

CHE  
01/08/2009  
Agenda Item 7.01A

January 8, 2009

**MEMORANDUM**

**To:** Members of the Commission on Higher Education

**From:** Mr. Ken Wingate, Chairman, and Members, CHE Executive Committee

**Revision to 2008-2009 Operating Budget  
for the S.C. Centers of Economic Excellence Program**

**Background**

At the September 8, 2008, CoEE Review Board meeting, President Greenberg of MUSC shared with the Review Board that the CoEE Program had grown to a point where the institutions were in dire need of financial assistance for administrative support. All of the institutions now receive routine requests for program information, which results in administrative burden. Unfortunately, all CoEE state funds must be applied directly to the center itself, leaving nothing for general program administration. President Barker echoed President Greenberg's statement and said that he had shared the same information with the Washington Advisory Group evaluation team, which is currently conducting a comprehensive evaluation of the CoEE Program. Chair Harper Bethea asked for the presidents to bring forward a proposal at the next meeting.

On October 14, 2008, the three senior research institution presidents remitted a joint, one-page letter [follows] to the CoEE Review Board, requesting \$100,000 per annum per senior research institution to cover the cost of "staffing" and "financial and programmatic reporting": "We hope that this letter provides sufficient information for the Board to consider our request to fund the administrative management of the CoEE program."

At the November 17, 2008, CoEE Review Board meeting, the Review Board unanimously acted to provide each of the three senior research institutions \$100,000 per year to offset ongoing program administrative costs.

By statute (S.C. 2-75-70), the Commission on Higher Education must approve the operating budget for the CoEE Program. The 2008-2009 CoEE operating budget of \$866,665 was approved by the Commission on October 2, 2008. This amount does not include the \$300,000 in institutional administrative costs approved by the CoEE Review Board at the November 2009 meeting. A revised budget must go before the Commission for approval in January 2009 before these newly approved funds can be released to the institutions. If fully approved by the Commission, the revised total for the 2008-2009 CoEE Program operating budget would be \$1,166,665.

### **Recommendation**

The Executive Committee commends favorably to the Commission approval of a revised 2008-2009 CoEE Program operating budget in the amount of \$1,166,665, which incorporates \$300,000 in funds for institutional administrative costs at the three senior research institutions approved by the CoEE Review Board at its November 2008 meeting, to be dispersed immediately following approval by the Commission.



October 14, 2008

Mrs. Paula Harper Bethea  
Chair, Review Board  
Centers of Economic Excellence  
19 Hanover Way  
Bluffton, SC 29910

Dear Paula:

At your request, we are writing to follow-up on a topic that was discussed at the last Review Board meeting. Specifically, the three research universities are shouldering a growing administrative burden in managing the Centers of Economic Excellence (CoEE) program. As discussed at the meeting, each of the universities handles the staffing of the program differently, but on each campus there is a considerable amount of financial and programmatic reporting. We estimate that the workload at each university has reached the equivalent of about two full time positions, at an annual cost of about \$100,000 per university for personnel (including fringe benefits). With two rounds of budget cuts already this year, and at least one coming soon, we simply can no longer afford to pay these costs out of existing funds.

We hope that this letter provides sufficient information for the Board to consider our request to fund the administrative management of the CoEE program. If we can provide further information, please do not hesitate to let us know.

Sincerely,



James Barker, FAIA  
Clemson University



Raymond Greenberg, MD, PhD  
Medical University of South  
Carolina



Harris Pastides, PhD  
University of South  
Carolina