



SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION

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TO: Members, Commission on Higher Education

FROM: Rosemary Byerly, Chair
RB/ies
Committee on Finance and Facilities

SUBJECT: Fiscal Year 1999 - 2000 Budget Requests

Please find attached the Commission's Budget Requests. The requests are listed in order of their priority and are as follows:

1. Program Administrator	\$42,500	Page 1
2. Auditor	42,500	Page 3
3. Existing Program Review	35,000	Page 5
4. Competitive Research Grants	2,500,000	Page 7
5. Competitive Technology Grants	<u>2,500,000</u>	Page 9
	\$5,120,000	

FY 1999-2000 BUDGET REQUEST

Priority No. 1 of 5 Agency Code: HO3 Agency Name: Commission on Higher Education

Agency may submit only one ranking of all requests, not one for recurring funds and one for non-recurring.

Program Name: Program Administrator

Summary Description of Critical Need: This person will finalize the implementation, and continue the administration of the LIFE Scholarship program, and assist with the expansion of the Palmetto Fellows Scholarship program. This position will be within our Student Services Division and work with the institutional representatives, high school counselors, and the public at large.

Justification for Designating Request as a Critical Need: In the Legislatures' passage of the LIFE Legislation in 1997, no funding was provided for this position. Therefore, this funding is a Critical Need for the success of the program.

COST ESTIMATES (Full Year or Partial Year? No. of months: 12)

	<u>State Non-Recurring</u>	<u>State Recurring</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>
Personnel Costs		<u>\$34,000</u>			<u>\$34,000</u>
Positions					
Emp. Cont. (25 %)		<u>8,500</u>			<u>8,000</u>
Operating Expenses:					
Supplies/Materials					
Equipment					
Travel					
Training					
Other Operating					
TOTAL		<u>\$42,500</u>			<u>\$42,500</u>
Current Year (FY 1998-99) Funding	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
% Increase Over Current Year		<u>100 %</u>	<u>0 %</u>	<u>0 %</u>	<u>100 %</u>
Program % of Agency's FY 1998-99 base (See page 3 for explanation)		<u>0.5 %</u>	<u>%</u>	<u>%</u>	<u>0.1 %</u>

Will this request in any way require an annualization need for FY 1999-2000? Explain under Explanation of Need, question number 8. No.

Does this project require multi-year funding? If yes, explain. This is a request for one full-time equivalent position.

EXPLANATION OF NEED (See attached instructions)

Program Mission and Description: This person will work with the Director of Student Services to design, implement, and administer the LIFE Scholarship program. In 1997, the Legislature created the LIFE program to provide scholarship assistance to South Carolina residents who maintain a B average as full time students, and have a 1000 or greater score on the SAT. This position is essential to the success of this Legislative initiative.

Explanation of Costs: Costs associated with this position are reasonable. Contracting this function to another entity would not be costs efficient.

Benefits Derived: The Commission on Higher Education can efficiently and effectively implement and administer the LIFE scholarship program, thereby meeting the intentions of the Legislature.

Consequences if Not Funded: The likely adverse effect for this program will be diminished ability to properly administer this Legislative priority program.

FY 1999-2000 BUDGET REQUEST

Priority No. 2 of 5

Agency Code: HO3 Agency Name: Commission on Higher Education

Agency may submit only one ranking of all requests, not one for recurring funds and one for non-recurring.

Program Name: Auditor

Summary Description of Critical Need: This person will assist with the audit of financial and factual information submitted to the Commission for the Palmetto Fellows Scholarship, the Need-Based Student Aid program, and the LIFE Scholarship program. This person will conduct reviews of institutional records and data bases to test the adequacy and accuracy of responses to the Commission's requests for information. Institutional compliance with internal procedures, as well as policies defined by the Commission will be ensured.

Justification for Designating Request as a Critical Need: South Carolina colleges and universities are being requested to submit increasingly greater amounts of data for student financial aid activities. Concern has arisen that the controls available to preclude inconsistencies in reported data are lacking. This is a critical issue, as the financial viability of public postsecondary institutions becomes more closely tied to student financial aid.

COST ESTIMATES (Full Year or Partial Year? No. of months: 12)

	State Non-Recurring	State Recurring	Federal	Other	Total
Personnel Costs		\$34,000			\$34,000
Positions		1			1
Emp. Cont. (25%)		8,500			8,500
Operating Expenses:					
Supplies/Materials					
Equipment					
Travel					
Training					
Other Operating					
TOTAL		\$42,500			\$42,500
Current Year (FY 1998-99) Funding		0			0
% Increase Over Current Year		100 %	%	%	100 %
Program % of Agency's FY 1998-99 base (See page 3 for explanation)		0.5 %	%	%	0.1 %

Will this request in any way require an annualization need for FY 1999-2000? Explain under Explanation of Need, question number 8. No.

