

MINUTES OF MEETING
OF
SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION
Tri-County Technical College
October 3, 1991
10:30 a.m.

MEMBERS PRESENT

Mr. William J. Whitener, Chairman
Dr. D. Glenburn Askins, Jr.
Ms. Elaine Freeman
Mr. Robert C. Gallager
Mr. Marvin C. Jones
Ms. Reba Anne Kinon
Mr. Henry D. McMaster
Mr. Lewis Phillips
Dr. Raymond C. Ramage
Mr. Edwin E. Tolbert, Sr.
Mr. Joseph J. Turner, Jr.
Ms. Mildred R. Williams

MEMBERS ABSENT

Mr. Fred L. Day
Mr. Kenneth E. Goad
Mr. Roger E. Henderson
Mr. Edward T. McMullen, Jr.
Dr. Harry W. Miley, Jr.

GUESTS

Dr. David Bell
Mr. Steve Eisele
Ms. Linda Elliott
Dr. Tanzella Gaither
Dr. Don C. Garrison
Dr. H. McLean Holderfield
Dr. Larry A. Jackson
Mr. David R. Larson
Ms. Ann Libby
Dr. Albert M. Lyles
Ms. Linda Martin
Mr. Alphonso Norris
Dr. Daniel C. Pantaleo
Mr. Roger Peterson
Mr. William T. Putnam
Mr. Jim Roberts
Mr. Mool Shekhawat
Dr. Jay Smink
Mr. James C. Wood, Jr.

STAFF

Mr. Todd E. Barnette
Mr. Michael L. Brown
Ms. Sandra E. Carr
Mr. Ivan F. Guinn
Dr. R. Lynn Kelley
Mr. Alan S. Krech
Dr. Harry G. Matthews
Ms. Lynn W. Metcalf
Mr. Joseph V. Pendergrass
Dr. Robert K. Poch
Mr. Jeff Richards
Mr. Fred R. Sheheen
Mr. John E. Smalls
Ms. Janet K. Stewart
Dr. John C. Sutusky
Ms. Gaylon Syrett
Dr. Aileen C. Trainer
Ms. Julia E. Wells

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

I. Welcoming Remarks

Dr. Garrison welcomed the Commission to Tri-County Technical College. He gave a brief presentation on a new planning process using a set of strategic goals for a five-year period that will guide the College's advancements in critical areas. Mr. Whitener thanked Dr. Garrison for the presentation and for his hospitality during the Commission's visit to Tri-County Technical College.

II. Approval of Minutes of Meetings of August 26-27 and September 5, 1991

It was moved (E. Freeman), seconded (Williams), and voted that the minutes of the meetings of August 26-27 and September 5, 1991, be approved as written.

III. Report of the Executive Committee - Composition of Council of Presidents

Mr. Whitener stated that the Commission's Executive Committee has met on two occasions to consider establishment of the Council of College Presidents to include the technical college presidents. Under the law, the Commission has responsibility for the makeup of the Council, and the Attorney General has ruled that the technical college presidents should be included.

The Executive Committee has heard from representatives of the Council of College Presidents and the Council of Technical College Presidents. Although a number of various organizational plans were discussed, there was no consensus among the institutions on reorganization of the Council of College Presidents to meet the mandate of the Attorney General. It was decided to defer action until the November meeting of the Commission to allow more time for a working group to be formed representing both organizations. The group is to report to the Executive Committee in time for the Executive Committee to formulate a recommendation by the November 7, 1991 Commission meeting.

Mr. Gallagher asked why the two year-campus of USC shouldn't be included if the technical college presidents were included. Mr. Sheheen explained that the chancellors of the four-year campuses were added to the Council of College Presidents by a special provision of the General Assembly. The chief executive officers of the two-year campuses are deans and not considered to be presidents. Also, if the two-year USC branches were added, there would be a total of 21 two-year institutions that would outnumber the four-year institutions.

