

MINUTES OF MEETING
OF
SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION
February 4, 1993
10:30 a.m.

MEMBERS PRESENT

Dr. D. Glenburn Askins, Jr., Chairman
Mr. Fred L. Day
Ms. Elaine Freeman
Mr. Robert C. Gallagher
Mr. R. Austin Gilbert, Jr.
Mr. Kenneth E. Goad
Mr. Marvin C. Jones
Ms. Reba Anne Kinon
Mr. Henry D. McMaster
Mr. Edward T. McMullen, Jr.
Mr. Lewis Phillips
Dr. Raymond C. Ramage
Mr. Edwin E. Tolbert, Sr.
Mr. Joseph J. Turner, Jr.
Mr. William J. Whitener
Ms. Mildred R. Williams

MEMBERS ABSENT

Mr. Roger E. Henderson

STAFF

Mr. Todd E. Barnette
Mr. Fred W. Boynton
Mr. Michael L. Brown
Ms. Saundra E. Carr
Dr. Jeanette A. Deas
Ms. Renea H. Eshleman
Mr. Charles D. FitzSimons
Mr. Ivan F. Guinn
Dr. R. Lynn Kelley
Ms. Kathy Lusk
Dr. Harry G. Matthews
Dr. Gail M. Morrison
Mr. Joseph V. Pendergrass
Dr. Robert K. Poch
Dr. Marilyn M. Scannell
Mr. Fred R. Sheheen
Mr. John E. Smalls
Ms. Edna Strange
Dr. John C. Sutusky
Ms. Gaylon Syrett
Ms. Julia E. Wells
Dr. Karen A. Woodfaulk

GUESTS

Mr. Andrew L. Abrams
Dr. Robert E. Alexander
Ms. Barbara Anderson
Dr. Thomas E. Barton, Jr.
Dr. David A. Bell
Mr. Ken Brown
Mr. Mark W. Buyck, Jr.
Ms. Ellen Chamberlain
Dr. Dean Cleghorn
Mr. Paul Conco
Dr. James E. Cooke
Sen. Holly Cork
Mr. Rhett Dalton
Dr. Robert W. Denton
Ms. Susan DeWitt
Mr. Daniel Duke
Dr. David Dunlap
Dr. Nancy Dunlap
Dr. James B. Edwards
Mr. James Edwards
Ms. Katherine Fanning
Dr. Don C. Garrison
Mr. Don Grieggs
Dr. Samuel M. Hines, Jr.
Dr. H. McLean Holderfield
Dr. Sally Horner
Ms. Beverly Howard
Dr. James L. Hudgins
Mr. David Hunter
Dr. Paul Huray
Dr. Charles Jennett
Dr. Vermelle Johnson
Mr. George Kendrick
Rep. Billy Keyserling
Mr. David Larson
Lt. Col. Ben W. Legare
Dr. Thomas D. Lisk
Col Calvin G. Lyons
Dr. August J. Marjenhoff
Dr. Michael B. McCall
Mr. J. P. McKee
Ms. Lila Meeks
Mr. Dennis Merrell
Dr. Robert Miles
Dr. Peter T. Mitchell
Dr. James C. Moeser
Dr. William C. Moran

GUESTS (continued)

Dr. James R. Morris, Jr.
 Dr. John M. Palms
 Dr. Roger Patterson
 Dr. Fred Payne
 Mr. Donald Peterson
 Dr. Jack A. Powers
 Dr. Blanche Premo-Hopkins
 Dr. Chris P. Pylar
 Dr. George M. Reeves
 Dr. Herbert C. Robbins
 Mr. Eddie Shannon
 Ms. Paula Skedsvold
 Mr. Sterling Smith
 Ms. Charlene Stewart
 Ms. Ellen Still
 Mr. Marshall Swanson
 Mr. W. E. Troublefield
 Mr. J. Floyd Tyler
 Mr. Don Tyner
 Dr. Lex D. Walters
 Lt. Gen. Claudius Watts
 Mr. Jim White
 Dr. Jerry Whitmire
 Mr. Othniel Wienges, Jr.
 Mr. Tom Young
 Mr. Ed Zobel

MEMBERS OF PRESS

Mr. Bill Robinson

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

1. Approval of Minutes of Meeting of January 7, 1993

It was moved (Turner) and seconded (Gallager) that the minutes of the meeting of January 7, 1993 be amended to include the following statement: The Commission reaffirmed on December 3, 1992, that the subsidy for out-of-state students be reduced from 50% to 25% over a six-year period, and requested that the Formula Advisory Committee recommend a schedule of specific reductions, to take place over a six-year period. The Formula Advisory Committee will submit the recommended reduction schedule to the Business and Finance Committee in May 1993. The Business and Finance Committee will make recommendations to the Commission at its meeting on June 3, 1993.