Does this project require multi-year funding? If yes, explain. This is a request for one full-time equivalent position.

EXPLANATION OF NEED (See attached instructions)

Program Mission and Description: This person will assist with the audit of financial and factual information submitted to the Commission for the Palmetto Fellows Scholarship , the Need-Based Student Aid program, and the LIFE Scholarship program. This person will conduct reviews of institutional records and data bases to test the adequacy and accuracy of responses to the Commission's requests for information. Institutional compliance with internal procedures, as well as policies defined by the Commission will be ensured. South Carolina colleges and universities are being requested to submit increasingly greater amounts of data for student financial aid activities. Concern has arisen that the controls available to preclude inconsistencies in reported data are lacking. This is a critical issue, as the financial viability of public postsecondary institutions becomes more closely tied to student financial aid. There is also a concern that the funds dispersed through the student financial aid activities are not currently audited to ensure proper application of funds.

Explanation of Costs: Costs associated with this position are reasonable. Contracting this function to another entity would not be costs efficient.

Benefits Derived: The reliability and validity of data reported to the Commission on Higher Education will be improved.

Consequences if Not Funded: The likely adverse effect for this program will be an ever existing potential for inconsistencies and/or errors in data reported to the Commission.

FY 1999-2000 BUDGET REQUEST

Priority No. 3 of 5

Agency Code: HO3 Agency Name: Commission on Higher Education

Agency may submit only one ranking of all requests, not one for recurring funds and one for non-recurring.

Program Name: Existing Academic Program Review

Summary Description of Critical Need: Existing academic review is a long-standing Commission activity that serves as an ongoing check on the quality and efficiency of the state's instructional programming. By gauging the health of all disciplines taught at the public institutions in the state on an eight-year cycle, program review is also an effective tool in helping the Commission and the institutions to plan better the state's academic program array. In all, program review enables the Commission to take a statewide perspective on instructional programming, as mandated by the General Assembly.

Justification for Designating Request as a Critical Need: A number of entities outside the Commission have recently called for strengthening the existing program review process. First, the recent KPMG audit found that "the CHE program review function, which is a critical aspect of program array decisions, has not been emphasized recently." KPMG notes that this lack of emphasis may result from "budget reductions at CHE" and recommends that "CHE should place greater emphasis on program evaluation for the senior institutions." Also, Act 359 reaffirmed the importance of existing program review in charging the Commission with "examining the state's institutions of higher learning relative to both short and long-range programs." And, finally, a large number of institutional representatives have formally requested that the Commission strengthen and commit additional resources to existing program review as a means of ensuring the quality of programs on their campuses.

COST ESTIMATES (Full Year or Partial Year? No. of months: 12)

	<u>State Non-Recurring</u>	<u>State Recurring</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>
Personnel Costs					
Positions					
Emp. Cont. (___%)					
Operating Expenses:					
Supplies/Materials					
Equipment					
Travel					
Training					
Other Operating		35,000			35,000
TOTAL		\$35,000			\$35,000
Current Year (FY 1998-99) Funding	0	0	0	0	0
% Increase Over Current Year		100 %	0 %	0 %	100 %
Program % of Agency's FY 1998-99 base (See page 3 for explanation)		0.5 %	%	%	0.5 %

Will this request in any way require an annualization need for FY 1999-2000? Explain under Explanation of Need, question number 8. No.

Does this project require multi-year funding? If yes, explain. Yes. This is one of the major functions of the Commission in the Academic Affairs area to promote quality and ensure appropriate array of programs.

EXPLANATION OF NEED (See attached instructions)

Program Mission and Description: The review of existing academic programs is a critical component of the Commission's statewide mission of ensuring quality and integrity of degree programs; identifying exemplary programs as well as programs in need of strengthening; ensuring appropriate program productivity and availability; and serving as a strategic planning device for determining present and future needs of specific discipline areas (i.e.; new program development), including resources such as facilities and equipment, providing a comparative analysis of the level of development and overall quality of programs as measured against programs external to the State. The evaluation process is both formative and summative. It involves the preparation of institutional self-studies; site visits conducted by external peer reviewers; and a final report for each discipline area, visited once every eight years assuming this budget request is honored, in which reviewers make recommendations to commend programs for excellence; grant full approval; grant approval with specific recommendations for change; place programs on probation with stipulations for improvement; or terminate programs.

