

Concept Paper for Governance Study
South Carolina Commission on Higher Education
March 6, 2003

In recent months, the issue of state-level coordination of postsecondary education has become an increasingly visible topic of discussion. The Governor's transition study committee on education as well as the education task force committee recommended a stronger coordinating board. Also, comments made by Governor Sanford during the gubernatorial campaign and later in his first State of the State address called for greater focus and less duplication; the "Higher Education for Higher Purposes" committee established by the Commission proposed regulatory relief for all the colleges and universities on several fronts; the research universities are working to establish their own separate coordinating board; and, most recently, legislation was filed last week to establish a State Board of Regents.

Unquestionably, state level coordination is an incredibly complex act. It seeks to balance the needs of the state and its citizens, within an appropriate framework characterized by both advocacy and regulatory responsibilities, with institutional governance responsibilities that chart the direction, goals, and objectives of each individual college or university. There is no single model, no perfect structure, for maintaining the ideal balance. In fact, while state-level entities can readily be grouped into three major types (e.g., planning, coordinating; governing), even among these categories there are many variations on a theme.

The current attention being paid to state-level coordination and governance is no doubt motivated to some degree by the precipitous decline in state funding for higher education, which has resulted in cuts of just over 17% in the past two years plus an additional 10% cut projected for July 1. A decline in funding for higher education is not only occurring in South Carolina but nationally as well. Other contributing factors at play, too, might be the shifting of funding for higher education away from traditional operating costs into student aid programs; and expectations from the institutions that implementation of performance funding would have resulted in additional state appropriation from the legislature.

It is timely, therefore, that the Commission undertake a study through an external party to examine the issues surrounding appropriate governance for the state's public institutions of higher education (technical colleges, two-year regional campuses of the University of South Carolina, four-year comprehensive teaching universities, and research institutions) and seek appropriate recommendations for any desirable change to

the existing governance structure. The study is proposed to begin as soon as an RFP can be developed and issued.

Specifically, the study must address governance of South Carolina's public institutions of higher education within the context of the following parameters:

- Increased enrollment demand in the state by traditional and non-traditional students as well as a growing racially diverse population.
- Serious concerns related to cost, affordability, access, and inclusiveness.
- Growing concern over educational quality.
- Powerful, unpredictable effects on higher education from electronic technologies.
- Improving use of physical plant and enrollment management in all public institutions.
- Achieving meaningful and systematic inter-institutional collaboration, including transfer and articulation.
- Eliminating unproductive duplication in programs, infrastructure, resources, and facilities.
- Maintaining an appropriate balance between state-level accountability and institutional flexibility.
- Ensuring the regional and national competitiveness of South Carolina institutions of higher education.

The study will be expected to support through its findings and address through any of its recommendations to what extent the Commission on Higher Education and other state agencies related to higher education should function as governing boards, coordinating boards, or planning agencies. Based upon other studies which have demonstrated the power of external "market" forces on higher education, this study will outline the major state forces outside public institutions of higher education that play significant roles in influencing institutions to operate as they currently do, including: the governor, the General Assembly, the business community, the K-12 system, the institutions' boards of trustees or area commissions, and the taxpayers.

The study's findings will address several essential questions:

- What does the state expect from its public institutions of higher education (and, from a different perspective, what does it expect from its private institutions of higher education and their interaction with public institutional efforts, goals, outcomes?) That is, what are the state's goals and objectives for postsecondary education?

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- How well do colleges and universities currently meet state and public goals and objectives, expectations and needs? (and what about future goals, objectives, and needs?)
- What are the specific problems that can be identified as catalysts for the various reorganization proposals that have surfaced with respect to governance structures? Are these specific problems related to the existing governance structure and/or to the current operating policies, procedures, or operation of the current Commission on Higher Education?
- What is the total policy structure and process that currently exists for higher education, including the roles of the governor, executive branch agencies, and the legislature? Do any of the sources of identified problems lie in one or more of these arenas rather than with the formal postsecondary education structure per se?
- What changes to existing governance structures and functions for higher education should be considered for meeting future needs? Is some type of reorganization the most effective means for addressing the identified problems and for meeting current and future goals and expectations?
- Are the costs of any proposed change in the current governance structure worth the short- and long-term benefits?

The outcomes of the study will be recommendations on system design for post-secondary education coordination and governance which will balance the needs of the state and its citizens with the needs of the colleges and universities.

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