It was moved (Williams), seconded (Goad), and voted that the minutes of the meeting of January 7, 1993, as amended be approved.

2. Committee Reports

3.01 Report of Executive Committee

Dr. Askins reported on the following matters:

a. Consideration of Proposed Regulations for Licensing Non-public Postsecondary Institutions

Regulations for licensing non-public postsecondary institutions in South Carolina have been revised. The Executive Committee recommended that the proposed regulations be approved.

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

b. Briefing on State Review Agency Function

Because of substantial sums of money expended in recent years by the federal government for higher education, conditions to the expenditure of these funds have been attached. Under legislation establishing these programs, the Secretary of Education is authorized to determine the eligibility of institutions and individuals to participate in and receive funds appropriated for the programs.

The traditional role of the states in the eligibility relationship has been restricted to the chartering and licensing of institutions as a prerequisite to accreditation and eligibility determinations by the Department of Education. The Higher Education Amendments of 1992 substantively altered this state role. The most significant change is the State Postsecondary Review Program which protects the interest of students and the federal funds that support

them by strengthening state oversight of institutions of higher education (IHEs) participating in federal student assistance programs (Title IV). The Commission on Higher Education has been designated by the Governor as the single point of contact, a State Postsecondary Review Entity, to develop standards and conduct or coordinate review of IHEs in South Carolina.

This report is for information.

3.02 Report of Committee on Academic Affairs

Mr. Whitener, chairman of the Committee on Academic Affairs, reported on the following matters:

a. **Consideration of Changes in Policies on Awarding Advanced Placement Credit**

A provision in the Education Improvement Act (1984) granted to the Commission authority to monitor the awarding of Advanced Placement (AP) credit by the State's public colleges and universities. In fulfilling the responsibility assigned to it by the EIA, the Commission, with the input of the State Department of Education, developed a policy which directed that AP credit be awarded by the State's public institutions for scores of three or better. This policy specifically allowed each institution the right to and accorded each institution the responsibility for evaluating each AP examination in light of its own curricula based on the curricular match between any given AP examination and the corresponding course in the college curriculum.

The Committee on Academic Affairs recommended that the following two new policies be approved:

1. In no instance shall an institution be allowed to award more than six to eight credits in any one discipline area. For purposes of this policy, history is defined as consisting of two disciplines: American history and non-American history.
2. Because of the major overlap in course content between the two English AP exams, the awarding of AP credit in English should be treated separately from that of other disciplines as follows:

- a. if a student receives a score of 3 or 4 on either English AP exam, credit would be awarded for English 101 or its equivalent (three credits);
- b. if a student receives a score of 3 or 4 on both English AP exams, or a 3 on one and a 4 on the other, credit would be awarded for English 101 and 102 or their equivalents (six credits);
- c. if a student receives a score of 5 on either or on both English AP exams, credit would be awarded for English 101 and 102 or their equivalents (six credits).

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

b. **Consideration of Participation of Private Colleges and Funding Ideas for State Student Assistance Program**

At its meeting in December 1992, the Commission on Higher Education considered and endorsed the concepts contained in the study entitled Proposed Undergraduate Need-Based State-Supported Student Assistance Program prepared by the staff. During the Commission's consideration of this item, two related issues emerged: the inclusion of the private sector and the identification of potential revenue sources to support the proposed program, particularly in light of the financial exigency currently facing the State. The staff was requested to study these two issues further and to formulate recommendations for the Commission's further consideration at its February meeting.

A number of pertinent considerations relative to the inclusion of the private sector in the proposed need-based program, as well as the most appropriate means of generating revenue for its support have been examined. The current financial climate would necessitate that a dedicated source of revenue be identified to ensure the program does not further erode the level of higher education funding required by the public institutions.

The Committee on Academic Affairs determined that it needed additional time to consider the issues of private college participation and funding of the proposed student assistance program. Therefore, the issue will be on the agenda for the Committee on Academic Affairs' February 22 meeting to be reported to Commission on Higher Education meeting on March 4.

3.03 Report of Committee on Access and Equity

Mr. Tolbert invited members of the Commission to attend the Eighth Annual Conference on the Development and Implementation of Successful Programs for Increasing Minority Access and Equity in Colleges and Universities on February 18-19, 1993 at the Embassy Suites Hotel in Columbia. The Conference theme, "Creating New Realities: Addressing Continuing and New Challenges in 1993 and Beyond," will be addressed through panels, concurrent sessions, and guest speakers composed of higher education leaders from South Carolina and other states.

