advisory Committee on Information Resources		

NOTE: The Commission forms other advisory committees and requests input from its constituents as applicable (e.g., Business Advisory Council) to inform the work of the Commission. The President's Council of Public Colleges and Council of Independent College Presidents also meet with the Commission and aid in informing processes as necessary.

Accountability Report Appropriations/Expenditures Chart
South Carolina Commission on Higher Education

Base Budget Expenditures and Appropriations

Major Budget Categories	05-06 Actual Expenditures		06-07 Actual Expenditures		07-08 Appropriations Act	
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personal Service	$2,021,023	$1,643,844	$3,182,213	$1,971,632	$2,172,041	$1,815,860
Other Operating	$739,573	$531,388	$918,492	$333,312	$1,002,818	$613,515
Special Items (1)	$242,812,169	$59,533,078	$243,744,240	$86,270,017	$362,623,809	$141,575,219
Permanent Improvements	$0	$0	$0	$0	$0	$0
Case Services	$0	$0	$0	$0	$0	$0
Distributions to Subdivisions	$0	$0	$0	$0	$0	$0
Fringe Benefits	$694,274	$397,902	$761,068	$502,029	$662,812	$473,532
Non-recurring (2)	$3,165,618	$3,065,618	$4,109,988	$4,019,988	$7,290,229	$7,290,229
Total	$249,432,658	$65,171,830	$252,716,002	$93,096,977	$373,751,709	$151,768,355

(1) FY08 Appropriations include $206,318,869 in lottery funds
(2) For FY08, $200,000 for S.C. Community Enterprise Center; $1,123,000 for Greenville Technical College - University Center of Greenville; $1,112,229 for University Center of Greenville; $75,000 for GEAR UP; $1,300,000 for National Guard Tuition Assistance; and $2,000,000 for Higher Education Statewide Electronic Library.

Other Expenditures

Sources of Funds	05-06 Actual Expenditures	06-07 Actual Expenditures
Supplemental Bills	$3,165,618	$4,109,988
Capital Reserve Funds	$0	$0
Bonds	$0	$0

Major Program Areas

Accountability Report Major Program Areas Chart
S.C. Commission on Higher Education

Program Number and Title	Major Program Area Purpose (Brief)	FY 05-06 Budget Expenditures		FY 06-07 Budget Expenditures		Key Cross References for Financial Results*
	Operations	State:	$3,868,571	State:	$5,400,681	7.1-1, 7.1-2, 7.1-4, 7.1-6, 7.1-7, 7.1-8 (8a, 8b, 8c, 8d, 8e, 8f), 7.9
		Federal:	$1,185,843	Federal:	$1,251,221	
		Other:	$1,341,553	Other:	$1,449,204	
		Total:	$6,395,967	Total:	$8,101,106	
		% of Total Budget:	2%	% of Total Budget:	3%	
	Flow-Through Funds	State:	$12,611,926	State:	$10,584,308	7.1-5 (5a, 5b, 5c)
		Federal:	$1,898,500	Federal:	$2,733,562	
		Other:	$31,249,877	Other:	$30,107,411	
		Total:	$45,760,303	Total:	$43,425,280	
		% of Total Budget:	23%	% of Total Budget:	17%	
	Scholarship and Grant Programs:	State:	$48,686,222	State:	$77,111,989	7.1-3 (3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 3k) 7.1-4, 7.6
		Federal:	$0	Federal:	$0	
		Other:	$148,585,085	Other:	$124,077,627	
		Total:	$197,271,307	Total:	$201,189,616	
		% of Total Budget:	76%	% of Total Budget:	80%	
Total		State:	$65,171,830	State:	$93,096,977	
		Federal:	$3,084,343	Federal:	$3,984,782	
		Other:	$181,176,485	Other:	$155,634,242	
		Total:	$249,432,658	Total:	$252,716,002	

Below: List any programs not included above and show the remainder of expenditures by source of funds:
For FY05-06, a total of $51,231,886 is not reflected above – The total includes transfers of $45,910,636 and $5,321,250 to SBTCE for the Lottery Tuition Assistance Program and the Lottery Funded Technology Program.

	FY 05-06	FY 06-07
Remainder of Expenditures: **N/A**	State:	State:
	Federal:	Federal:
	Other:	Other:
	Total:	Total:
	% of Total Budget:	% of Total Budget:

* Key Cross-References are a link to the Category 7 – Results. These References provide a Chart number that is included in the Results section of this document.

Section III – Elements of Malcolm Baldrige Award Criteria

The concepts of evaluation and continuous improvement are present within CHE's operations and activities. Provided below are descriptions of the agency's use of the Malcolm Baldrige Criteria concepts and principles.

Category 1. Leadership

CHE is a 14-member lay board appointed by the Governor. CHE is responsible for the hiring of an Executive Director, who in turn is responsible for developing an appropriate staff and agency structure. CHE itself has a Chair, appointed by the Governor, a Vice-Chair, and representatives from Congressional Districts, institutional trustees, and the statewide citizenry. CHE uses a committee structure for the handling of business. An Executive Committee, including the Chair, Vice Chair, and all Committee Chairs, provides specific direction to the Executive Director for activities and issues to be addressed by the staff. The staff is organized along the lines of CHE's committee structure.

More specifically, the Executive Director uses an Executive Management Team consisting of division directors. Each division includes professional staff and appropriate support staff to perform the related functions. The Executive Management Team serves as the planning and evaluative group for CHE staff. All agency employees have input into CHE's activities through their respective division director.

The Executive Director meets with the Executive Management Team on a weekly basis. In addition, the Executive Management Team meets with the full Commission staff on a regular basis to discuss current issues and activities of CHE. Further, individual divisions also meet regularly. These various meetings are designed to ensure the entire staff is aware of and involved in the activities of CHE. These meetings also provide a forum for the clear communication of the mission, vision, goals, and the process to achieve those goals throughout the entire organization.

The Internal Operations Director manages the fiscal activities of the agency. The Internal Operations Director is ultimately accountable to the Executive Director and the Board for the fiscal health of the agency. The legislature is responsible for determining legal and regulatory accountability of the agency by passing legislation and approving regulations.

Category 2. Strategic Planning

CHE relies heavily on strategic planning in all activities. CHE uses a planning retreat for Commissioners to evaluate the programs and direction of the agency and meets on a periodic basis with CHE's Executive Committee (Chair, Vice Chair, and all Committee Chairs) to review Commission initiatives and direction. New appointees participate in an extensive orientation process so they may become familiar not only with issues in the field of higher education, but also the pertinent issues and policy decisions facing CHE. The Council of Public College and University Presidents works with CHE for the formal development and adoption of a Strategic Plan for Higher Education. Also, CHE staff's Executive Management Team conducts periodic planning sessions and has regular team meetings to continuously evaluate the agency's activities.

CHE's planning activities are focused internally on the agency as well as externally on higher education. In order to implement higher education planning, CHE must gain consensus and support from the institutions, the executive and legislative branches, and other key state stakeholder and educational partners. CHE has recently undertaken efforts to revitalize statewide strategic planning for higher education. Under the newly appointed Executive Director, CHE will continue work on agency planning in concert with efforts to develop an Action Plan for Higher Education in South Carolina. CHE's work in this regard will build on recent initiatives including: CHE's work with institutional presidents to recommend a revised accountability system, work that culminated in the receipt by CHE of a major external report (*Foundations for the Future: Higher Education in South Carolina*, December 2003) on higher education in South Carolina, and work of the Governor's 2006 Task Force on Higher Education. Additionally, CHE will work with a recently appointed study committee charged by the General Assembly to build on work of the Governor's Task Force and recommend a statewide plan by February 1, 2008.

CHE's specific goals are articulated on an annual basis through the Executive Director's evaluation process and this Accountability Report. Goals are reviewed on a periodic basis by the Executive Management Team with respect to status and progress towards achievement. Also, status and/or completion are reported to CHE members as a component of the Executive Director's annual evaluation. The goals reported herein will be re-visited in the upcoming year under the direction of the agency's new executive officer.

Strategic Planning – S.C. Commission on Higher Education

Program Number and Title	Supported Agency Strategic Planning Goal/Objective	Related FY06-07 Key Agency Action Plan/Initiative	Key Cross References for Performance Measures*
Executive Director's Objective 1	1) Work in cooperation with institutions and other key stakeholders to develop a public agenda for higher education and to provide for a revised accountability program for higher education in light of the plan.	Continue to work in concert with state efforts to develop a higher education plan which includes the recently appointed Study Committee on Higher Education charged with the development of a plan by February 1, 2008. Continue to meet regularly with institutional presidents and other key stakeholders to make progress in planning efforts.	No Chart

Program Number and Title	Supported Agency Strategic Planning Goal/Objective	Related FY06-07 Key Agency Action Plan/Initiative	Key Cross References for Performance Measures*
Executive Director's Objective 2	2) Advocate for funding of institutional operating needs, cooperative initiatives for higher education including, for example, the statewide higher education electronic library, and for student programs to promote the accessibility and affordability of higher education for the state's citizens.	Coordinate and work with institutions to advocate for operating funding. Conduct work to develop recommendations to address funding issues for higher education institutions. Continue to advocate for and ensure success of statewide initiatives such as the electronic library. Continue to advocate for programs and funds to improve accessibility and affordability of higher education for the state's citizens.	No Chart
Executive Director's Objective 3	3) Strengthen CHE's relationship with key state partners including the Department of Education and the Department of Commerce as well as enhance and improve communications with all relevant stakeholders including, but not limited to, the Governor and General Assembly, institutions, students and their parents, the public, and business community.	The Executive Director will continue to improve institutional relations with CHE and to strengthen relations with other key constituencies including Commerce and K-12. Provide support in statewide educational and other related initiatives through participation in various statewide councils and task forces. Work in cooperation with key stakeholders in regard to the Education and Economic Development Act legislation.	No Chart
Executive Director's Objective 4	4) Continue to provide for the efficient and effective management of programs and initiatives under the purview of CHE.	Programs under the purview of CHE are managed efficiently and opportunities to improve are recognized and implemented.	*See 7.1-1 through 7.1-9*

Key Cross-References are a link to the Category 7 – Business Results. These References provide a chart number that is included in the Results section of this document.

Category 3. Customer Focus

CHE provides service to three primary customer groups: the citizenry of the state, the General Assembly, and the public colleges and universities. Each of these groups views higher education from a different perspective. One of the challenges faced by CHE is to consider all of these perspectives, which at times may be conflicting, in performing its various functions. CHE's primary opportunity to interact with each of these groups is through one of its regularly scheduled Commission meetings or through numerous committee meetings. These meetings, along with other contacts as discussed below, provide the mechanism for evaluating satisfaction among these customer groups.

The citizenry of the state has a variety of means for addressing CHE. Citizens can contact CHE directly, either through board members or the staff, with issues or concerns that they would like to see considered. Also, citizens can provide input indirectly into CHE activities through either the General Assembly or the colleges and universities. CHE outreach efforts around the state including scholarship and grant informational meetings at middle and high schools, college fairs, guidance counselor workshops, and the Student Advisory Committee (with members ranging from 10th grade to college sophomores) allow for citizens and other stakeholders to interact with Commission staff. As an additional opportunity for citizens, CHE maintains a website with a variety of information, data, and links to related sites such as state colleges and universities. A page specifically designed for parents and students is also provided with relevant information and a link to an electronic application process that allows students to apply online to our state's colleges and universities. Each division of CHE maintains information relevant to their programs. For example, Student Services provides information about scholarship and grant statistics, applying for federal and state financial aid, residency requirements, and scholarship/grant recipient demographics. Academic Affairs includes a summary of available degrees, information on academic policies such as those related to dual enrollment or transfer and articulation, as examples, and information on the Academic Common Market (SREB program that provides in-state tuition to students attending certain programs in other states). Also, Finance, Facilities, and Management Information System includes information on the Mission Resource Requirement, Performance Funding, and the higher education data system (CHEMIS) and data reports. Finally, CHE's webpage details staff and committee information and includes numerous opportunities for communication directly to staff via e-mail.

