



SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION
RUTLEDGE BUILDING
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COMMISSIONER

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Dear Dr. Stoudemire:

The Commission on Higher Education (CHE) has completed its consideration of recommendation 2 on page 59 and recommendation 6 on page 60 of the Governor's Management Review Commission report. As you know, both of these matters have been studied previously by CHE during preparation of its January, 1972 report to the Governor and the General Assembly entitled Goals for Higher Education to 1980. Since then, as promised in my February 25 letter, both matters have been re-considered by the CHE staff, by a special CHE committee, and by CHE itself. The results of this reconsideration are summarized below.

2. Adopt a plan for eventual repayment of a portion of the state subsidy provided to former students as they become able to pay (page 59).

This recommendation appears to stem from an assumption that students should pay a larger share of the cost of their education at South Carolina's public colleges and universities. CHE believes that the level of student tuition and fees is an extremely important policy matter meriting its continuing attention. CHE's study of academic year 1971-72 tuition and fees resulted in the following statement in its recently issued Goals report (page 92):

"...tuition and fees at most of South Carolina's public colleges and universities are currently high in comparison

with (public) institutions of other southern states. Although South Carolina's out-of-state student fees are generally competitive with other states, they are likely to rise somewhat, reflecting a trend in other states. Increasing fees for South Carolina students, on the other hand, could work against one of the Commission's continuing goals: to increase from its currently low level the percentage of South Carolina high school graduates participating in some form of higher education."

The Goals report also contains these comments (page 92):

"The Commission has noted with interest some novel financing plans currently under discussion. The 'Ohio Plan' proposed by their governor would require all Ohio state college and university students to ultimately repay to the state the total cost of their higher education. The 'mortgaging the future' aspect of this plan does not appear to have achieved much support within Ohio; in South Carolina such a plan could be an even greater financial deterrent."

CHE fully recognizes that the Management Review Commission's subsidy repayment recommendation is fundamentally a means to increase total student fees, even though payment of such increases would take place after graduation. This being the case, CHE would prefer to deal directly, rather than indirectly, with the extent to which a student and/or his family should pay for his education at a South Carolina public college or university.

After full consideration, CHE has concluded that a subsidy repayment plan, such as that recommended by the Management Review Commission, would be costly to administer and almost impossible to enforce fairly. No similar plan has yet been attempted by a public institution in any other state. In addition, recent experience with student loan defaults demonstrates the handicaps of commencing a new job while trying to make payments on both a home mortgage and a college loan -- plus, perhaps, the wife's college loan.

However, following the comment on Recommendation 6, CHE will outline its conclusions for a program designed to respond to both Recommendations 2 and 6 which are obviously interrelated.

6. Transfer the responsibility for establishing tuition and university/college maintenance and activity fees to the Commission on Higher Education (page 60).

Although CHE agrees that it could serve the state better if it had additional statutory responsibilities in certain specified areas, it does not believe that responsibility for establishing student tuition and other fees is such an area. CHE believes that the board of trustees of a college or university is in the best position to know the precise figures at which tuition and other fees should be set.

As stated in its Goals report (page 91), CHE recommends ... "greater standardization of tuition and fee schedules among the universities and among the colleges." This would be in the interest of inter-institutional equity, including implementation of the Appropriation Formula.

The Commission on Higher Education interprets the meaning of the recommendation to be that of accomplishing an increase in tuition and fees in general, but not to force uniform charges by all institutions. There are good reasons for retaining differences among institutions. It would seem reasonable for total fees at the universities to be higher than those at the colleges, bearing in mind the substantial differences in services and activities offered. Even so, it would be wrong to prohibit a college or university from instituting a new or higher fee to cover a desirable student activity which it wants to commence or expand. Furthermore, a generally lower level of fees seems appropriate for South Carolina State College College, for example, in view of the lower per capita income of its average student.

However, CHE believes that all institutions should charge tuition and fees to its various students on a schedule designed by the institution itself and perhaps varying among students, which would produce in total a substantial portion of an operating budget of the institution. Therefore, tuition and fees would be based upon cost.

Students would provide for their cost of attending the institution by (in the following order):

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1. Their own funds,
2. Scholarship and student aid provided by others than the State of South Carolina,
3. Bona fide loans provided by the State of South Carolina,
4. Scholarships provided by the State of South Carolina.

State funds earmarked for Items 3 and 4 would be administered by the institutions, and awarded on the basis of financial need.

After reconsideration, therefore, CHE has concluded that it would prefer not to become responsible for establishing tuition, maintenance and activity fees for the colleges and universities, as suggested by the Management Review Commission.

I would be pleased to discuss the above views with you, or answer any questions you might have. CHE reactions to several other Management Review Commission recommendations are in preparation and will be submitted shortly.

Yours sincerely,

James A. Morris

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