Mr. Sheheen stated that the Commission is deeply grateful to Dr. John Palms, President of the University of South Carolina, and Dr. James Hudgins, President of Midlands Technical College for co-sponsoring the Conference.

3.04 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 Study on Administrative Costs in Higher Education**

Included in the January 1992 Legislative Audit Council report

Cost Savings for State Government, the Audit Council recommended that the Commission review administrative costs in conjunction with a study of faculty productivity. To address the issues, the Commission, in conjunction with the Business and Finance Officers Advisory Committee, has conducted a survey which requested information relating to administrative costs incurred by institutions. The intended purpose of the survey was to gather information so as to more accurately compare South Carolina institutions with other non-South Carolina institutions. The staff has utilized this additional information, along with the Census Bureau data, to develop a recommendation for the State Compliance Review Committee to consider in their development of final recommendations for consideration by the General Assembly. Dr. David Bell of the University of South Carolina stated that more study and research should be done to refine the report.

The Committee recommended that the higher education community should continue to strive towards elimination of any unnecessary administrative costs, and that institutions explore creative methods of sharing administrative resources so that total costs can be reduced, and so that the administrative function can be performed more effectively. Specific examples for consideration could include administrative computing and security. Naturally, areas for primary consideration would be those functions which would benefit from centralization or consolidation. Proximity of campus locations would, of course, have some bearing on practicality, but areas such as the two noted above would lend themselves well to such creative means of resource sharing.

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

b. Consideration of Formula Allocation Methodology for FY 1993-94

Dr. Askins made the following statement:

"The next item on the agenda has obviously sparked a great deal of interest among the institutions. As a personal note, let me say that I want us to keep our thoughts in proper perspective.

"This is not a dispute between the institutions or the Council of Presidents and the Commission. None of us are here to demonstrate strength, display authoritative power, to be obstructionist or to bring anyone to their knees.

"This is not a dispute between Commission staff and the institutions. This is not a staff proposal. This is a well thought out, deliberate effort on the part of the chairman of the Business and Finance Committee, very dedicated, very concerned, very knowledgeable, to have us establish just exactly what our priorities are in higher education during very austere times.

"The chairman has the endorsement of the Business and Finance Committee.

"I can personally say that this proposal originated with him because I have heard him and listened to him as he has developed these ideas over the last two or three years.

"This debate should focus on exactly what our responsibilities are, collectively and individually, in providing the basic necessities of higher education.

"Both as a system and individually, our institutions have in many instances tried to be all things to all people. Our budget requests are based on the southeastern average of institutions which were doing likewise.

"Currently, the funds are not there. We have to set priorities. We have to decide exactly what we have a responsibility to be, not what we want to be. The people of South Carolina have certain rights regarding availability of education. When we are down to minimum funding, we have to decide what the basics are. I feel that this decision will have to be made, if not today, certainly in the near future.

"Let us try to keep our debate focused on what is good for education for the people of South Carolina."

Mr. Jones reported that reviewing options for allocations of the 1993-94 appropriations are of additional importance this year as a result of the following factors: 1) The extreme austerity in higher education budgets for the past several years. 2) The "safety net" which the Commission adopted to preserve institutions from undue hardship during difficult budgetary times. 3) A growing sentiment that the distortions in distribution of formula funds caused by several years of the "safety net" must be addressed.

The Council of University and College Presidents has recommended that the allocations be based on movement from the existing allocations toward allocation by formula, but that the movement would be limited to 30% of the change necessary to effect such a change. The Business and Finance Committee agreed with the Council that movement towards a true formula allocation is of utmost importance; however, the Committee believes that in the current austere financial times, the Commission should recognize the importance of certain elements of the formula in relation to other elements.

The Committee recommended that the Commission approve a methodology for the allocation of the 1993-94 appropriations which would fund expenditure categories in the formula at various levels, based on Commission priorities, as outlined above. Also, the Committee recommended that the Area Health Education Consortium (AHEC) be funded, for allocation purposes, at the average percentage of overall funding as determined by appropriations in relation to formula. The Committee further recommended that the effects of this methodology be mitigated by holding the adjustment upward or downward to 30 per cent, based on the reallocation to achieve parity.

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

Dr. Anthony DiGiorgio, Chairman of the Council of Presidents, stated that the presidents unanimously disagree with the methodology of the above recommendation as it has been

presented. He added that the presidents' task force developed a one year solution. Dr. DiGiorgio stated that the unanimous disagreement with the recommendation has to do with public policy implications and a plan which produces significantly disproportionate effects.