IV. Report of Committee on Business and Finance

Mr. Jones, chairman of the Committee on Business and Finance, reported on the following matters:

A. Consideration of Institutional 1992-93 Budget Presentations

Mr. Jones read the following statement:

Because of the alarmingly depressed level of institutional financing for the last two years, the Commission feels compelled not only to present its formula budget request this year but also to advise the governing authorities of South Carolina about the state of higher education financing and alternative policies for the institutions which might be recommended under differentiated levels of formula funding. South Carolina's colleges and universities cannot continue to absorb enrollment growth, with diminishing financial resources, and hope to maintain any measure of quality in the educational programs of the institutions.

The institutions are experiencing real hardship under current circumstances in meeting their primary missions of research, instruction, and public service. A continuation of the current financial strictures in institutional activities will, in the long run, diminish the educational, economic, and cultural advancement of South Carolina and all its citizens. Therefore, the Commission will make a series of recommendations to the Budget and Control Board and the General Assembly reflecting the seriousness with which it views this situation. The Commission recommends full funding of the higher education formula in order to elevate its institutions to more ambitious levels of excellence and quality.

The Commission stands ready to support, among the public and specialized constituencies, additional sources of revenue designated for higher education. The Commission commends to the governing authorities two studies on the tax structure in South Carolina which are highly specialized, detailed, and clearly outline multiple options not only for generating additional revenue but also for eliminating inequities in the tax code.

The Committee on Business and Finance recommended that:

1. If the institutions are funded at 90 to 100 per cent of formula, the Commission would support action by the Boards of Trustees to impose a companion requirement that student fees, of whatever kind, for fiscal year 1992-93 be reduced to the prior year's level and held harmless in 1993-94.
2. If the formula is funded at a level of 85 to 89 per cent, the Commission would support action by the Boards of Trustees to impose a moratorium on all fee increases, of whatever kind, for fiscal year 1992-93.
3. If the formula is funded at a level of 80 to 84 per cent, the Commission would support action by the Boards of Trustees to limit student fee increases for fiscal year 1992-93 not to exceed the Higher Education Price Index for the latest period reported.
4. If the formula is funded at a level of 75 to 79 per cent, the Commission would support the Boards of Trustees' discretion on fee increases for fiscal year 1992-93.

5. If the formula is again funded at less than 75 per cent, the Commission would recommend that each institution's Board of Trustees levy fee increases designed to bring institutional budgets to at least 90 per cent of formula funding, combining total revenue from General Appropriations funds and funds from student fees.
6. The Commission on Higher Education supports action by the chief academic officers of the several institutions whereby they are considering the adoption of a number of productivity measures to be applied to academic programs in order to isolate those programs that should be subjected to a thorough scrutiny directed to their elimination or consolidation, if warranted by objective measures, or by continuation of the stringent financial circumstances facing higher education.

It was moved (Askins), seconded (Jones), and voted that Institutional Budget Presentations be sent to the Senate Finance Committee, the Ways and Means Committee, and the Budget and Control Board.

Mr. Gallagher stated that the Commission should encourage the institutions to seek other sources of revenue.

It was moved (Jones), seconded (Gallagher), and voted that the recommendations of the Committee be adopted.

B. Consideration of Allocation on the Higher Education Appropriation for FY 1992-93

Mr. Jones stated that this report would be deferred until the December meeting of the Commission.

C. Consideration of Unique Cost Request for FY 1992-93

For the 1992-93 funding year, Step 12 criteria were strictly applied and any requests not meeting the criteria were returned to the institutions. As a result, 35 requests were found to meet the criteria and were reviewed by staff.

In the event the appropriation for higher education for FY 92-93 will be well below full formula funding, the Committee on Business and Finance has recommended that the method of allocating formula funds be modified. The modified method allocates by formula as usual, except that institutions would receive no less than the FY 91-92 base level of funding. In the event of an appropriation less than the FY 91-92 base, however, a pro rata share of the base would be allocated to the institutions. If the appropriation is less than the FY 91-92 base of \$551.5 million, allocations will be made pro rata by the base rather than by the formula.

