

MINUTES OF MEETING
OF
SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION

March 2, 1989
9:30 a.m. - 11:05 p.m.

MEMBERS PRESENT

Mr. William J. Whitener, Chairman
Dr. D. Glenburn Askins, Jr.
Mr. George L. Brightharp
Mr. Tom Moore Craig
Mr. Palmer Freeman, Sr.
Mr. Robert C. Gallager
Mr. Kenneth E. Goad
Mr. Roger E. Henderson
Mr. Marvin C. Jones
Mrs. Reba Anne Kinon
Mr. Lewis Phillips
Dr. Raymond C. Ramage
Mr. Edwin E. Tolbert, Sr.

MEMBERS ABSENT

Mr. Walter E. Brooker
Mr. Howard G. Love
Mr. Vernon McGuire
Mr. Joseph J. Turner, Jr.
Mrs. Mildred R. Williams

STAFF

Ms. Sandra E. Carr
Dr. Frank E. Kinard
Mr. Alan S. Krech
Dr. James A. Paschal
Mr. Robert K. Poch
Mr. Fred R. Sheheen
Mr. John E. Smalls
Dr. John C. Sutusky
Ms. Gaylon Syrett
Ms. Julia E. Wells

GUESTS

Dr. Bob Broadhead
Mrs. Bob Broadhead
Dr. Charles H. Carlisle
Ms. Dorothy J. Carter
Dr. Edward P. Donovan
Dr. W. Bruce Ezell, Jr.
Dr. Ronald W. Hampton
Dr. Dr. Larry A. Jackson
Dr. Arthur E. Justice
Dr. Albert M. Lyles
Mr. M. Hurst Marshall
Dr. W. David Maxwell
Ms. Margaret Pridgen
Mr. David P. Rinker
Dr. Arthur K. Smith

MEMBERS OF THE PRESS

Mr. Bruce Ferrell
Mr. Jason Gertzen
Ms. Stacy Ledvina
Ms. Jenny Munro
Mr. Steve Smith

I. Welcoming Remarks

President Bruce Ezell welcomed the Commission to Erskine College and invited members, guests, and staff to a luncheon following the meeting.

II. Approval of Minutes of Meeting of February 2, 1989

It was moved (Jones), seconded (Kinon), and voted that the minutes of the meeting of February 2, 1989, be adopted as written.

III. Report on Science Education Program at USC-Spartanburg

Mr. Whitener introduced Dr. Arthur E. Justice and Dr. Edward P. Donovan who made a report on USC-Spartanburg's "Center of Excellence" program for teaching science in elementary schools. Dr. Justice, Dean of the School of Education, and Dr. Donovan, Director of the Science Education Center, presented as a contribution to the Commission's library an 11-vidiotape series and accompanying manual that were developed by the institution for preservice and in-service science education courses and workshops for elementary school teachers.

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 the Policy on Abatement of Out-of-State Tuition and Fees. At the request of the Senate Education Committee, the Commission conducted a study of tuition abatement in South Carolina and in the member states of the Southern Regional Education Board (SREB).

Data collected indicate that in South Carolina fees are waived for an estimated 972 athletes, amounting to approximately \$1.6 million each year. In addition, fees are waived for an estimated 875 students with academic scholarships, amounting to \$1.9 per year.

The Committee on Business and Finance recommends no change in the abatement statute pending further review of the academic performance of those students who were granted waiver of out-of-state fees in 1987-88 and 1988-89, and provided that the staff submit to the Commission by October 1, 1989, a report on the academic performance of all students receiving out-of-state fee waivers. Each institution will be required to make available to the Commission staff the necessary academic performance information on the students who received out-of-state fee abatements. It was moved (Jones), seconded (Gallager), and voted that the recommendation of the Committee be adopted. Mr. Sheheen stated that the report will be provided to appropriate committees of the General Assembly.

b. Consideration of the Policy on Funding Out-of-State and Off-Shore Courses and Programs. At its meeting on January 5, 1989, the Commission considered staff recommendations on State funding of out-of-state programs and facilities. The Commission adopted the portion of the proposed policy bearing on State funding of out-of-state facilities. In response to a request by institutions, the Commission referred to the staff for further study the portion concerning the extent to which out-of-state credit hours may be included in formula calculation.

After further study by the staff and discussion with the college and university business officers, the Committee recommends that credit hours generated outside South Carolina, including off-shore locations, may be included in appropriation formula calculations to the extent that such credit hours are not funded from external sources, except that credit resulting from instruction delivered outside South Carolina by non-conventional means (e.g., via television or other media including print) may not be included in such calculations. In this context, "credit hours" include those generated through the use of institutional faculty

(including adjunct or other temporary appointments) for instructional or research purposes at out-of-state locations as well as those generated otherwise at such locations through contractual or exchange agreements. Institutions are required to report separately to the Commission all credit hours generated outside South Carolina. It was moved (Jones), seconded (Askins), and voted that the recommendation of the Committee be adopted.

c. Consideration of Appropriation Schedule for FY 1990-91. The Committee recommends a proposed schedule for review of college and university appropriation requests for FY 1990-91. It was moved (Jones), seconded (Askins), and voted that the recommendation of the Committee be adopted. The schedule as adopted is attached as Exhibit A.

d. Consideration of Proposal to Conduct a Study of Student Financial Assistance Programs. The Commission's 1988-89 program of initiatives calls for a study of student financial assistance programs in South Carolina. Final action on the project was deferred until March 1989 because of other matters of higher priority and because of uncertainty about the availability of funds in the Commission's operating budget.

