

MINUTES OF MEETING
OF
SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION
Greenville Technical College
Greenville, South Carolina
October 3, 1996
10:30 a.m.

MEMBERS PRESENT

Mr. R. Austin Gilbert, Jr., Chairman
Ms. Rosemary H. Byerly
Mr. Bart E. Daniel
Dr. Colgate W. Darden, III
Dr. C. Edward Floyd
Mr. Frank Gilbert
Mr. Winfred S. Greene
Dr. W. David Maxwell
Gen. Thomas R. Olsen
Mr. Lewis Phillips
Mr. Bill H. Stern
Mr. Roger B. Whaley

MEMBER ABSENT

Mr. Dalton B. Floyd, Jr.

STAFF

Ms. Mary Broadwater
Ms. Camille T. Brown
Mr. Michael L. Brown
Mr. Charlie FitzSimons
Mr. Ivan Guinn
Ms. Margaret L. B. Hicks
Dr. R. Lynn Kelley
Mr. Alan S. Krech
Dr. David R. Loope
Ms. Lynn W. Metcalf
Dr. Gail M. Morrison
Mr. Fred R. Sheheen
Mr. John E. Smalls
Dr. Michael Smith
Ms. Yolanda Solone

Ms. Janet K. Stewart
Dr. Lovely Ulmer-Sottong

GUESTS

Dr. Robert E. Alexander
Dr. James Arrington
Mr. Todd E. Barnette
Dr. Thomas E. Barton, Jr.
Mr. Harry Bell
Dr. Ernst Ludwig Berz
Ms. Elisabeth Bittner
Mr. John Bowman
Dr. Benton H. Box
Col. Gary Cathcart
Ms. Tonya Chambers
Ms. Donna Collins
Mr. Robert A. Connelly
Mr. Robert C. Crawford
Dr. Larry R. Faulkner
Dr. Conrad Festa
Mr. John L. Finan
Dr. Wulf Fischer
Mr. David Fleming
Dr. Carol Z. Garrison
Mr. Alan Godfrey
Mr. Ralph Green
Ms. Karin Heubner
Mr. Charlie Jeffcoat
Mr. Jim Kirk
Mr. Manning N. Lomax
Mr. Scott A. Ludlow
Dr. Siegfried Magiera
Dr. Deidre Martin
Dr. Harry G. Matthews
Dr. Michael McCall

Dr. R. Layton McCurdy
Dr. Klaus Merle
Mr. Willard A. Metcalf
Dr. Isaac S. Metts, Jr.
Dr. Paul Muller
Dr. Kurt Neumeier
Ms. Virginia Noel
Dr. Walton H. Owens, Jr.
Mr. Donald Peterson
Ms. Sharon Pothering
Dr. Blanche Premo-Hopkins
Mr. Rick Puncke
Mr. William T. Putnam
Dr. Gisela Rauschhofer
Mr. Charles Shawver
Dr. Sabra Slaughter
Rep. Harry Stille
Dr. DeWitt Stone
Dr. Marge Tebo-Messina
Col. Donald Tomasik
Dr. David Underwood
Dr. Jim Vincent
Dr. Lex D. Walters

MEMBER OF THE PRESS

Mr. Bill Robinson

For the record, notification of the meeting was made to the media as required by the Freedom of Information Act.

Mr. Bob Crawford, chairman of the Greenville Technical College Area Commission, welcomed the Commission to Greenville Technical College and invited members, guests, and staff to a luncheon following the meeting. Mr. A. Gilbert thanked Mr. Crawford and Dr. Barton for their hospitality during the Commission's visit to Greenville Technical College.

1. Introductions and Remarks from the German Delegation

Mr. Sheheen stated that South Carolina is participating in a partnership agreement with states in Germany, and that the Commission on Higher Education is the lead agency in the implementation of the higher education portion of the partnership. He introduced Ms. Bittner who expressed gratitude and appreciation for the hospitality extended to the German delegation.

Mr. Sheheen pointed out that October 3 is the anniversary of the German reunification. Dr. Magiera spoke commemorating the reunification of Germany and expressing the wish for lasting friendship with South Carolina.

2. Special Presentation: Deans' Committee on Medical Education

Dr. McCurdy and Dr. Faulkner gave a presentation on medical education in South Carolina and on the Deans' Committee on Medical Education. The presentation included a history of CHE oversight of medical education; problems with the oversight committee function; and current activities and recommendations concerning future directions for the Deans' Committee on Medical Education.

Dr. Floyd expressed concern, stating that the governance of AHEC should be a primary topic of consideration in the strategic plan. Dr. McCurdy stated that future directions would be studied and recommendations would be ready for the next quarterly review of the Academic Affairs Committee.