Because of the modified method of allocating funds being used in FY 92-93, and the fact that the formula will become effective only after the base is fully funded, the question has arisen whether institutions are obligated to fund Step 12 increases.

Attached (Exhibit A) are the criteria and recommendations for

1992-93 Unique Cost Requests (Step 12) for the public colleges and universities.

The Committee recommended that all FY 92-93 approved Step 12 items be funded at the percentage equivalent to the institutions' appropriation compared to their formula recommendations.

It was voted (Jones), seconded (Gallager), and voted that the recommendation of the Committee be approved, with Ms. Freeman voting in the negative.

V. Report of Committee on Planning and Assessment

Dr. Askins, chairman of the Committee on Planning and Assessment, reported on the following matters:

A. Consideration of Proposal for Organization of the Planning Process for 1991-92

The new State Plan calls for closer collaboration between the Council of Presidents, the institutions, and the Commission on Higher Education to accomplish annual revision of the plan. The Advisory Council on Planning voted to create a working committee to update and revise the plan which would consist of the following membership: 1) six members to be appointed by the Council of Public College Presidents, at least one of whom shall represent the technical college system; 2) one member to be appointed by the three representatives of the private colleges who are members of the Advisory Council on Planning; and 3) one member of the Commission staff to be appointed by Commissioner Sheheen. The working committee, as a whole, will be responsible to the Advisory Council on Planning. The working group will elect its own chairman and will develop its own process for reviewing and differentiating institutional missions and appointing representative task forces, where not defined by last year's plan, to study planning issues.

The Commission staff recommended that the creation of this working committee be endorsed for approval by the Commission on Higher Education.

It was moved (Askins), seconded (Kinon), and voted that the staff recommendation be endorsed.

It was further agreed, by consensus, that the public college presidents would continue to serve on the Advisory Council on Planning and would meet when major policy issues are under consideration. Each president will also be asked to designate, in writing, one high level administrator who will represent him at meetings of the Advisory Council when he chooses not to attend.

B. Planning Prospectus: 1991-92

Act 629 of 1988 directs that "The Commission on Higher Education shall ensure that each public institution of higher learning in this State maintains its individual planning process." (Section 59-104-630). A Planning Prospectus approved by the Commission on February 2, 1989, described the planning elements on which each institution now reports to the CHE on June 15 of each year.

The new Planning Prospectus, as well as those which will appear in subsequent years, shall serve two purposes. First, it will summarize those components of planning on which institutions report each June 15 to the CHE. Second, it will describe briefly those issues and topics which the chief executive officer of the CHE proposes as the year's planning agenda for the Advisory Council on Planning.

Each institution and the State Board for Technical and Comprehensive Education will submit by June 15 each year a brief profile (Annual Planning Report) of the institution.

The statewide planning document which was approved by the Commission on July 11, 1991, calls for the clarification on institutional mission statements and an evaluation of the Access and Equity Program. Additionally, the statewide plan calls for task forces to examine several issues related to improving the management of higher education in the State.

Therefore, in accordance with Section 59-104-640 of Act 629, the Commissioner of Higher Education hereby sets forth the above matters as the Planning Prospectus for 1991-92 and recommends that the Advisory Council on Planning consider these items as its planning agenda for the coming year.

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

C. Implementation of Action Plan for 1991-92

A list of action plans for 1991-92 showing initiatives, responsible agents, action dates, action descriptions, and action persons was presented for information only.

D. Recommendation Concerning Reporting on the Education Entrance Examination

In 1989, the Committee on Planning and Assessment approved a staff recommendation to request that the institutions include the results of the Education Entrance Examination (EEE) in their reports on Licensure and Certification Examinations. It was proposed that the inclusion of information on the EEE might be useful to institutions as they attempt to identify trends and obtain a stronger, more longitudinal picture of their teacher education students.