The General Assembly works with CHE in one of the following manners: directives through legislation, contact directly with appointed Commissioners, or contact (directly or through legislative staff) with CHE staff. CHE maintains a legislative liaison charged with monitoring and providing coordination with this customer group. Certain other staff members whose areas of responsibility may relate to legislative activity also work with this customer group. These interactions with the General Assembly occur both formally and informally. Budget presentations to the House and Senate committees, legislative hearings on pending legislation, and informational presentations to ad hoc committees are a few of the formal interactions. Other formal assistance is provided by CHE staff in reviewing pending higher education legislation as requested by the State's Budget Office to determine the fiscal impact to higher education. Informal opportunities occur through information requests from individual senators and representatives, working with Legislative staff in preparing material for consideration, or serving as a resource during staff research of pending issues and discussions.

The public colleges and universities work closely with CHE and its staff. The first area of interaction is the membership of CHE itself. With the passage of Act 137 of 1995, CHE membership was modified to include institutional representation. Effective July 1, 1996, three members were appointed to represent the different sectors of institutions. The members are trustees from each of the following sectors: public senior research institutions, four-year public comprehensive institutions, and the technical colleges. Institutions have additional input into CHE activities through advisory committees. Each functional area of CHE has one or more advisory committees including representation from every public four-year institution and selected representatives from the public two-year institutions. These advisory committees provide valuable discussion and recommendations to CHE staff. Often, the recommendations of these committees are made directly to CHE, with the support of CHE staff. Institutions have

further access to CHE through direct requests. All institutional requests, ranging from academic program approvals to facilities improvements to budget requests, are made to CHE after appropriate analysis by the staff. Another key area of communication between the institutions and CHE is through the Council of Public College and University Presidents. The Council meets as a group and also meets with CHE in order to provide coordination among the institutions and direct input into CHE's activities. Most recently, the CHE Executive Director has met with institutional presidents on an on-going basis. Representative Presidents have met with CHE in addition to individual presidents appearing before CHE to outline budgetary needs and provide updated institutional status information. CHE will work in upcoming years to encourage and re-establish the more formal Council of Presidents and annual meetings with CHE.

Category 4. Measurement, Analysis and Knowledge Management

CHE has several activities that rely heavily on the use of data. CHE Management Information System (CHEMIS) maintains data collected from institutions relating to scholarship/grant awards, student enrollment, student completions, facilities, courses, and faculty. This system serves as the principal repository for data used in staff analysis of institutional and higher education issues and responding to informational requests of CHE's various stakeholders. These data also provide the basis for CHE's determination of funding needs of higher education, the evaluation of performance of the state's colleges and universities, and allocation of appropriations. Program-specific data is gathered for the financial aid programs administered by CHE, and for GEAR UP, HEAP, and the Access & Equity program.

In addition to the CHEMIS database, CHE also acts as the state-level coordinating body for the collection and submission of data for the Integrated Post-secondary Education Data System (IPEDS), which is maintained by the U.S. Department of Education for the federal government. Much of the IPEDS data required for federal reporting is collected as part of the CHEMIS database, and CHE can use the reported data to provide information for the federal reports. Additional data reported by institutions are used to meet the national statistical requirements and also provide CHE access to national comparative data. CHE is very cognizant of data requirements placed on institutions and works as much as possible to streamline data reporting requirements and eliminate unnecessary or duplicative reporting.

CHE uses the collected higher education data to inform policy recommendations and respond to needs for information. The accuracy of data is ensured by an audit process implemented for the purpose of maintaining reliable data reporting and institutional compliance with program requirements. CHE staff regularly communicates and informs institutions and others of reporting requirements. CHE staff is encouraged to keep up-to-date policy and procedure manuals so that information is readily accessible.

Category 5. Workforce Focus

As a state coordinating board, CHE's primary business focus is policy-oriented, rather than direct service or product delivery. As such, the people making up CHE and its staff are the most valuable asset of the agency. Only through attracting, educating, and retaining a quality staff can the appointed Commission members be assured that they are receiving the best possible analysis

and review of issues being considered. Of the 57 members of CHE staff as of fiscal year end, 8 have doctoral degrees, 16 have other graduate degrees, and 23 have baccalaureate degrees.

Along with the credentials the staff members bring to their positions, CHE provides opportunities for developing, enhancing, and refining skills. Courses available through the Budget and Control Board provide such opportunities. Annual conferences on programmatic areas ensure current knowledge of relevant issues. Each year, a member of the staff participates in the State Budget and Control Board's Executive Institute. In addition, several staff members are pursuing additional formal educational opportunities. Also, along with these opportunities, there exists an informal mentoring program provided by the more senior staff members. This past year, CHE filled a staff position to focus on human resource management to provide better assistance and information for CHE employees. In short, CHE places a very high value on the quality of its human resources and recognizes the importance of continual development.

During 2006-07, CHE's Interim Executive Director provided staff training on the state's Employment Policy Management System (EPMS), the Freedom of Information Act (FOIA) and Agency Records Management and Retention. Additionally, CHE participated in The Urban League's summer internship program hosting a number of interns in each of the divisions over the summer. The program provided staff an opportunity to mentor high school students.

Category 6. Process Management

Each area and program provided through CHE operates with the assistance of one or more advisory committees. Also, all meetings of CHE, including advisory committees, are held as public meetings, thereby providing public access and accountability. Academic quality is an overriding principle in every educational environment. Higher education is no different. Each concept for a new or modified academic program offering goes through an evaluation by a committee involving institutional academic officers. All issues relating to state funding are discussed with institutional finance officers. Questions and considerations relating to scholarships and financial grants programs are reviewed extensively with institutional financial aid officers. Assessment and performance evaluation issues are discussed with institutional research and/or institutional assessment officers. In each of these areas, and all others within CHE, processes are reviewed on a periodic basis to ensure both quality and efficiency, with input solicited from the participants, the business community, and other constituencies of higher education.

Category 7. Results

Provided on the following pages are a variety of data relating to CHE's programs and activities. These data are used within the respective programs as means of evaluating levels of activity, progress toward stated goals, or achievement of statewide objectives. All items presented relate to question 7.1, performance levels and trends for the key measures of mission accomplishment.

7.1-1, PRODUCTION OF ANNUAL REPORTS AND PUBLICATIONS PROVIDING INSTITUTIONAL DATA AND HIGHER EDUCATION FACTS AND FIGURES

Each year, CHE produces a number of reports and documents pertinent to higher education institutions, programs, and/or policies. A listing of these annual reports as well as other reports issued is available on-line at http://www.che.sc.gov/New_Web/Data&Pubs.htm. Most reports are accessible online or available by contacting CHE staff. A few of the more significant annual reports of institutional data are listed below:

- CHE produces annually the *South Carolina Higher Education Statistical Abstract* that contains the latest facts and figures for our state's higher education system. The current and past years' reports are available at http://www.che.sc.gov/Finance/Stat.htm. The 2007 publication marked the 29th year of this publication.

- CHE produces annually a report entitled, *A Closer Look at Public Higher Education in South Carolina: Institutional Effectiveness, Accountability, and Performance*, to meet its legislated mandate per South Carolina State Code §59-101-350. This report is submitted each January to the Governor's Office and General Assembly. Prior to 2005, this report served as the agency accountability report for each of the state's 33 public institutions of higher education. The report pulls together data from the Performance Funding process, institutional assessment activities, and other required reporting as legislated. Copies of the present and recent past reports are located on CHE's website at http://www.che.sc.gov/New_Web/Rep&Pubs/ACL.htm.

- Annual institutional report cards produced as a result of the Performance Funding process are also found on the CHE's website along with additional data and information on this process. Institutional reports were not produced in 2005-06 or 2006-07, but data were monitored instead by posting results for applicable indicators on CHE's website. All current and past information reports are available online at http://www.che.sc.gov/New_Web/Rep&Pubs/Perf_Fund.htm.

7.1-2, DATA SUPPORT ACTIVITIES FOR HIGHER EDUCATION

Another key responsibility of CHE is the collection and management of higher education data and information. CHE developed and supports a data management information system known as CHEMIS. CHE staff use the data regularly in responding to questions regarding South Carolina's higher education systems. See Section 4 (i.e., Category 4, Measurement, Analysis and Knowledge Management) for additional details. During the year, staff respond daily to requests for information. In addition, staff respond to numerous special requests throughout the year for data outside of regular reporting and/or readily available data reports. Complete statistics on the frequency of special requests that are outside routine data production are not yet available. However, recent monitoring indicates an average of 200 special requests annually.

7.1-3, SCHOLARSHIP AND GRANT PROGRAMS

CHE is responsible for administration of the majority of higher education scholarship and grant programs made available by the General Assembly. South Carolina provides funding for several undergraduate scholarship programs. Three programs (Palmetto Fellows, LIFE, and HOPE) are merit-based programs. Students must meet criteria based on grades, class rank, and/or college entrance exam scores to earn merit awards and on grades for continued eligibility. Another program, Lottery Tuition Assistance, provides funds for students at two-year institutions enrolled in degree programs. The state also supports need-based student aid programs. These programs provide funds to students based on their need. The need-based programs (CHE Need-based and S.C. Tuition Grants) include funds provided to CHE to disperse to public and independent institutions and funds appropriated to the S.C. Tuition Grants program which is a need-based aid program for independent institutions. Of the funds dispersed to CHE, approximately 20% goes to the independent institutions through the S.C. Tuition Grants program, which is managed by the S.C. Tuition Grants Commission. Unless specified, Tuition Grant dollars are not reflected in the information that follows. In brief, for the merit awards and lottery tuition assistance:

Palmetto Fellows requires that students at a minimum meet an SAT score of 1200, a class rank in the top 6% (or for classes in which the top 6% is not a whole number, the next student), and a high school grade point average (GPA) of 3.5 on the uniform grading scale (UGS). Alternatively, students may meet a 1400 SAT/or ACT equivalent and a high school GPA of 4.0 on the UGS. This award is provided for eight semesters provided students maintain eligibility. Students must be enrolled in four-year institutions. In 2007-08, a new initiative passed by the General Assembly will be implemented that provides recipients beginning in the sophomore year an enhanced award for majoring in math, science, engineering and health-related areas.

LIFE requires for initial eligibility that students meet two of the following three criteria: 1100 SAT/ACT equivalent; class rank in the top 30%, or high school GPA of 3.0 on the UGS. This award is provided for up to eight semesters provided students maintain eligibility. Students may be enrolled in two- or four-year institutions. The new initiative described above for Palmetto Fellows recipients for math, science, engineering and health-related majors is also being implemented for LIFE.

S.C. HOPE requires that students have a 3.0 high school GPA on the UGS, be enrolled in a four-year institution, and not be receiving the LIFE or Palmetto Fellows Scholarship. The award is for the freshman year only. Students may become eligible for the LIFE Scholarship in subsequent years.

Lottery Tuition Assistance provides aid for eligible students at two-year institutions. Students must be degree-seeking and enrolled in a minimum of six hours to be eligible.

Students may not receive more than one of the merit awards or Lottery Tuition Assistance at the same time but may be eligible to receive need-based grant aid in addition to these awards.