3. Approval of Minutes of Meetings of September 19, 1996

It was moved (Greene), seconded (Phillips), and voted that the minutes of the meeting of September 19, 1996 be approved with the following changes: Mr. F. Gilbert stated that the Commission has already approved the "Rules and Procedures" of the Commission which state that the chief executive officer shall be called Commissioner. Mr. F. Gilbert raised a point of order, stating that in order to take action, there would have to be a motion to reconsider, and he so moved, seconded (Olsen), and the motion passed.

After discussion, it was moved (Daniel), seconded (Byerly), and voted that the Commissioner's title be changed to Executive Director and the Associate Commissioners' titles be changed to Directors.

4. Committee Reports

3.04 Report of Committee on Finance and Facilities

Mr. Daniel, chairman of the Committee on Finance and Facilities, reported on the following matters:

A. 1. Consideration of Step 12

The Committee recommended that neither new Step 12 items nor increases in existing items be approved. This recommendation applies to FY 1997-98.

It was moved (Daniel), seconded (Byerly), and voted that the recommendations be approved with Dr. Maxwell voting in the negative

It was moved (Maxwell) and seconded (F. Gilbert) that an independent ad hoc committee be appointed to review the classification of Unique Cost in the projects in the budget today and report back at the November meeting. Following discussion, the motion was withdrawn as was the second.

Mr. Greene requested that the criteria for Step 12 items be distributed to the Commission members.

A.2. Below-the-Line Item

Below-the-Line items are not a part of the institution's base. These items are approved annually and individually by the General Assembly.

The Committee recommended that the Commission continue to receive and review annually the "Below-the Line" items.

It was moved (Daniel) and seconded (Phillips), that the recommendation of the Committee be approved.

Mr. Stern expressed concern about institutions going to the General Assembly for funding before coming to the Commission. Mr. Sheheen stated that the law is quite clear, stating that an institution must first go to the Commission on Higher Education. If the Commission does not approve the project, it can only go to the General Assembly using certain appeals procedures set forth in the law. Mr. Whaley stated that it was agreed upon in the Joint Legislative Committee to Study the Governance and Operation of Higher Education in South Carolina that all requests of that nature should come through the Commission.

Dr. Floyd stated that he believes that Clemson University has a real need for the Central Energy Facility project for \$23.5 million; however, other institutions have needs. He asked Dr. Alexander how the Council of College and University Presidents felt about this. Dr. Alexander stated that the Council's position is that the institutions should go through an orderly bond bill process which gives the Commission the basis for setting priorities for all institutions. Mr. Sheheen stated that the Clemson project is the only capital improvement request presented at this time. All the other requests are operating budget items.

After more discussion, Mr. Daniel withdrew his motion. It was moved (Daniel), seconded (F. Gilbert) and voted to defer the recommendation on the Clemson Central Energy Facility until the institutions and Commission staff have ranked all the projects and discussed the possibility of a bond bill.

A.3. Other Below-the-Line Items

- a. MUSC Diabetes Center of Excellence
- b. MUSC-AHEC Rural Physician Recruitment Program
- c. MUSC-AHEC S.C. Healthcare Recruitment and Retention Center
- d. USC-Columbia S.C. Alliance for Minority Participation
- e. USC-Columbia Small Business Development Center of S.C.
- f. USC-Beaufort Penn Education Center, Rural At Risk Families
- g. USC-Columbia Southeast Manufacturing Technology Center

It was moved (Daniel), seconded (F. Gilbert), and voted to approve these projects.

USC-Columbia Experimental Program to Stimulate Competitive Research

Mr. Whaley asked the reason that the Committee recommended \$2,000,000 instead of \$2,500,000. Mr. Sheheen stated that Committee felt that the \$2,000,000 was sufficient to fund the activities that were presently supported by the National Science Foundation, the National Space Administration and federal agencies that contribute to the ESPSCoR program, and it will meet the matching requirements that the federal government has imposed.

It was moved (Daniel), seconded (Olsen), and voted to approve this project.

B. Consideration of Deferred Maintenance and Capital Improvement Needs

The Committee recommended that the Commission not take an official position as to any capital improvements or bond bill at this time. After further study, the Committee will come back to the Commission.

It was moved (Daniel), seconded (Olsen), and voted that the recommendation of the Committee be approved.

C. The Citadel - National Guard Armory

This project is for the design and development of detailed plans and specifications, along with associated testing and fees, for the renovation and expansion of the existing National Guard Armory, which will include space for the Alumni Association and other external support activities. The project budget is \$379,200 with an estimated formula funding impact of \$72,352. When private funds are available for the construction, the project will be submitted for full approval. Construction of the facility may proceed in phases as funds become available.