The Committee now recommends that a separate report on the results of the EEE that is already available from the State Department of Education be submitted to the Commission.

The Committee recommended that the Education Entrance Examination that is prepared by the State Department of Education be provided to the Commission annually, and that the results of the EEE not be requested from the institutions or included in the Summary Report on Institutional Effectiveness.

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

VI. Report of the Committee on Facilities

A. Consideration of New Definition Permanent Improvement Project

At the July 1991 meeting, the Commission adopted the position to support the option calling for raising the Permanent Improvement Project cost to a level of \$100,000 for any facility project requiring State approval. The Joint Bond Review Committee subsequently changed the definition which corresponds to the position the Commission adopted in July. The Budget and Control Board gave final approval to the pending definitional changes. Since the Budget and Control Board's action is consistent with the Commission's position on this matter, the Commission will inform the colleges and universities that it will abide by the same definition and change the Policies & Procedures for the Review and Approval of Permanent Improvement and Lease Requests manual accordingly. Attached as Exhibit B is the new permanent improvement definition.

This report is for information only.

B. Consideration of Passage of the 1991 Capital Bond Bill

The Commission conducted an extensive review and evaluation of Capital Bond Requests from the colleges and universities this past year. Requests totalling an excess of \$401 million to support 82 separate projects were evaluated. The Commission recommended 35 of those projects for funding, totalling \$235 million.

The General Assembly has passed the 1991 Capital Bond Act, and it now awaits passage by the Governor.

VII. Report on State Approving Section

Mr. Sheheen stated that in accordance with the provisions of Title 38, United States Code, paragraph 1771(a), the Governor designated the South Carolina Commission on Higher Education as the State Approving Agency effective June 2, 1991. The Governor further empowered the Commissioner to delegate to a member of the Commission staff the authority to sign on behalf of the State of South Carolina all contracts and agreements for reimbursement and all other documents required to execute such an agreement with The United States Department of Veterans Affairs.

Mr. Ivan Guinn has been named Associate Commissioner for the Unit, now designated the License Division of the Commission on Higher Education. Mr. Guinn gave a brief overview of the functions of the Division.

VIII. Report of the Commissioner

A. Review of Criteria for Status Change

Mr. Sheheen stated that the Commission staff, in response to a request from the Commission on Higher Education and the Chairman of the Higher Education Subcommittee of the Senate Education Committee, has produced a draft paper entitled "Criteria for Status Change." The purpose of the paper is to propose criteria

which may be used in considering changing the status of a public institution from college to university.

This paper was distributed to the college and university presidents and other interested parties for written comments. Copies were made available to Commission members in September and October. He noted that after the regular November Commission meeting, the Commission will reconvene as a Committee of the Whole to hear comments and discussion on the subject. Revisions will be made as a result of the written suggestions and the comments and discussion at the Committee of the Whole meeting. The Commission's December agenda will include this item for final discussion and voting by the members.

B. Staff Organizational Changes

Mr. Sheheen reported that Dr. Robert Poch has been named Associate Commissioner for External Affairs.

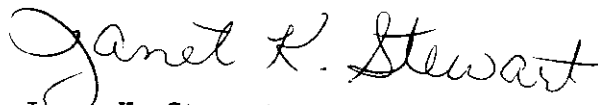
IX. Other Business

Mr. Whitener stated that it is time to start planning for the second annual meeting of the college and university boards of trustees, the presidents, and the Commission on Higher Education.

The Governor has proclaimed October 13-19 as Higher Education Week in the state of South Carolina. Mr. Whitener noted that the Governor's Summit on Higher Education will be held on November 5-6, 1991, at the Embassy Suites Hotel in Columbia.

There being no further business, the meeting was adjourned at 12:50 p.m.

Respectfully submitted,



Janet K. Stewart
Recording Secretary