The table below reflects some of the staff activity in regard to disseminating information and responding each year to student scholarship appeals. On the following pages, data illustrate the volume of scholarship and grant aid provided to South Carolina students.

Table 7.1-3a, Staff Activity regarding Scholarship/Grant Awareness and Appeals

Staff Activity	FY03-04	FY04-05	FY05-06	FY06-07
Number of events staff participated in to provide scholarship and grant program updates to students, parents, and guidance counselors and to increase awareness	26	47	44	32
Workshops hosted for financial aid representatives to review regulations and program changes to ensure proper administration	3	1	1	5
Number of student scholarship/grant appeals processed for which decisions were rendered	236	245	240	230

Table 7.1-3b, State Appropriations for Undergraduate Scholarship and Grant Programs

Initial General Fund and Lottery Appropriations for the State Undergraduate Scholarship/Grant Programs
Fiscal Years 2002-03 through 2007-08

	FY2002-03	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY 2007-08	Annual Change FY07 to FY08 Difference	% Change
(1) Palmetto Fellows Total	**$17,259,618**	**$19,587,908**	**$23,176,712**	**$26,381,991**	**$29,830,758**	**$40,915,490**	$11,084,732	37.2%
portion from State General Funds	$5,989,059	$12,721,188	$6,480,281	$10,417,054	$10,786,212	$10,786,212		
portion from Barnwell Revenues	$6,270,560	$1,846,718	$5,519,719	$1,582,946	$1,213,788	$1,213,788		
portion from Lottery Revenues	$5,000,000	$5,000,000	$11,176,712	$14,381,991	$17,830,758	$28,915,490		
(1) LIFE Total	**$94,610,414**	**$111,520,063**	**$122,374,744**	**$134,929,425**	**$141,333,829**	**$147,727,542**	$6,393,713	4.5%
portion from State General Funds	$54,610,414	$71,520,063	$29,646,795	$27,631,335	$53,422,193	$85,123,335		
portion from Lottery Revenues	$40,000,000	$40,000,000	$92,727,949	$107,298,090	$87,911,636	$62,604,207		
(2) HOPE Total	**$5,787,600**	**$6,500,000**	**$6,183,017**	**$6,673,826**	**$7,144,909**	**$7,767,606**	$622,697	8.7%
Subtotal Merit Programs	**$117,657,632**	**$137,587,969**	**$151,734,473**	**$167,985,242**	**$178,309,496**	**$196,410,638**	$18,101,142	10.2%
portion from State General Funds	$60,599,473	$84,241,251	$36,127,076	$38,048,389	$64,208,405	$95,909,547		
portion from Barnwell Revenues	$6,270,560	$1,846,718	$5,519,719	$1,582,946	$1,213,788	$1,213,788		
portion from Lottery Revenues	$50,787,600	$51,500,000	$110,087,678	$128,353,907	$112,887,303	$99,287,303		
(2) Lottery Tuition Assistance (2-yr) Total	**$34,000,000**	**$29,000,000**	**$39,750,000**	**$43,000,000**	**$47,600,000**	**$47,000,000**	-$600,000	-1.3%
(3) Need-based Grants Total	**$12,478,497**	**$15,478,498**	**$22,438,427**	**$23,248,093**	**$23,248,093**	**$23,631,566** *	$385,473	1.7%
portion from State General Funds	$6,207,938	$10,631,780	$6,480,281	$10,417,054	$10,786,212	$10,786,212		
portion from Barnwell Revenues	$6,270,560	$1,846,718	$5,519,719	$1,582,946	$1,213,788	$1,213,788		
portion from Lottery Revenues	n/a	$3,000,000	$10,438,427	$11,246,093	$11,246,093	$11,631,566		
(4) Tuition Grants Total	**$19,389,269**	**$22,325,740**	**$23,322,247**	**$23,322,247**	**$27,088,851**	**$29,568,851**	$2,480,000	9.2%
portion from State General Funds	$19,369,269	$19,325,740	$19,322,247	$19,322,247	$19,322,247	$21,802,247		
portion from Lottery Revenues	n/a	$3,000,000	$4,000,000	$4,000,000	$7,766,604	$7,766,604		
TOTAL All Programs	**$183,505,398**	**$204,392,207**	**$237,245,147**	**$257,553,582**	**$276,244,440**	**$296,611,055**	$20,366,615	7.4%
portion from State General Funds	$86,176,679	$114,198,771	$61,929,604	$67,787,690	$94,316,864	$128,498,006		
portion from Barnwell Revenues	$12,541,119	$3,693,436	$11,039,438	$3,165,892	$2,427,576	$2,427,576		
portion from Lottery Revenues	$84,787,600	$86,500,000	$164,276,105	$186,600,000	$179,500,000	$165,685,473		

NOTE: The appropriations above represent only initial program funds as provided per the Appropriations Act. State General Funds and Lottery Funds are included. In addition, Barnwell Revenues that are appropriated for the Education Endowment are included. The Education Endowment for higher education is funded at $24,000,000 annually through a combination of Barnwell Nuclear Waste Facility revenues and State General Funds. The Education Endowment funds are split equally between the the Palmetto Fellows and Need-based Grant programs.

(1) For the Palmetto Fellows and LIFE programs, additional amounts above the appropriations may be provided since these are "open-ended" programs and qualified students are provided the awards. Any funds appropriated above those in the Appropriations Acts are not reflected here.

(2) HOPE and Lottery Tuition Assistance for 2-Year Institutions have been funded to date only with lottery revenues.

(3) Note for CHE Need-based Grants, a portion of the funds are allocated to independent institutions based on the undergraduate enrollment per a statutory provision that results in approximately twenty percent of the funds from this program shifting to the Tuition Grants program. For example, of the $23.6 million allocated for FY 2007-08, approximately $18.9 million will be allocated to public institutions and $4.7 million will be allocated to the Tuition Grants program for students attending independent institutions. See note 4 regarding Tuition Grants.

(4) Tuition Grants is a program managed by the South Carolina Tuitition Grants Commission and provides need-based grants to qualified students at SC's Independent Colleges and Universities. Based on a provision in the lottery funding appropriation for FY 2006-07 which dedicated excess unclaimed prize funds to Tuition Grants, this program additionally received $4,966,933 at year end in FY 2006-07 which is not reflected above as initial appropriations.

* Need-based Grants may additionally receive in FY 2007-08 any unclaimed prize funds in excess of the first $10.65 million.

Source: Data pulled from appropriation acts for FY03 through FY08

Graph 7.1-3c, Comparison of Annual State Appropriations for Undergraduate Scholarship and Grant Programs to Year-End Dollars Awarded*, Fiscal Years 2002-03 - 2006-07

Year-End State Scholarship Dollars Awarded as a Percentage of State Appropriations, Total and by Program (Palmetto Fellows, LIFE, HOPE, LTAP, and Need-Based

	Total	Palmetto Fellows	LIFE	HOPE	Lottery Tuition Assistance	CHE Need-Based
2002-03	108%	111%	113%	93%	89%	123%
2003-04	110%	112%	107%	92%	128%	98%
2004-05	102%	104%	104%	98%	99%	96%
2005-06	99%	108%	97%	94%	102%	94%
2006-07	98%	105%	95%	88%	102%	105%
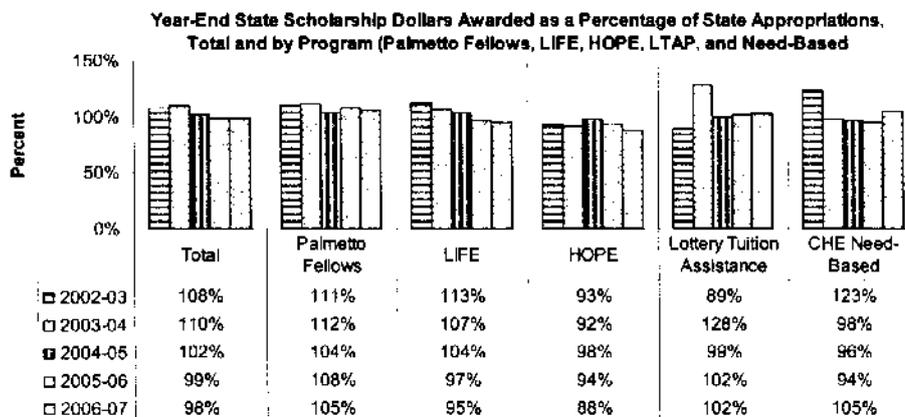
Appropriations include lottery and general funds as indicated in the annual budget acts. Year-end data are taken from annual unduplicated scholarship reports. Need-based includes all funds appropriated to CHE for allocation.

Graph 7.1-3d, Annual Awards for State Undergraduate Scholarship and Grant Programs Type Institution (Public or Independent) by Year, Fiscal Years 2002-03 - 2006-07

Number of Undergraduate Scholarships and Grants
(Palmetto Fellows, LIFE, HOPE Lottery Tuition Assistance, and CHE Need-based Grants)

■ State Total   ☑ Public Institutions   □ Independent Institutions

	2002-03	2003-04	2004-05	2005-06	2006-07
■ State Total	83,348	92,889	100,999	104,139	106,052
☑ Public Institutions	65,162	73,986	81,567	85,113	86,806
□ Independent Institutions	18,186	18,903	19,432	19,026	19,246
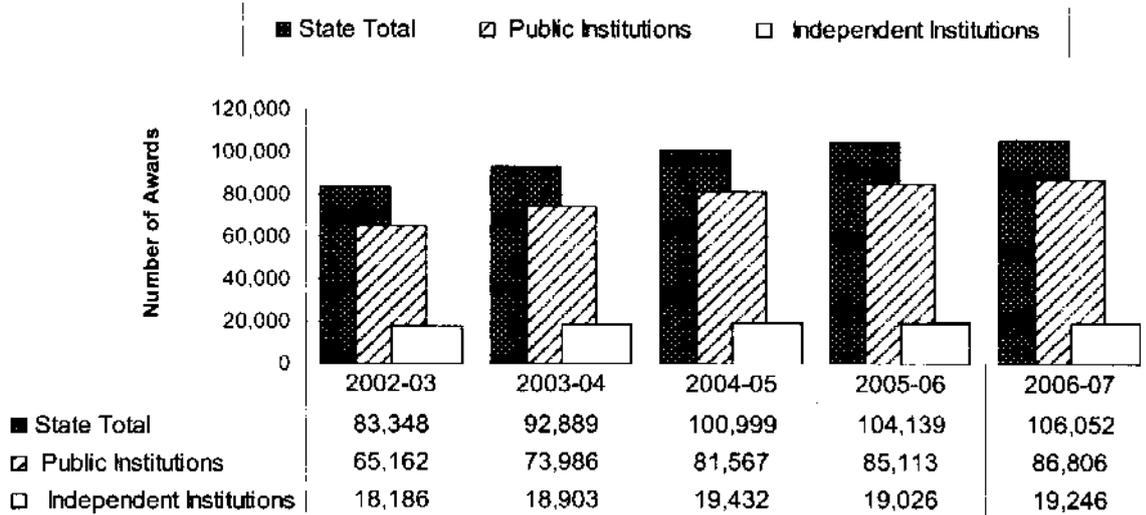
Total Dollars Awarded Undergraduate Scholarships and Grants
(Palmetto Fellows, LIFE, HOPE, Lottery Tuition Assistance, and CHE Need-based Grants)