Explanation of Costs: Costs involved include transportation, meals, lodging and honoraria costs for external reviewers as well as transportation, lodging and meals for staff who accompany reviewers during on-site campus visits.

Benefits Derived: Benefits derived include a qualitative assessment of programs by external reviewers expert in the discipline. These reviewers make recommendations to enhance program quality (which may involve termination of a deficient program); assess whether unnecessary program duplication exists; provide a national and regional framework in which to gauge the strengths and weaknesses of particular programs; make recommendations to the institutions and the Commission as to facilities needs and other resource needs; and identify appropriate emerging program needs and fields as well as where the areas of strength are in the state's program array on which to build future new programs. Weak programs are identified and either strengthened or recommended for termination; all programs, even strong ones, are strengthened by the review process and enriched by the external perspective and different ideas of the external reviewers. The Commission is better informed as to where strengths and weakness reside, and uses this information to inform decisions about new program approval, facilities requests, and other initiatives (e.g., library initiatives; national accreditation of teacher education programs partnership).

Consequences if Not Funded: Academic Program Review cannot be conducted systematically on an eight-year cycle unless this initiative is funded. Because of budget variability, program reviews conducted have ranged from one to three; in recent years these have been paid for by the institutions. This funding permits the review of four to six disciplines, per year, depending on the number of available programs, which permits the establishment of an eight-year cycle in which each program is reviewed by the CHE.

FY 1999-2000 BUDGET REQUEST

Priority No. 4 of 5

Agency Code: HO3 Agency Name: Commission on Higher Education

Agency may submit only one ranking of all requests, not one for recurring funds and one for non-recurring.

Program Name: Competitive Research Grants

Summary Description of Critical Need: This program will provide support for research projects conducted by public college and university faculty members which enhance or encourage the State's economic development. Funds will be available on a competitive basis to faculty as "seed money" for larger projects, for matching grant purposes, and for basic as well as applied research. Funds will be awarded under a competitive grants program whose guidelines (Request for Proposal) and research priorities will be determined by an advisory council composed of representatives of public and private sector organizations. Of the funds appropriated \$40,000 will be required for program administration.

Justification for Designating Request as a Critical Need: South Carolina has a unique opportunity to establish a pool of funds that would be available for academic and scientific research at public colleges and universities. This fund would act to encourage partnerships between public institutions of higher learning and private industry by creating an environment conducive to joint research ventures.

COST ESTIMATES (Full Year or Partial Year? No. of months: 12)

	<u>State Non-Recurring</u>	<u>State Recurring</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>
Personnel Costs					
Positions					
Emp. Cont. (___%)					
Operating Expenses:					
Supplies/Materials					
Equipment					
Travel					
Training					
Other Operating					
TOTAL		\$2,500,000			\$2,500,000
Current Year (FY 1998-99) Funding	0	0	0	0	0
% Increase Over Current Year		100 %	0 %	0 %	100 %
Program % of Agency's FY 1998-99 base (See page 3 for explanation)		29 %	%	%	29 %

Will this request in any way require an annualization need for FY 1999-2000? Explain under Explanation of Need, question number 8. No.

Does this project require multi-year funding? If yes, explain. This project will establish a pool of funds to be made available to qualified faculty members at public institutions of higher learning.

EXPLANATION OF NEED (See attached instructions)

1. Justification of Request - This request is for the establishment of an improved funding system for research in the State.
2. Program Mission and Description - This program will provide support for research projects conducted by public college and university faculty members which enhance or encourage the State's economic development. Funds will be available on a competitive basis to faculty as "seed money" for larger projects, for matching grant purposes, and for basic as well as applied research. Funds will be awarded under a competitive grants program whose guidelines (Request for Proposal) and research priorities will be determined by an advisory council composed of representative of public and private sector organizations. Of the funds appropriated \$40,000 will be required for program administration, including peer reviewers of individual faculty proposals.
3. Explanation of Cost - Costs associated with this endeavor will be used to establish an excellent foundation for research in the State. The Commission on Higher Education is requesting \$5 million in recurring funds. This continuing fund will enable the colleges and universities to expand their research efforts and compete more vigorously at the national level.
4. Benefits Derived - South Carolina must continue its emphasis on graduate education and research in light of the fact that its sister states have made aggressive financial investments in the areas of economic development and research. This investment will be reflected in a strengthened base of intellectual, cultural, and economic development.
5. Consequences if Not Funded - The likely adverse effect for this program will be a diminished capacity to compete with surrounding states in the area of research and economic development.
6. Justification of Why Existing Resources Are Not Used - This is a request for new funding.
7. Number of Years This Item Has Been Requested For State Funding - This is a new request for funding.
8. Explanation of Annualization - There is no requirement for annualization at this time.
9. Base Budget Information - This request is for a new program initiative.

