



State of South Carolina Office of the Governor

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GOVERNOR

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Brigadier General John L. Finan (Ret.)
Chairman
South Carolina Commission on Higher Education
1122 Lady Street, Suite 300
Columbia, South Carolina 29201

Dear Chairman Finan,

Our ongoing efforts to improve South Carolina's higher education system constantly force us to balance competing priorities. How can we expand access to the college experience without lowering our standards? How can we provide students with the world-class faculties, equipment, and experiences they deserve, while still controlling costs? How do we ensure that graduates will have the skills they need to find enriching and fulfilling jobs in the competitive, globalized economy of the 21st century?

I struggled with these questions as I worked with various stakeholders, including the presidents of our public colleges and universities, to develop my Accountability-Based Funding model (ABF), on which the General Assembly continues to deliberate. Like others, I am concerned with the rising cost of higher education, but unlike many of them, I don't believe the solution lies either in political grandstanding or in an endless series of bureaucratic approvals and re-approvals of even the most trivial institutional actions.

Our colleges and universities will have to adapt to rising healthcare and construction costs by changing the way they do business; similarly, we at the state level have an obligation to respond to these forces by creating an environment in which our institutions have the ability to tailor their offerings and methods of delivering a quality education to meet the needs of today's students.

Last year, the University of South Carolina took this message to heart by proposing a pilot project called "On Your Time." This plan called for the creation of a true third semester during the summer, which would help students graduate more quickly and would also enable the state to make the most of its investments in academic facilities. By allowing our students to benefit from this infrastructure year-round, we can empower them to graduate as much as a year earlier. The

prospective savings for South Carolina's families and taxpayers are real, not just in terms of tuition, but also room, board, and other living expenses.

As proposed, "On Your Time" would retain the eight-semester limit on lottery-funded scholarships, but would now permit a student to receive three semesters of support during a single year. This would have a significant one-time impact on lottery funds as students begin to draw support for the summer semester, but the effects would "smooth out" over time as students on the accelerated completion track exhaust their eligibility and graduate.

Several drafts of the FY 2013-14 budget would have directed the Commission to further investigate this proposal and to report back with an analysis of how such an initiative would have been received by students and other institutions; I was disappointed that this proviso never left the conference table.

I believe this proposal has merit and is worthy of more diligent review. Therefore, I am asking the Commission to convene the appropriate stakeholders and produce an analysis of the potential enrollment and fiscal impacts of a broader pilot program. Please ensure that the work is completed by December 1, 2013 so that your findings can inform not only the FY 2014-15 Executive Budget, but also the subsequent legislative deliberations on next year's spending plan.

Thanks to you and your fellow commissioners for your continued service to South Carolina. God bless.

My very best,

Nikki R. Haley

NRH/cs