Senator Holly Cork attended the meeting and distributed a letter (Attachment A) to Commission members.

Dr. John Palms, President of the University of South Carolina, stated his objections to the Commission recommendation and presented a minority plan which is modeled after a plan in Kentucky as an alternative approach.

Dr. James R. Morris, Jr., Executive Director of the State Board for Technical and Comprehensive Education, urged the Commission to go before the Legislature with the unanimous agreement of the college and university presidents.

After further discussion, a substitute motion was made (Gallager), seconded (Day), and voted that the Goals Statement Relative to Distribution of State Revenues (Attachment B) be adopted and further move that the Commission on Higher Education adopt the distribution plan recommended by the Council of College and University Presidents for FY 1993-94, but it refers the Business and Finance Committee's recommendation on allocation to the Formula Advisory Committee for possible implementation in FY 1994-95. The Formula Advisory Committee's implementation recommendation will be presented to the Business and Finance Committee for its consideration in May 1993 and to the Commission in June 1993. Mr. Jones stated that the Goals Statement should be submitted to all CHE Committees to be refined and identify things that are critical to higher education. It was further moved (Gallager), seconded (Day), and voted that the "Goals Statement Relative to Distribution of State Revenues" be referred to each of the Commission's standing committees for review and comment, and the standing committees are directed to develop recommendations to be submitted to the Executive Committee by May 15, 1993.

Lt. Gen. Claudius Watts, President of The Citadel, asked the Commission to go on record urging the General Assembly to replace non-recurring revenue back in higher education.

It was moved (Day), seconded (Kinson), and voted that the following resolution be addressed to the Governor, the Members of the Budget and Control Board, the Ways and Means Committee, the Senate Finance Committee, the Speaker of the House and the President of the Senate:

"Resolved, that it is the sense of the Commission on Higher Education that the replacement of the \$30 million in non-recurring revenue in the current year's appropriation for the next fiscal year is an absolute requirement in order to avoid serious damage to the colleges and universities in South Carolina.

"The current level of \$554 million in funding must be maintained as a minimum requirement. Any appreciable progress in meeting

the costs of new students and improvement in quality would command additional dollars.

"The Commission is alarmed and concerned over the prospect of continued reduced funding, which has been experienced over the past several years.

"We respectfully request serious consideration of this matter on behalf of higher education."

c. **Consideration of Funding for the Experimental Program to Stimulate Competitive Research (EPSCoR) and South Carolina Alliance for Minority Participation (SCAMP)**

The EPSCoR was begun by the National Science Foundation in 1980 to combat the imbalance among the states in federal funding of research. The SCAMP was established in 1990 in response to a competitive Request for Proposals from the National Science Foundation.

The Business and Finance Committee recommended that the Commission approve \$1,992,637 for matching funds for the two Federal grant programs, provided that the funds come from either a 1992-93 supplemental appropriation or that the funds be placed in the Cutting Edge for allocation under the appropriate statutory authority for these purposes.

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

Dr. Askins and Mr. Whitener commended Mr. Jones for his dedicated and outstanding work.

4. Report of the Commissioner

Mr. Sheheen reported on the following matter:

Recommendation on Private and Public Institutions of Higher Education Collaboration

At its meeting in July 1992, the Commission voted to adopt four recommendations in Dr. Peter Mitchell's paper, "The Importance of Integrating the Private and Public Sectors of Higher Education in South Carolina". The Commission staff proceeded to work with Mr. Art Bjontegard, Dr. David Bell, the Advisory Council on Planning and, at their direction, the Council of Presidents.

The staff recommended that responsibility for review and implementation of Dr. Mitchell's second and third recommendations, which deal with duplication and collaboration between the public and private sectors, be delegated to the Advisory Council on Planning.

It was moved (Freeman), seconded (Kinon), and voted that the recommendation be approved.

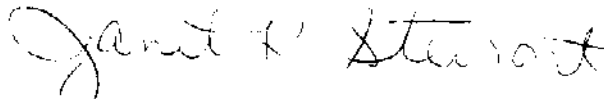
5. Other Business

Mr. Gallagher stated that the State needs to work more on enrollment issues and admissions standards. Mr. Sheheen stated that the

Commission staff would welcome a directive from the Commission with respect to the treatment of enrollment in the institutions by the Commission.

There being no further business, the meeting was adjourned at 3:15 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Janet K. Stewart".

Janet K. Stewart
Recording Secretary