■ State Total   ☑ Public Institutions   □ Independent Institutions

	2002-03	2003-04	2004-05	2005-06	2006-07
■ State Total	$176	$199	$218	$231	$245
☑ Public Institutions	$144	$166	$182	$194	$206
□ Independent Institutions	$32	$34	$36	$37	$39
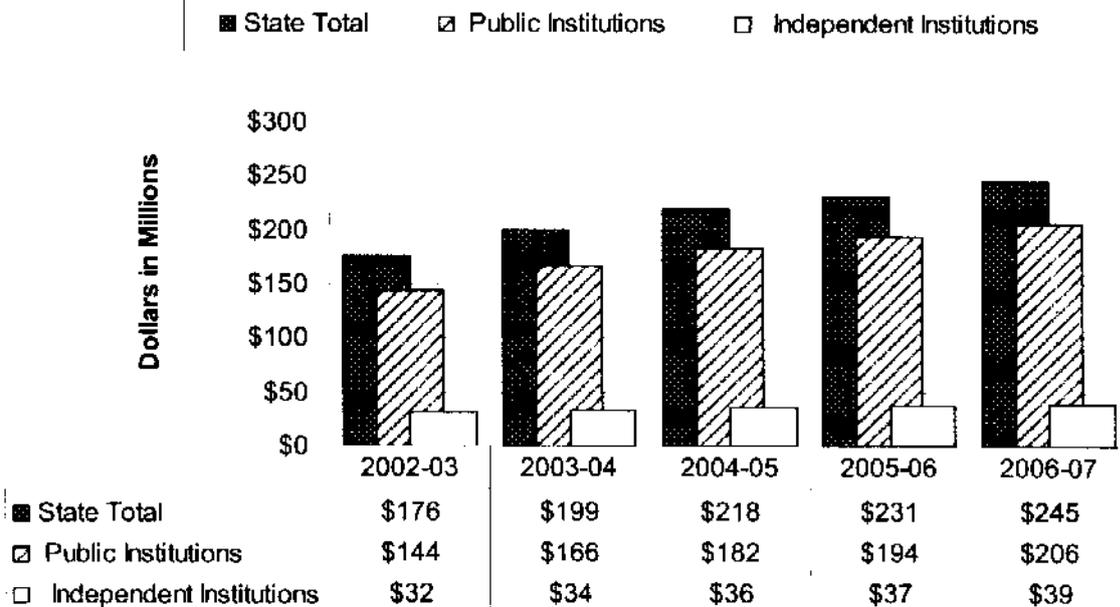
Graph 7.1-3e, Scholarship Awards by Program, Fiscal Years 2002-03 - 2006-07

☑ Palmetto Fellows   ☐ LIFE   ⊞ HOPE   ☐ Lottery Tuition Assistance   ⦀ CHE Need-Based

	2002-03	2003-04	2004-05	2005-06	2006-07
☑ Palmetto Fellows	2,985	3,414	3,727	4,401	4,846
☐ LIFE	24,512	26,699	28,433	29,231	29,838
⊞ HOPE	2,197	2,434	2,522	2,613	2,605
☐ Lottery Tuition Assistance	30,719	36,831	38,820	40,708	42,033
⦀ CHE Need-Based	23,477	23,511	27,497	27,186	26,730
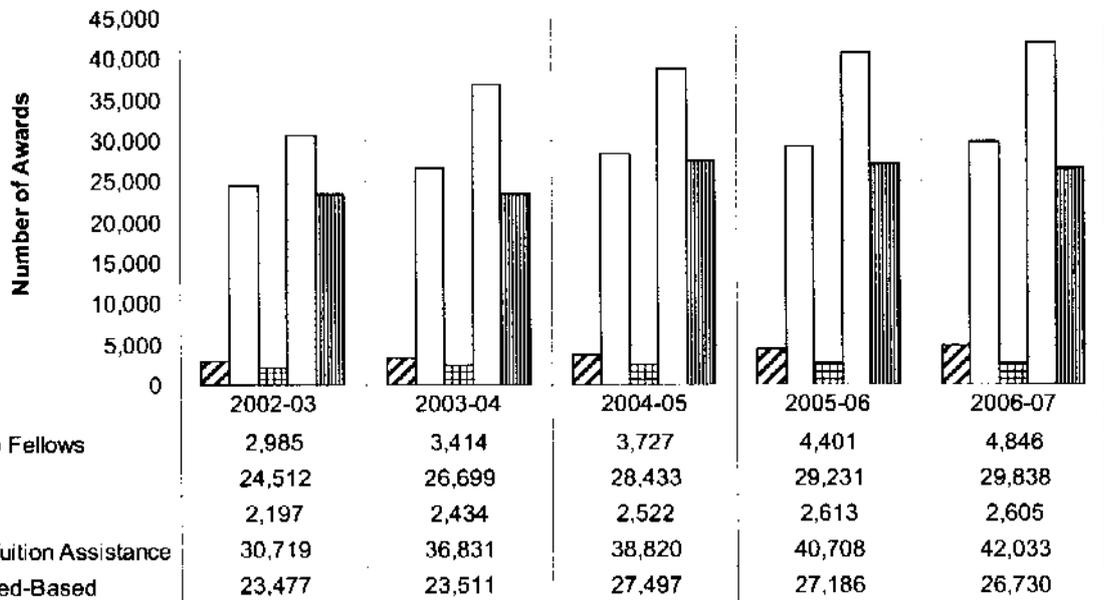
Graph 7.1-3f, Scholarship Dollars Awarded by Program, Fiscal Years 2002-03 - 2006-07

☑ Palmetto Fellows   ☐ LIFE   ⊞ HOPE   ☐ Lottery Tuition Assistance   ⦀ CHE Need-Based

	2002-03	2003-04	2004-05	2005-06	2006-07
☑ Palmetto Fellows	$19.1	$21.9	$24.1	$28.4	$31.4
☐ LIFE	$106.6	$119.2	$127.2	$130.9	$134.3
⊞ HOPE	$5.4	$6.0	$6.0	$6.3	$6.3
☐ Lottery Tuition Assistance	$30.3	$37.2	$39.5	$43.7	$48.7
⦀ CHE Need-Based	$15.3	$15.1	$21.6	$21.9	$24.4
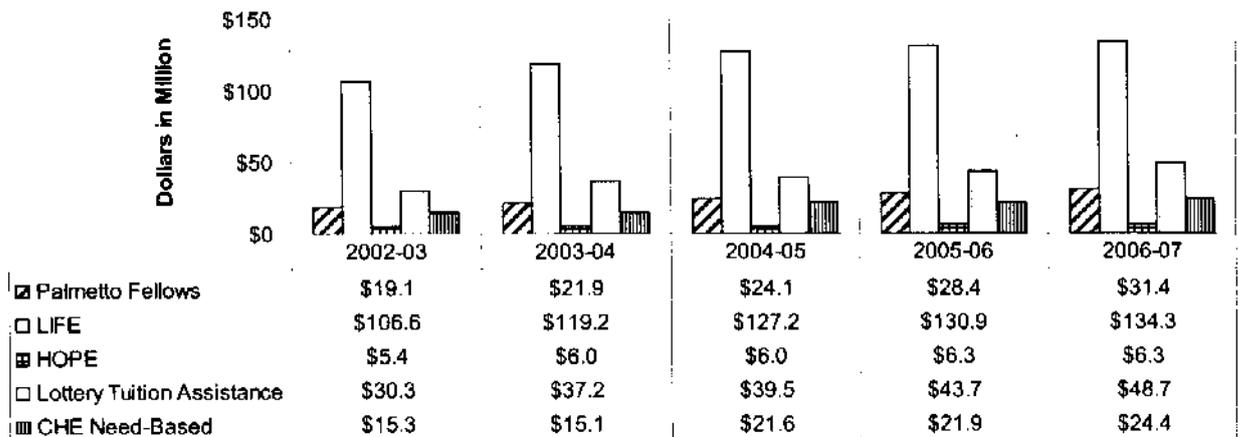
Graph 7.1-3g, Percentage of State Undergraduate Scholarship and Grant Awards by Program, Fiscal Years 2002-03 and 2006-07

Awards, 2002-03

LIFE
29%

Palmetto Fellows
4%

HOPE
3%

CHE Need-Based
28%

Lottery Tuition Assistance
36%

Awards, 2006-07

Palmetto Fellows
5%

LIFE
28%

HOPE
2%

CHE Need-Based
25%

Lottery Tuition Assistance
40%
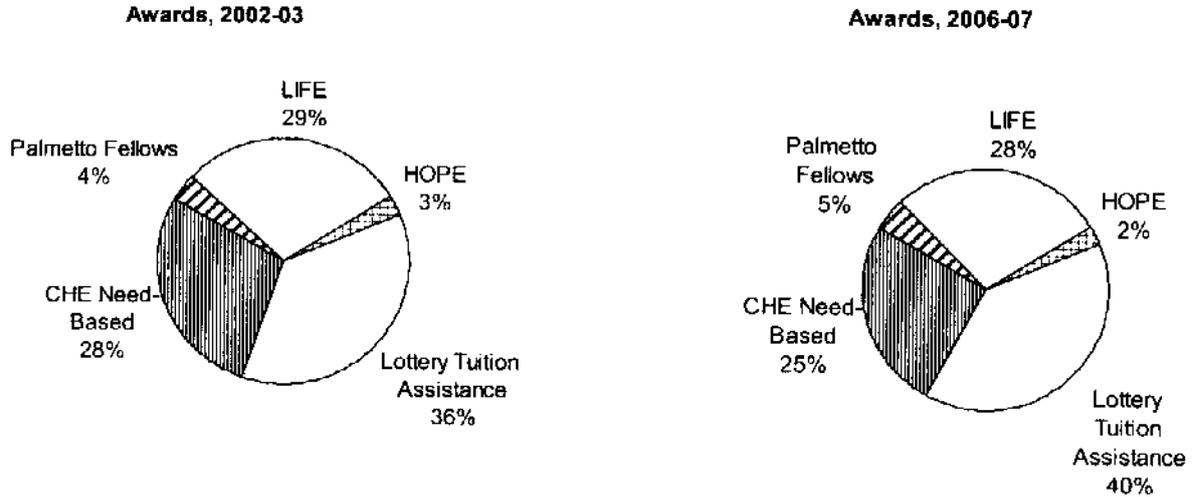
Graph 7.1-3h, Percentage of State Undergraduate Scholarship and Grant Dollars Awarded by Program, Fiscal Years 2002-03 and 2006-07

Dollars Awarded, 2002-03

Palmetto Fellows
11%

CHE Need-Based
9%

Lottery Tuition Assistance
17%

LIFE
60%

HOPE
3%

Dollars Awarded, 2006-07

Palmetto Fellows
13%

CHE Need-Based
10%

Lottery Tuition Assistance
20%

LIFE
54%

HOPE
3%
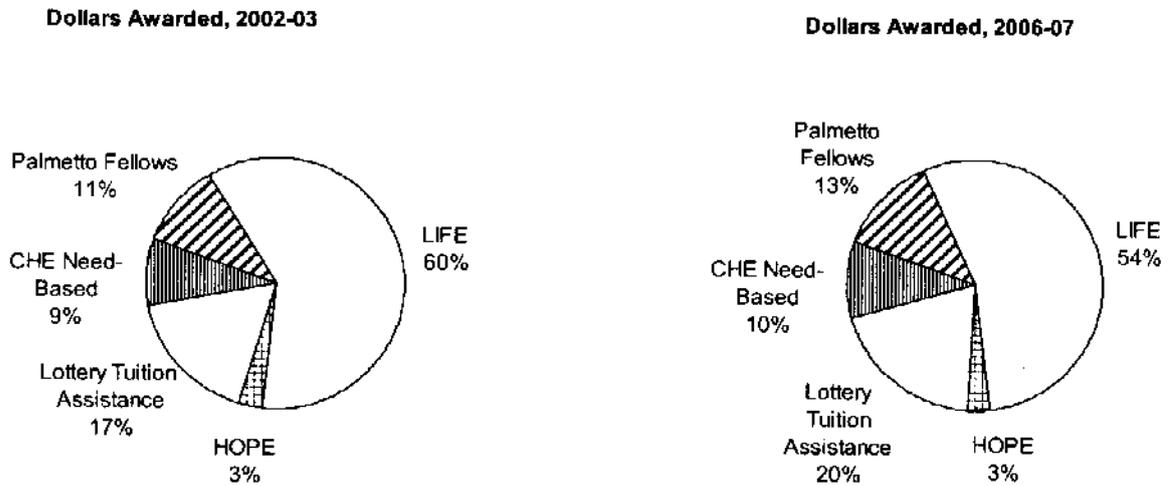
Graph 7.1-3i, Average Award Amounts by Program, Fiscal Years 2002-03 and 2006-07