The Committee recommended approval of this design and development project as proposed.

It was moved (Daniel), seconded (Olsen), and voted that the recommendation of the Committee be approved with (F. Gilbert), (Stern), and (Whaley) voting in the negative.

D. Consideration of Student Faculty Ratio/Average Class Size

The Committee recommended to leave the Student Faculty Ratio/Average Class Size as it is and not take an official position at this time so that it can be studied further.

It was moved (Daniel), seconded (Whaley), and voted that the recommendation of the Committee be approved.

E. Consideration of Allocation Methodology of State Appropriations above the FY 1996-97 Base

The Committee recommended that 75% of any new money be based on the current formula and the remaining 25% be based on performance indicators.

It was moved (Daniel), seconded (Byerly), and voted that the recommendation of the Committee be approved.

F. Presentation on Budget Review and Comment Process

Mr. Smalls stated that legislation requires that the Commission on Higher Education review the detailed budgets from the institutions. Those detailed budgets are due to the Budget and Control Board on October 9. In

keeping with the legislation, the staff reviewed the budgets, which were distributed at this meeting. The Commission members will have an opportunity to make comments on the budgets at the November meeting, and the Commission recommendation will be sent to the Budget and Control Board. Mr. FitzSimons gave a presentation on the budget submissions.

Mr. Whaley expressed a concern that the percent of funding given to higher education is decreasing. He noted the idea with performance based funding is to become more efficient and to gain the confidence of the legislature so that institutions can be funded properly, since the only alternative for the institutions is to raise student fees.

3.05 Report of Committee on Planning and Assessment

Mr. Whaley, chairman of the Steering Committee on Performance Funding, reported on the following matters:

Steering Committee Recommendation on Performance Funding

Following the process established by the Commission on Higher Education at its July 1996 meeting, three task forces have been working to develop measures for each performance indicator included in Act 359. These measures were considered by the Steering Committee in September 1996, and approved. The measures are now being presented to the Commission for approval. Following approval, the measures will be forwarded to the four sector committees, which will develop benchmarks and applications. The sector committees will report to the Steering Committee on December 10, 1996. The Steering Committee will present the overall performance funding plan to the Commission for consideration at its regularly scheduled meeting on January 9, 1997. (Measures Attachment 1)

Mr. Whaley stated that he is concerned about transfer students as related to the graduation rate and funding. Mr. Sheheen noted that graduation rates have to be considered in the context of the Student Right to Know Act from the federal government which defined graduation rates for all higher education institutions. The law says the institutions in South Carolina have to publish graduation rates pursuant to the federal definition. Mr. Sheheen stated that we should maintain the integrity of the federal definition and add some other indicator so that institutions who do play a large role in accommodating transfer can be rewarded. Mr. Whaley suggested that the matter be turned over to the staff for further definition.

It was brought out that the measures will need continuing revision and modification as more is learned about the process, and this may necessitate adjustments in the legislation.

It was moved (Whaley), seconded (Stern), and voted to approve the recommendations of the Steering Committee with the caveat that this is a dynamic piece of work which will continue to change as it goes forward. He added that the definition of graduation rates should be dealt with separately and expeditiously.

Mr. Stern, on behalf of the Commission, thanked everyone for serving on the Task Forces.

Mr. Whaley reported that each of the Chairs of the performance indicator task forces mentioned the need for a national firm to develop models of how performance funding would be distributed for higher education and project how funds would be allocated in future years. It was moved (Whaley), seconded (Stern), and voted to approach the Budget and Control Board for funding to hire an outside firm to assist in modeling the application of performance based funding and how it relates to groups of institutions and individual institutions.

5. Report of the Executive Director

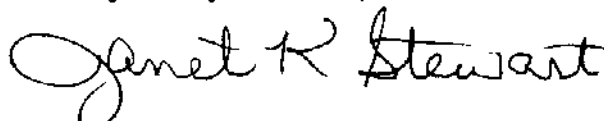
Mr. Sheheen welcomed again the distinguished members of the German delegation. He expressed to Dr. Barton on behalf of the Commission our deep appreciation for Greenville Technical College's generous hospitality.

6. Other Business

Mr. Stern requested that the Finance and Facilities Committee review reserve funds for maintenance of all new construction and also look at adequate fire protection for student housing.

There being no further business, the meeting was adjourned at 1:20 p. m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Janet K. Stewart". The signature is written in dark ink and is positioned above the printed name and title.

Janet K. Stewart
Recording Secretary