FY 1999-2000 BUDGET REQUEST

Priority No. 5 of 5

Agency Code: HO3 Agency Name: Commission on Higher Education

Agency may submit only one ranking of all requests, not one for recurring funds and one for non-recurring.

Program Name: Competitive Technology Grants

Summary Description of Critical Need: This program will provide incentives for public college and university faculty to use emerging technologies in the delivery of instruction to maximize the rate and quality of learning; to improve faculty productivity; to increase access to educational programs; and to control costs. Competition for the grants will spur creativity and forward thinking, and ensure that faculty who most effectively embrace new technology are rewarded. The grants program's guidelines and award methodology will be determined by an advisory council composed of representatives of public and private sector organizations.

Justification for Designating Request as a Critical Need: Harnessing the power of technology to improve education in general, and classroom instruction in particular, is critical to South Carolina's future -- economically, socially and culturally. Creative and effective use of emerging technologies in the learning environment can help produce more efficient educational institutions; stronger, more versatile faculty; and higher quality graduates. A responsible and accountable process that rewards innovation and success in the use of technology in higher education is an important step toward that goal.

COST ESTIMATES (Full Year or Partial Year? No. of months: 12)

	<u>State Non-Recurring</u>	<u>State Recurring</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>
Personnel Costs					
Positions					
Emp. Cont. (___%)					
Operating Expenses:					
Supplies/Materials					
Equipment					
Travel					
Training					
Other Operating					
TOTAL		\$2,500,000			\$2,500,000
Current Year (FY 1998-99) Funding	0	0	0	0	0
% Increase Over Current Year		100 %	0 %	0 %	100 %
Program % of Agency's FY 1998-99 base (See page 3 for explanation)		29 %	%	%	29 %

Will this request in any way require an annualization need for FY 1999-2000? Explain under Explanation of Need, question number 8. No.

Does this project require multi-year funding? If yes, explain. This project will establish a pool of funds that will encourage and support faculty in their efforts to integrate existing and emerging technologies in the classroom.

EXPLANATION OF NEED (See attached instructions)

1. Justification of Request - This request is for the establishment of a competitive grants program that will accelerate the incorporation of existing and emerging technologies into the higher education environment.
2. Program Mission and Description - The program's primary mission is to help higher education increase the State's return on its investment in technology by encouraging faculty to be innovative with that technology in the classroom. The ancillary benefits of accomplishing this mission are considerable:
 - * The well-managed integration of technology into higher education can further the goals of the State by maximizing the rate and quality of learning, increasing faculty productivity, and encouraging collaborative efforts between public institutions and private industry
 - * The use of innovative methods of instruction will allow South Carolina to take advantage of emerging trends, products, and ideas in diverse areas such as art, humanities, mathematics, and biological and physical sciences.
 - * Enhanced use of technology will benefit South Carolinians by allowing broader access to educational programs in non-traditional settings.
 - * The availability of better equipped facilities and high quality graduates will stimulate the State's economic growth by attracting accomplished faculty and improving the ability to compete for non-state grants.

The funds requested to support this program will be awarded under a competitive framework for implementing new learning technologies. The guidelines and priorities of this program will be determined by an advisory council composed of representative of public and private sector organizations. Of the funds appropriated \$40,000 will be required for program administration, including peer reviewers of individual faculty proposals.
3. Explanation of Cost - Costs associated with this endeavor will be used to establish a foundation for the advancement of technology uses in higher education. The Commission on Higher Education is requesting \$5 million in recurring funds. This continuing fund will enable the colleges and universities to develop and implement alternative methods of instruction.
4. Benefits Derived - South Carolina must invest in educational technology and learn how to best use that technology if it is to remain nationally competitive. This investment will be reflected in a strengthened base of intellectual, cultural, and economic development.
5. Consequences if Not Funded - Failure to fund the program could diminish South Carolina's capacity to compete with surrounding states in research and economic development.
6. Justification of Why Existing Resources Are Not Used - This is a request for new funding.
7. Number of Years This Item Has Been Requested For State Funding - This is a new request for funding.
8. Explanation of Annualization - There is no requirement for annualization at this time.
9. Base Budget Information - This request is for a new program initiative.