Average Awards by Program, 2002-03

Program	Amount
CHE Need-Based	$654
Lottery Tuition Assistance	$986
HOPE	$2,456
LIFE	$4,348
Palmetto Fellows	$6,395

$0 $1,000 $2,000 $3,000 $4,000 $5,000 $6,000 $7,000

Dollars

Average Awards by Program, 2006-07

Program	Amount
CHE Need-Based	$913
Lottery Tuition Assistance	$1,159
HOPE	$2,417
LIFE	$4,502
Palmetto Fellows	$6,482

$0 $1,000 $2,000 $3,000 $4,000 $5,000 $6,000 $7,000
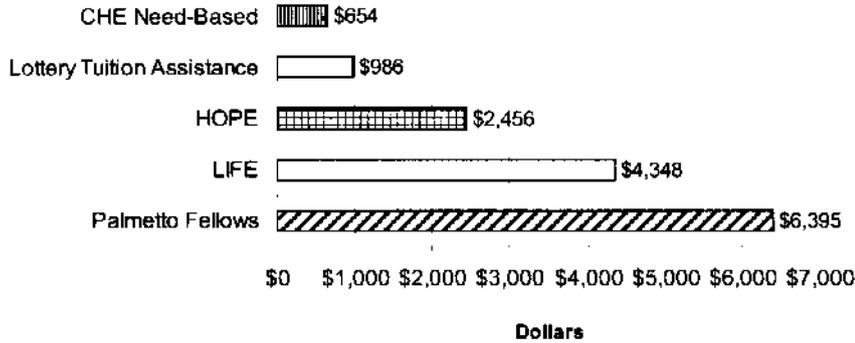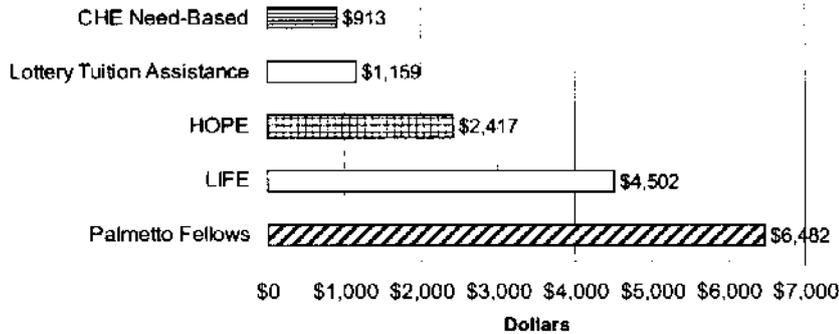
Dollars

Table 7.1-3j, Lottery-Funded Teaching Scholarship Grants Program, Awards and Dollars

In 2001, as part of the South Carolina Education Lottery Act, the General Assembly passed legislation for a Teaching Scholarship Grants program. The purpose of this program is to support classroom teachers in their efforts to improve their content knowledge by completing coursework and degree programs. The program, authorized in §59-150-380 of the S.C. Code, provides teachers who hold a professional certificate and teach in the public schools of the state with grants not to exceed $1,000 per year to attend the state's public and independent colleges and universities for the purposes of upgrading existing core content area skills or obtaining a master's degree in the teacher's core content area. If there are insufficient funds for these grants for eligible recipients for a particular year, priority must be given to those classroom teachers (i.e., not administrators, counselors, media specialist, or other support personnel) whose teaching areas are critical need subject areas as defined by the State Board of Education. Program funding totaled $2,000,000 in each of FY 2002-03, FY 2003-04 and FY 2004-05. There were no funds provided for the program for FY 2005-06 or FY 2006-07, and the program was closed in June 2006. CHE sought restoration of program funding for FY 2007-08, but funding was not provided.

Teaching Grants Program Activity	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06*
Total Awards	339	548	815	789

*Program ended June 20, 2006

Table 7.1-3k, National Guard Student Loan Repayment Program

During the 2001 legislative session, the General Assembly approved Act 41 which authorized the development of the National Guard Student Loan Repayment program. CHE, in consultation with the South Carolina Student Loan Corporation, developed this loan repayment program for providing incentives, by repayment of eligible student loans, for enlisting or remaining a minimum of six years in either the South Carolina Army or Air National Guard (SCNG) in areas of critical need. CHE, along with the SCNG, administer this student loan repayment program. Below is a chart of the program to date.

Legislation passed during the 2007 Session (Act 40 of 2007, Senate Bill S.322 enacted June 4, 2007), closes out the National Guard Loan Repayment Program effective fall 2007. The program is being replaced with a National Guard Tuition Assistance Program. The changes made to this program were sought by the National Guard in order to improve educational incentives for guard members. The efforts of the Guard were supported by CHE. The CHE along with the National Guard are working to implement this new program. All obligations for loan repayment for members participating prior to fall 2007 will be met. Any remaining program funds are to be used for the new tuition assistance program for Guard members.

	Funds Available (Note 1)	Funds Obligated (Note 2)	Number of Awards	Payment on Awards	Aggregate of Payments	Aggregate Obligated Funds On Hand (Note 3)	Aggregate Number of Awards (Note 4)
FY02-03	$1,350,000	$1,350,000	100	$0	$0	$1,350,000	100
FY03-04	$1,697,399	$1,674,000	124	$32,923	$32,923	$2,961,399	205
FY04-05	$1,688,570	$1,674,000	138	$113,560	$146,483	$4,603,751	343
FY05-06	$2,152,268	$2,151,000	169	$203,441	$349,924	$5,795,236	512
FY06-07	$1,659,455	$1,656,000	184	$228,216	$578,140	$7,447,346	696

Note 1: Funds available are the annual appropriation, less CHE administrative fees, plus interest on the fund. Funds available are also subject to increase when a Guard member does not fulfill his/her obligations to qualify for payment.

Note 2: Funds obligated are based on an award of either $9,000 or $18,000 to repay student loans on a future date. The Guard member must meet certain military service obligations over a two- to six-year period from inception. The earliest any partial payment of an award can occur is on the first anniversary of the award.

Note 3: Based on current levels of funding, the program is projected to make payments that equal the annual appropriation in FY08.

Note 4: Of the 100 awards in FY2002-03, 19 Guard members failed to meet their obligations and lost their awards. This allowed 19 additional awards in either FY04 or FY05. Interest on the funds allowed the remaining new awards to be made in those fiscal years

ITEM 7.1-4, PROGRAM PARTICIPATION, SOUTHERN REGIONAL EDUCATION BOARD (SREB)

The Southern Regional Education Board (SREB) was founded more than 50 years ago specifically to help states improve and share resources in higher education. Today, SREB continues to organize and administer regional arrangements to avoid costly duplication and expensive development of new programs including the Academic Common Market which provides access to undergraduate and graduate programs in specialized areas by waiving out-of-state tuition. SREB data collection, SREB policy documents, comparative research, and publications on K-20 issues, as well as participation in several other programs, are benefits of South Carolina's membership in this 16 state consortium. CHE coordinates South Carolina's participation in higher education programs under the SREB. Data provided below include trends in student participation in programs made available through South Carolina's participation in SREB.

Table 7.1-4a, South Carolina Students Certified for Participation in SREB Programs

Program	2002	2003	2004	2005	2006
NC School for the Arts *(Note: reported Jan 1 to Dec 31 timeframe)*	6	7	7	4	2
2) Contract Programs for Veterinary Medicine and Optometry *(Note: reported Jan 1 to Dec 31 timeframe)*	90	102	104	107	102
3) Academic Common Market Program *(Note: SREB reported Apr 1 to Mar 31 timeframe)*	102	125	121	130	113
Program	**FY03**	**FY04**	**FY05**	**FY06**	**FY07**
4) Doctoral Scholar Participants (Total New and Continuing)	6	3	10	17	16

1) North Carolina School for the Arts is a conservatory-based high school program that provides for the training of professionals in the arts. Through SREB contractual arrangements, students from South Carolina are able to attend this school with tuition assistance.

2) Under the SREB contract programs for veterinary medicine and optometry, spaces are made available for South Carolina residents at the in-state rate at five partner programs. Through this program, South Carolina is able to maintain availability of these programs for our citizens while the state avoids the expense of building and staffing these professional schools. Optometry programs for South Carolina residents at in-state rates are made available at Southern College and University of Alabama. Veterinary Medicine programs are available at Tuskegee University, University of Georgia, and Mississippi State University.

3) The SREB Academic Common Market was established in 1974 by SREB to share between states specified degree programs located at southern public colleges and universities through an exchange of students across borders at in-state rates. As a cooperative agreement among states, the Academic Common Market seeks to eliminate unnecessary duplication of degree programs among states while supporting those programs which are able to serve additional students. The program allows residents of the 16 participating states (Alabama, Arkansas, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia) to pay in-state tuition rates while enrolled in certain degree programs at participating out-of-state colleges and universities. Florida, North Carolina, and Texas participate at the graduate level only.

4) The SREB Doctoral Scholars program provides financial assistance and academic support to minority students who are admitted to doctoral programs.

ITEM 7.1-5, ACCESS AND EQUITY – MINORITY PARTICIPATION IN PUBLIC INSTITUTIONS

From 1981 to 1986, (Era of Compliance), South Carolina implemented a federally-mandated desegregation plan designed to: (1) enhance the state's public historically black colleges, (2) desegregate student enrollments at the state's baccalaureate degree-granting public colleges and universities, and (3) desegregate faculties, staffs, and governing bodies of all public colleges and universities in South Carolina. In 1985, CHE adopted the *South Carolina Plan for Equity and Equal Opportunity in Public Institutions of Higher Education – 1986-87 and Beyond*, which over a three-year period, provided funds to support (1) a Graduate Incentive Fellowship Program, (2) an Other Race Grants Program, (3) a Minority Recruitment and Retention Grants Program, and (4) programs to enhance the state's two public historically black institutions.

In February 1988 (Era of Commitment), CHE approved guidelines for the Access and Equity Program. Implementation of the program began on July 1, 1989, allowing funds to be awarded to institutions with well-planned activities that (1) flow from the institution's mission and address the recruitment and retention of minority students and employees, (2) meet specific institutional requirements related to the characteristics of students and faculty, (3) are carefully conceptualized, and (4) are linked to guidelines to emphasize the need to achieve campus climates and academic settings that encourage participation and achievement by African American students.

CHE provides statewide governance to 33 public institutions in the area of Access & Equity. Ensuring educational equity for all students and faculty in higher education is one of the primary functions of CHE. The vision of Access & Equity is to achieve educational equity for all students and faculty in higher education. Minority enrollment should be at least proportional to the minority population in South Carolina and minority graduation rates should be comparable to the graduation rates of other students. Progress in the recruitment and retention of minority faculty should be made to enhance diversity among those who convey knowledge to our students.

Additional details are available in the publication entitled, *The SC Access and Equity Program: A Fresh Approach, 2006*. The report is accessible at http://www.che.sc.gov/AccessEquity/A_Fresh_Approach.pdf

Graph 7.1-5a, Minority Enrollment in South Carolina Public Colleges by Sector by Level, Fall 2002 – Fall 2006

The data in the three graphs that follow show trends for minority headcount enrollment including all students, undergraduate, and graduate/first professionals. South Carolina's minority population was 32.7% according to United States 2000 Census data.

Minority Enrollment - All Students

	2002	2003	2004	2005	2006
▨ Research	16%	15%	15%	15%	15%
▢ Teaching	27%	27%	28%	29%	29%
▢ Regional Campuses	29%	30%	31%	32%	34%
▢ Technical Colleges	37%	37%	36%	36%	36%
■ All Public	28%	28%	28%	28%	28%

Fall Semester
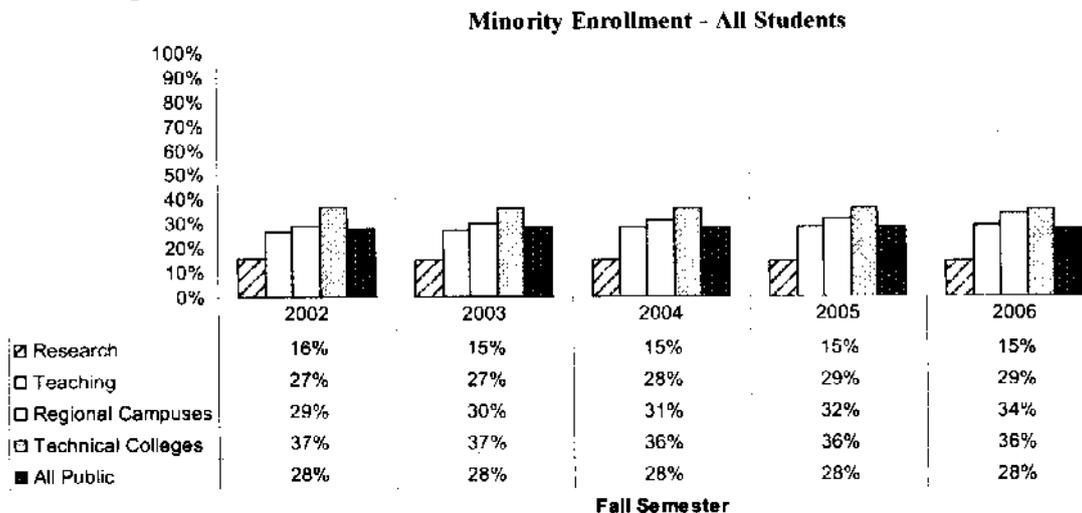
7.1-5a, Minority Enrollment in South Carolina Public Colleges by Sector and Level, *continued*

The following two charts display the percentage of minority headcount enrollment for undergraduate and graduate/first professional students for the fall semesters, 2002 – 2006.

Minority Headcount Enrollment - Undergraduates

	2002	2003	2004	2005	2006
☑ Research	16%	16%	15%	15%	15%
☐ Teaching	28%	28%	29%	29%	29%
☐ Regional Campuses	29%	30%	31%	32%	34%
☒ Technical Colleges	37%	37%	36%	36%	36%
■ All Public	30%	30%	30%	30%	30%

Fall Semester
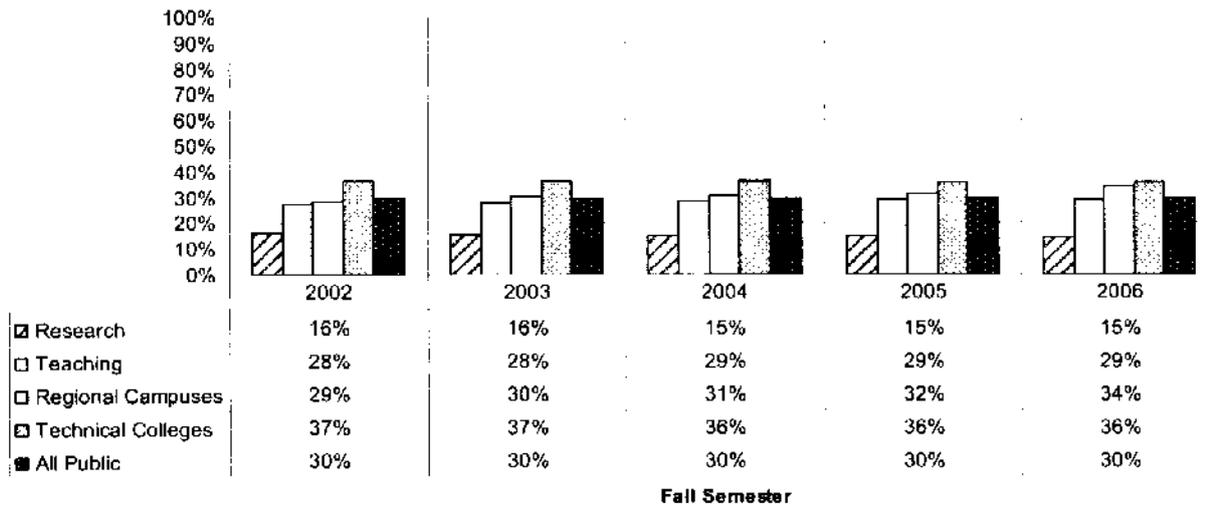
Minority Headcount Enrollment - Graduate and First Professional Students

	2002	2003	2004	2005	2006
☐ Research	14%	14%	14%	14%	15%
☐ Teaching	23%	25%	24%	24%	27%
■ All Public	17%	18%	18%	17%	18%

Fall Semester
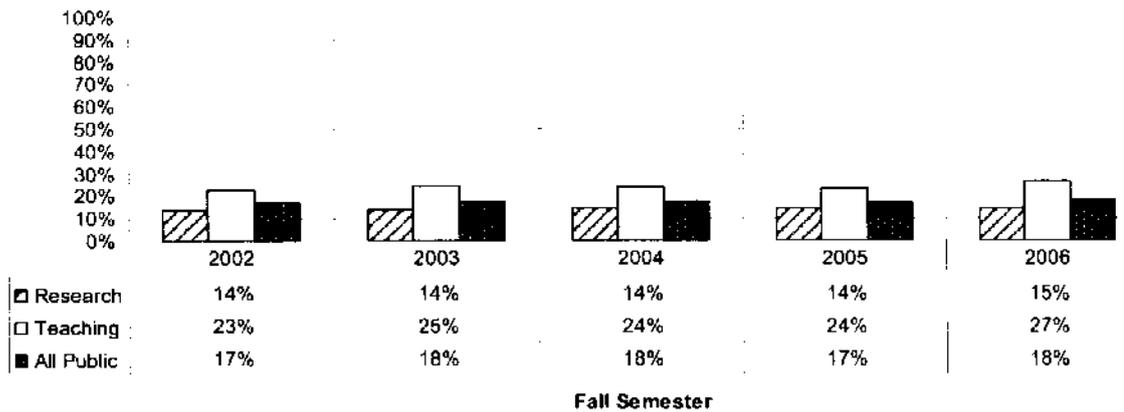
Graph 7.1-5b, Graduation Rates of Minority Students Compared to All Students by Cohort, South Carolina Public Institutions by Sector

The charts below illustrate the graduation rate of minority students compared to all students at the state's four-year institutions (research institutions and comprehensive teaching institutions) and two-year institutions (two-year regional campuses of USC and technical colleges). USC Beaufort is excluded from comprehensive teaching as it recently transitioned from two- to four-year status. Graduation rates are measured by considering an incoming cohort of students and measuring the percent who graduate within 150% of their normal program time which is six years for baccalaureate degree programs and three years for associate degree programs. The data below are from IPEDS Graduation Rate Survey information and include rates for the three most recent cohorts for South Carolina Public Colleges and Universities.

Graduation Rate in 150% of Normal Program Time
Research Institutions (USC Columbia and Clemson)

Cohort	Group	Rate
Entering 1998/ Completing 2004	Minority	60%
	All	68%
Entering 1999/ Completing 2005	Minority	65%
	All	70%
Entering 2000/ Completing 2006	Minority	64%
	All	70%
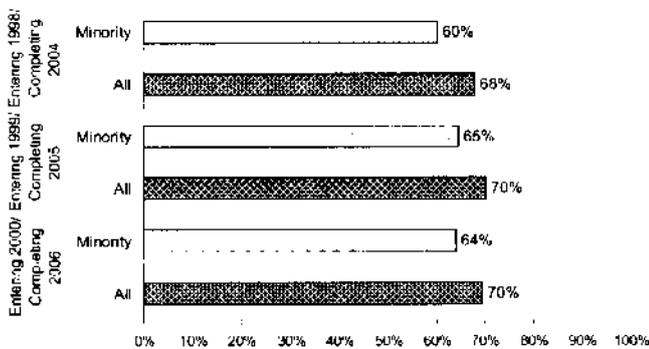
Graduation Rate in 150% of Normal Program Time
Comprehensive Teaching Institutions

| Cohort	Group	Rate
Entering 1998/ Completing 2004	Minority	46%
	All	50%
Entering 1999/ Completing 2005	Minority	50%
	All	50%
Entering 2000/ Completing 2006	Minority	52%
	All	52%
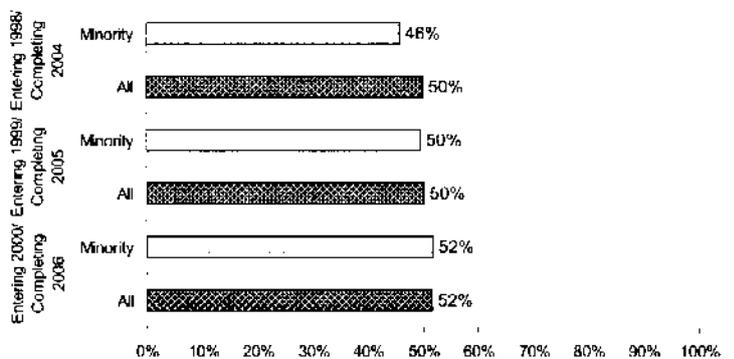
Graduation Rate in 150% of Normal Program Time
Regional Campuses of USC

Cohort	Group	Rate
Entering 2001/ Completing 2004	Minority	14%
	All	21%
Entering 2002/ Completing 2005	Minority	17%
	All	20%
Entering 2003/ Completing 2006	Minority	19%
	All	20%
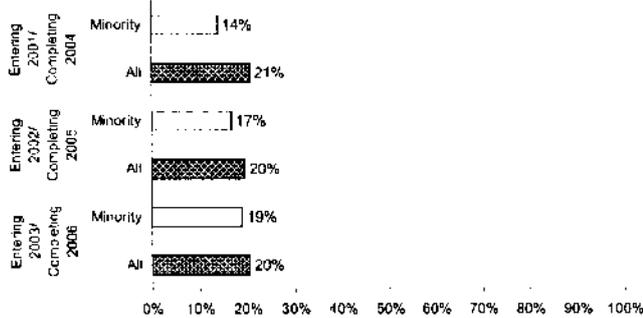
Graduation Rate in 150% of Normal Program Time
Technical Colleges

Cohort	Group	Rate
Entering 2001/ Completing 2004	Minority	11%
	All	15%
Entering 2002/ Completing 2005	Minority	9%
	All	13%
Entering 2003/ Completing 2006	Minority	8%
	All	12%
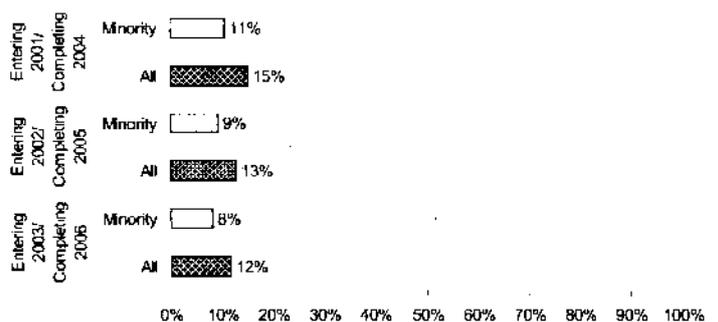
Graph 7.1-5c, Percent of Minority Faculty Teaching in South Carolina's Public Institutions, Fall 2002 - Fall 2006

The data in the chart below show the percent of those teaching in the fall who are minority. Data exclude graduate student teachers. Minority includes African American, American Indian/Alaskan Native, Asian/Pacific Islander and Hispanic. These data are used for Performance Funding Indicator 8C4, Percent of Minority Teaching Faculty.

Minority Teaching Faculty

(Faculty include those teaching at least one credit course in fall, excluding graduate students)

	2002	2003	2004	2005	2006
Research	10%	10%	11%	12%	12%
Teaching	15%	14%	14%	15%	15%
Regional Campuses	12%	14%	14%	15%	15%
Technical Colleges	14%	15%	16%	17%	17%
All Public	13%	13%	14%	15%	15%

Fall Semester
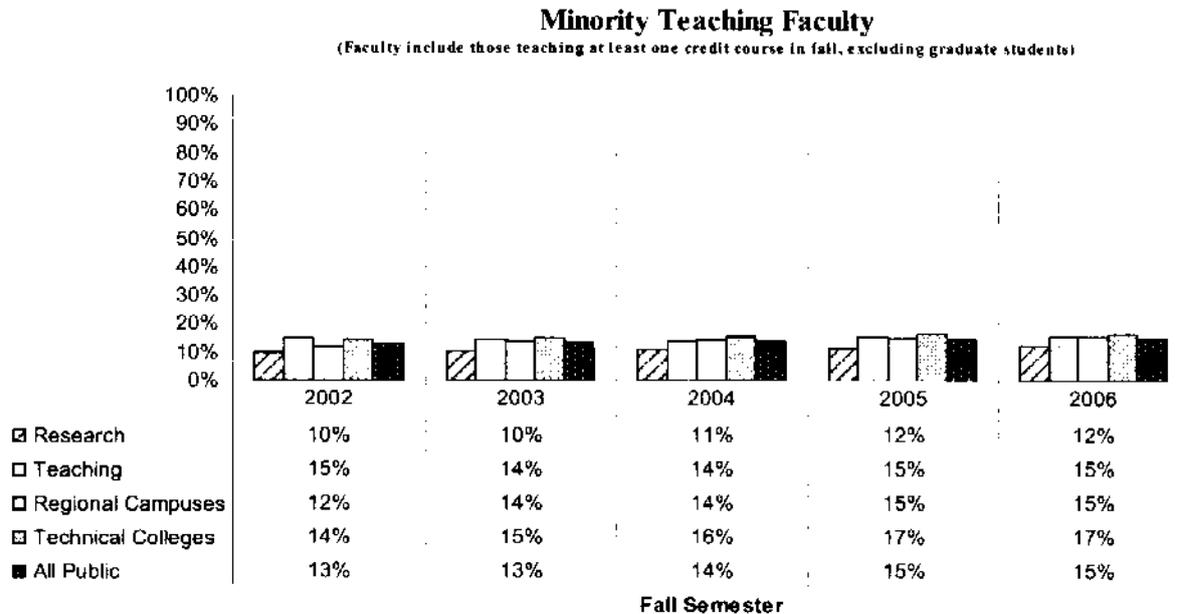
ITEM 7.1-6, VETERANS EDUCATION AND TRAINING PROGRAMS

CHE has been designated by the Governor's Office as the State Approving Agency for Veterans Education and Training. As the State Approving Agency, CHE staff is responsible for approval of academic and on-the-job training programs for the purpose of enabling veterans to receive federal educational benefits. These activities include the approval of degree, diploma, and certified programs at the public and independent colleges and universities in South Carolina.

Related Activity	FY03	FY04	FY05	FY06	FY07
Number of Program Approvals for degree(s), diploma(s), and certificate(s) at each school approved for veterans benefits	*	*	*	*	3,441
On-the-Job Apprenticeships and Training:					
Number of Business/Organizations across S.C. involved	94	128	147	112	158
Number of Veterans enrolled in Career Training Programs	*	*	*	*	169
Number of Approved Career Training Objectives (i.e., types of available jobs)	172	218	314	156	182
Number of the Types of Career Training Objectives in which Veterans Participated	*	*	*	*	47

* Comparable trend data are not available.

ITEM 7.1-7, PROGRAMS FOR PROMOTING EARLY AWARENESS OF HIGHER EDUCATION AND PREPARATION FOR PARTICIPATION IN HIGHER EDUCATION

7.1-7a, Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)

In August 2005, the United States Department of Education awarded CHE a second, six-year GEAR UP grant in the amount of $2.4 million per year for a total of $14.8 million. GEAR UP is a national grant program which supports early college preparation and awareness activities for rural and low-income students.

South Carolina GEAR UP provided direct services to 22 middle schools, both rural and low-income, in the Pee Dee region of our state to give students the skills and support they need to prepare for, enter, and succeed academically in postsecondary education. All students participating in SC GEAR UP programs take rigorous college preparatory courses in order to meet college admission requirements. This year, year 2 of the grant, SC GEAR UP staff coordinated the efforts of the stakeholders to fully implement the planned activities of the grant and helped 3,490 students and families pursue their dreams of attaining postsecondary education.

To provide SC GEAR UP schools with programs and activities to help students improve their college readiness, CHE partnered with the South Carolina Chamber of Commerce, the State Department of Education (SDE), the two South Carolina Governor's schools, and the Southeast Center for Ocean Sciences Education Excellence. By working together toward common goals, SC GEAR UP and its partners encouraged students to stay in school, raise their academic and career aspirations, and enroll in rigorous, college preparatory courses in order to be prepared to meet college admission requirements.

Two staff members at the South Carolina Chamber of Commerce coordinated the business and community involvement portion of the SC GEAR UP program. Charged with improving academic achievement by partnering businesses with the 22 SC GEAR UP schools, the Chamber secured 73 business partnerships and over 50 individual volunteers. Each business partnership provided unique services to the schools and established a mutually beneficial relationship with the students, parents, and educators.

SDE implemented professional development seminars for SC GEAR UP teachers and provided each school with a laptop computer for administrative assistance. A mentoring training program was established with each of the 15 SC GEAR UP school districts. Housed at SDE, this program provided extensive mentor training support to the Chamber's business and education program as well as to the mentors and tutors employed by the school districts.

As part of the program evaluation, an Annual Performance Report (APR) was prepared to show its success and progress for the U. S. Department of Education. The APR is used by the Department to determine whether substantial progress has been made toward meeting the SC GEAR UP program goals and objectives. Below are data from the SC GEAR UP statistical sample provided in the APR that demonstrate the intensity of services provided to SC GEAR UP students, parents, and educators for 2006-07, year two of the grant. Subsequent reports will show the full impact of the implementation of the SC GEAR UP program.

SC GEAR UP Services Provided 2006-07 (Year 2)

Type of Services Provided to Students	Number of Students Who Received Service	Average Hours of Service Per Student Receiving the Service Per Year
Tutoring/academic enrichment	2,394	75.7
Computer-assisted lab	929	19.0
Mentoring	2,424	25.8
Advising/academic and career planning	1,293	8.7
College visit/college student shadowing	2,158	7.7
Job site visit/job shadowing	725	3.2
Summer programs	618	40.7
Educational field trips	1,028	5.6
Workshops	278	1.2
Family events	898	1.4
Cultural events	0	0

Type of Service Provided to Parents	Number of Parents Who Received Service	Average Hours of Service Per Participant Receiving the Service Per Year
College prep/financial aid workshops	1,877	1.6
Counseling/advising	3,136	3.2
College visits	115	0.2
Family events	712	1.4

Number of Teachers Who Taught SC GEAR UP Students	Average Hours of Professional Development Per Participating Teacher
246	37.2

7.1-7b, Higher Education Awareness Program (HEAP)

The Higher Education Awareness Program (HEAP) is funded through the efforts of the South Carolina Legislature to provide early awareness opportunities for all South Carolina eighth graders. CHE coordinates HEAP which, as outlined in Act 271 of 1992, is to provide information about higher education to eighth grade students and their parents, to increase student and parent/guardian knowledge about the availability of postsecondary education options, and to motivate students to aspire to higher education.

In the 2006-07 school year, over 56,000 HEAP CDs were distributed to every middle school in South Carolina with an eighth grade population. In addition to the interactive student content available on the HEAP CD, there is also interactive content for parents and educators. The CD is available to students and families any time during the year.

The HEAP CDs aren't the only way eighth grade students and their families are exposed to higher education. In 2006-07, CHE made over $100,000 available in mini-grants to support higher education opportunities. Middle schools or their higher education institution partner can apply directly for mini-grants. The grants are used to supplement transportation costs for students to visit a college or university, to bring college access speakers into the classroom, and to fund quiz bowls and other vigorous college awareness activities. Currently, 55 middle schools and 10 higher education institutions from across the state participate.

SC HEAP Mini-grant Program, 2006-07

Higher Education Partner	Primary Activity	Students Served
Aiken Technical College	Career exploration	2,100
Citadel	Panel discussion with cadets	300
Denmark Technical College	Campus tours / Mentoring	450
Medical University of S.C.	Career exploration / Campus visits	345
Northeastern Technical College	Campus visit / Financing college	310
S.C. State University	HEAP Quiz Bowl / Campus visit	650
Trident Technical College	Career day / Financing college	750
USC Beaufort	Parent / Student night	1,500
USC Lancaster	Panel discussion / Campus visit	750
USC Salkehatchie	Career Expo / Speakers	200
	Total Students Served:	**7,355**

7.1-7c, *College Goal Sunday* in South Carolina

In the summer of 2006, CHE was awarded a three-year grant from the Lumina Foundation to implement *College Goal Sunday* in South Carolina. This program, which aims to increase the number of college bound students completing the "Free Application for Federal Student Aid" (FAFSA), was piloted along the I-95 corridor. At five cluster sites in Florence, Sumter, Charleston, and Orangeburg and at four local sites in Allendale, Bamberg, Varnville, and Colleton approximately 300 families were served in the program's inaugural year. Over 100 financial aid officers, their staffs and schools guidance counselors helped make this event a success.

Site	Number of Families Attending	Number of Volunteers
Florence – Francis Marion	25	10
Florence – Florence-Darlington Tech	25	12
Sumter – USC	60	15
Charleston – Trident Tech	43	22
Orangeburg – Orangeburg-Calhoun Tech	23	19
Wade Hampton High School	22	6
Bamberg Erhardt High School	26	6
Allendale Fairfax High School	27	7
Colleton County High School	36	5
College Goal Sunday Total	**287**	**102**

ITEM 7.1-8, ENSURING QUALITY ACADEMIC PROGRAMS

Table 7.1-8a, Academic Program Review

Ensuring academic program quality is one of the primary functions of CHE. Statewide academic program review involving objective outside consultants provides a means of providing assurances of quality to the state. Decreased state funding in recent years has virtually eliminated this quality control initiative. CHE has been unable to conduct its on-going process for the statewide review of academic programs. The last reviews completed as part of this process included: a review of Nursing and Engineering/Engineering Technology programs completed in 2000-01 and a review of Computer Science programs completed in 2001-02. CHE has maintained its participation as part of its responsibilities under the three-way partnership of CHE, the State Department of Education, and NCATE (National Council for the Accreditation of Teacher Education) in the review of teacher education programs. The review of existing education programs was completed in 2004-05 as reflected in the table below. CHE has sought funding for the past two years to re-establish the program review process. In the upcoming year, CHE will work with institutions to determine how this process might best be accomplished.

FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07
All education programs at 6 public institutions were reviewed	All education programs at the remaining 5 public institutions were reviewed. This year marked the completion of the 2.5 year cycle.	No visits to public institutions in 2005-06.	Pre-visit for NCATE at one institution in August 2006 and one focus visit in October 2006.

Table 7.1-8b, Academic Program Approval and Review Activity

CHE is responsible for the approval of new academic degree programs at the associate degree level and higher. Thorough analysis of new program requests ensures that programs are well developed, provide adequate resources, and are not unnecessarily duplicative. The following table summarizes activity in this area.

Academic Program Approval and Review					
Related Activity	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07
Number of Program Planning Summaries Reviewed	27	40	39	22	25
Number of New Program Proposals Reviewed	39	24	27	16	23
Number of Existing Programs Terminated	5	26	18	14	22
Number of Program Modifications Reviewed	7	4	5	2	6
Number of Existing Centers Terminated	n/a	13	1	2	0
Number of Notification Changes	not collected	not collected	70	46	47

Table 7.1-8c, Academic Policy Development and Participation in Advisory Activities

The following table summarizes other important work of CHE in light of CHE's advisory role in regard to academic policies. As a note, members of CHE's division of Academic Affairs and Licensing serve as liaison in FY 2006-07 to 43 statewide committees and organizations, national and regional organizations, and governmental agencies, all of which are stakeholders in higher education. This liaison activity involves not only attendance at meetings but on occasion participating in interviews, reading grant proposals, presentations, and participating in other specific activities.

Related Activity	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07
Number of **NEW** Academic Policies Developed	1 (Program Productivity Standards)	3 (Nursing Agreement, Expansion of Transfer Articulation Courses; "Standards for University Success" and Dual Enrollment)	–	1 (Mission Statement Approval)	3 (IB Credit Policy; Project Lead the Way Credit Policy; Substantive Revisions to "Policies & Procedures for New Academic Program Approval – Termination")
Number of **NEW** Grant Proposals or Guidelines Developed	5	3	–	–	–
Number of Reports, Articles, Presentations Prepared on Academic Issues	11	9	12	10	11
Participation in Interagency Taskforces & Committees: (# of Taskforces/Committees)	15	27	34	29	43

Table 7.1-8d, Competitive Grant Programs for Public Institutions

As part of its responsibilities, CHE acts to foster an environment for research, teacher improvement, and technology initiatives through administering several competitive grants programs. CHE administers a state-funded competitive grant program for four-year institutions that is aimed at increasing research activities of these institutions. Considerable energy and attention are also directed toward improving teacher education and engaging in K-20 activities through activities related to the state's partnership with the National Council for the Accreditation of Teacher Education, the activities of the State Department of Education, and several grant programs administered by CHE which are designed to provide enhanced professional development opportunities for pre-service and in-service teachers. The following tables provide information regarding several of the competitive grant programs administered by CHE's Academic Affairs and Licensing Division.

Competitive Grant Program	The data shown here as #/# reflect the # Granted / # Submitted				
	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07
Improving Teacher Quality Program [1]	21 / 22	8 / 15	1 / 7	6 / 19	7 / 10
Professor of the Year:					
# of Submissions	37	37	38	38	39
# of Finalists	10	10	10	10	10
# of Top Awards	2	2	2	2	2
Service Learning Competition					
# Submissions	17	23	14	11	12
# Awards [2]	2	3	3	3	3
Centers of Teacher Excellence Program	2 / 3	2 / 4	2 / 4	1 / 5	1 / 5

(1) The program was known as the Eisenhower Grant Program in FY01 and FY02.
(2) Awards provided to a Public Senior Institution, a Public Two-Year Institution and an Independent Institution. Independent Institutions joined the competition in 2002-03.

Table 7.1-8e, Competitive Grant Program for Public Institutions – Dollars Awarded

The following table details the dollars awarded through the various competitive grants shown in 7.1-8d.

Program	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07
Improving Teacher Quality Program	$943,132	$963,146	$959,261	$1,168,188	$1,591,042
Professor of the Year Program	Each of the two award winners receives a $5,000 prize. Each finalist receives $500.				
Centers of Teacher Excellence Program	$500,226	$500,226	$662,953	$709,100	$709,100

Table 7.1-8f, Institutional Program Licensing Activity

A major area of endeavor for CHE is the licensing of degree-granting and non-degree institutions, profit and not-for-profit, seeking to operate in the state. This process is designed to provide consumer protection by ensuring that minimum standards are met which have been increasingly aligned to the standards of the regional accrediting body, the Southern Association of Colleges and Schools (SACS).

Institutional Program Licensing Activity					
Related Activity	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07
New Agent Permits	115	62	68	70	175
Transcripts Requested	335	343	311	278	269
New Licenses -- Degree Granting:					
Initial Licenses	4	2	4	3	5
Amendments to Licenses	12	5	14	12	12
Non-Degree Granting Licenses Issued	164	168	148	166	210
Licenses Relinquished, Deferred, Denied, or Revoked	4	7	4	8	3
Student Complaints	40	30	25	34	25

Table 7.1-9, Research University Infrastructure Act Project Certification

Under the S.C. Research University Infrastructure Act (Act 187 of 2004), $220 million in bond funds became available to South Carolina's Research Universities for research infrastructure projects. In order to access the bond funds, research institutions must acquire matching funds totaling at least 50% of the cost of each project. The Centers of Economic Excellence Review Board certifies the required match. CHE staff assists the Review Board in verifying the match and preparing the certification. The project is then considered by the by the Joint Bond Review Committee (JBRC) and subsequently the Budget & Control Board (BCB). The table outlines the projects certified to date.

Research Institution	Phase I	Phase II	Phase III	Total
Clemson University	$41.700 million*	$10.300 million*	$17 million**	$69.000 million
USC	$58.000 million*	$15.330 million	N/A	$73.330 million
MUSC	$36.071 million*	$37.261 million	N/A	$73.332 million
Subtotals	$135.771 million	$62.891 million	$17 million**	$215.662 million

Projects included were approved in 2005 and 2006. Phases I, II, and III contain multiple projects. The figures do not reflect bonds issued by the Office of the State Treasurer. *: Proposals that have been certified by the S.C. Centers of Economic Excellence Review Board and have been approved by JBRC and BCB. **: Figure provided is an estimated minimum total.

Item 7.1-10, South Carolina Centers of Economic Excellence

In 2002, the South Carolina General Assembly passed the Research Centers of Economic Excellence Act in order to promote growth of the knowledge-based economy in South Carolina. Oversight of the program is provided by the S.C. Centers of Economic Excellence Review Board. CHE approves the budget for the Review Board's operations and also provides staff support for the program's day-to-day operations. South Carolina Education Lottery funds in the amount of $30 million per year have been appropriated for the program since the 2002-2003 fiscal year. Over the last five years, 35 research proposals totaling $149 million have been approved for funding. South Carolina's three research institutions are required to raise dollar-for-dollar, non-state matching funds in order to access state funding.

The most current information on the CoEE (Endowed Chairs) Program is available at http://www.sccoee.org. A list of funded proposals follows:

S.C. Centers of Economic Excellence Funded Proposals

2002-03

Institution	Funding Yr 02-03	Proposal Title	Proposal Amount
Clemson	2002-03	Automotive Design & Development	$5 million
Clemson	2002-03	Automotive Manufacturing	$5 million
Clemson	2003-04	Automotive Systems Integration	$5 million
MUSC	2002-03	Proteomics	$4 million
MUSC	2002-03	Neuroscience	$3 million
MUSC/College of Charleston	2002-03	Marine Genomics	$4 million
MUSC/Clemson/USC	2003-04	Regenerative Medicine	$5 million
USC	2002-03	Nanostructures	$4 million
USC/MUSC	2002-03	Brain Imaging	$5 million
Total in 2002-03			**$30 million**
Total 2003-04 funding approved in 2002-03			**$10 million**

2003-04

Institution	Funding Yr 03-04	Proposal Title	Proposal Amount
Clemson	2003-04	Photonic Materials	$5 million
Clemson	2003-04	Electronic Systems Integration	$3 million
MUSC/USC	2003-04	Translational Cancer Therapeutics	$5 million
MUSC/USC	2004-05	Cancer Drug Discovery	$5 million
USC	2003-04	Polymer Nanocomposites	$3.5 million
USC	2003-04 2004-05	Hydrogen & Fuel Cell Economy	$2.5 million $2.5 million
USC/Coastal Carolina	2004-05	Travel & Tourism Technology	$2 million
Total in 2003-04			**$19 million**
Total 2004-05 funding approved in 2003-04			**$9.5 million**

2004-05

Institution	Funding Year 04-05	Proposal Title	Proposal Amount
Clemson	2004-05	Electron Imaging	$5 million
Clemson	2005-06	Supply Chain, Optimization & Logistics	$2 million
Clemson	2005-06	Urban Ecology and Restoration	$2 million
MUSC	2004-05	Gastrointestinal Cancer Diagnostics	$5 million
MUSC/USC	2004-05	Vision Science	$4.5 million
MUSC/USC/Clemson	2005-06	Clinical Effectiveness & Patient Safety	$5 million
USC	2004-05	Renewable Fuel Cells	$3 million
Total in 2004-05			**$17.5 million**
Total 2005-06 funding approved in 2004-05			**$9 million**

2005-06

Institution	Funding Year 05-06	Proposal Title	Proposal Amount
Clemson	2005-06	Advanced Fiber-Based Materials	$4 million
Clemson	2005-06	Molecular Nutrition	$2 million
MUSC	2005-06	Molecular Proteomics in CV Disease & Prevention	$5 million
USC	2005-06	Solid Oxide Fuel Cells	$3 million
USC/MUSC	2005-06	Childhood Neurotherapeutics	$5 million
USC/MUSC/Clemson	2006-07	Healthcare Quality	$5 million
Total in 2005-06			**$19 million**
Total 2006-07 Funding approved in 2005-06			**$5 million**

2006-07

Institution	Funding Year 06-07	Proposal Title	Proposal Amount
Clemson/MUSC	2006-07	Health Facilities Design & Testing	$5 million
MUSC	2006-07	Tobacco-Related Malignancy	$5 million
MUSC/USC	2006-07	Stroke	$5 million
USC	2006-07	Rehabilitation & Reconstruction Sciences	$5 million
USC	2006-07	Strategic Approaches to Electricity Production from Coal	$5 million
USC/Clemson	2006-07*	SeniorSMART^{TM} Center	$5 million
Total in 2006-07			**$30 million**

Center approved August 20, 2007

TOTAL APPROVED SINCE PROGRAM INCEPTION	**$149 million**

ENDOWED CHAIRS PROGRAM FIGURES			
Lead Institution	Number of Awards Approved	Number of Chairs Approved	State Funds Drawn to-date
Clemson University	11	14	$17,994,330
University of South Carolina	12	22	$10,780,965
Medical University of South Carolina	12	26	$25,057,919
Total	**35**	**62**	**$53,833,214**