After reviewing the operating budget for 1988-89, the staff concluded that appropriate adjustments can be made to accommodate the requested expenditure. The Committee recommends that the staff be authorized to expend \$25,000 to be used for funding the study. It was moved (Jones), seconded (Gallager), and voted that the recommendation of the Committee be adopted.

e. Consideration of Prospectus for Dayco Scholarship. In December 1988, Dayco products Company, Inc., of Dayton, Ohio, contributed through Governor Campbell's office \$50,000 to be used as a scholarship fund to assist South Carolina in reaching its educational goals. Governor Campbell announced that he would divide this contribution equally between the Commission on Higher Education and the State Board for Technical and Comprehensive Education with the stipulation that each must provide an equal match for its fund.

The Commission proposes to match its portion of the contribution with \$25,000 from its own budget for FY 1988-89 in order to establish a permanent endowment fund of \$50,000. This fund would be lodged with and managed for investment purposes by the State Treasurer or by a private foundation that the Commission might establish for this and similar purposes.

In either case, it will be stipulated that the corpus of the initial Dayco Scholarship Fund will be held intact. The annual earned interest on the fund or \$3,000, whichever is less, may be awarded by the Commission as a scholarship to a State resident attending an eligible institution in South Carolina. Income accruing to the fund in excess of \$3,000 annually will be applied to the corpus of the fund. The Commission may elect, as circumstances warrant, to increase the amount of the annual award or to make more than one award, depending on the availability of earned funds.

The Committee recommends the following additional considerations to guide the Commission in the selection of a Dayco Scholar:

- (1) Preference would be given to an employee of the Dayco Products, Inc., or to the dependent child of such an employee in South Carolina.
- (2) Preference would be given to a resident of a county in the State in which Dayco Products, Inc., operates one or more manufacturing or research facilities.
- (3) Preference would be given to an applicant who is enrolled in or has been accepted for enrollment in a program leading to a baccalaureate degree in business.

The staff reviewed the operating budget for FY 1988-89 and concluded that appropriate adjustments can be made to accommodate the requested expenditure. The Committee recommends that the Commission staff be authorized to expend \$25,000 to fund the Commission's match for establishing the permanent endowment fund of \$50,000.

It was moved (Jones) and seconded (Freeman) that the recommendation of the Committee be adopted. After discussion, the motion was amended (Craig), seconded (Brightharp), and voted that item 1 above be deleted. The motion, as amended, was adopted.

f. Consideration of Resolution on Supercomputers. Mr. Jones reported that the acquisition of supercomputer technology for use by institutions of higher learning in South Carolina is a matter of complexity and great expense to the State. The Committee on Business and Finance proposes a resolution that would require the colleges and universities to seek funding for any supercomputer through the Commission on Higher Education and would urge the Governor and the General Assembly to take no action concerning the funding of supercomputers for higher education until the Commission has reviewed such proposals. It was moved (Jones), seconded (Brightharp), and voted that the recommendation of the Committee be adopted. The resolution (Exhibit B) will be forwarded to the Governor and appropriate committees of the General Assembly.

V. Report of Committee on Facilities

Mr. Brightharp, chairman of the Committee on Facilities, reported on the following matters:

a. Consideration of Project at MUSC: Warehouse Lease. The Medical University of South Carolina seeks approval to lease for five years 65,000 square feet of warehouse/office space from Montague Park East for surplus property storage and records management/microfilm operations. Annual cost would be \$183,300 in basic rent, increasing to \$199,550 for the fourth and fifth years, and approximately \$16,200 for its pro rata share of building operating costs. The University estimates that 42% of the operations would be hospital related. It requests, therefore, that 58% of the annual lease and building operating costs be funded from State sources; the remaining 42% would be paid from generated revenues. The Committee recommends approval with 42% of the basic annual rent and building operating costs paid from generated revenues. It was moved (Brightharp), seconded (Kinion), and voted that the recommendation of the Committee be adopted.

Mr. Sheheen indicated that the staff will inquire into existing policies and future directions of the South Carolina Department of Archives and History system with respect to future requests for leases of facilities to be used by colleges and universities for records storage space. Dr. Askins suggested that this issue be addressed in the Commission's planning document.

b. Consideration of Projects at USC:

(1) Lease of Property at 720 College Street. The University of South Carolina proposes to lease a facility at 720 College Street, Columbia, for additional laboratory, office, and storage space. The total annual lease cost amounts to \$84,000 plus all building maintenance and operations costs. The lease cost of \$3.50 per square foot would increase to \$3.75 during the fourth and fifth years of the five-year lease.

The Committee recommends approval of the proposed lease, addition of the facility to the formula for the funding of building operations and maintenance, and inclusion of the lease cost in the additional section of the higher education portion of the appropriation bill containing all higher education rental and lease payments. It was moved (Brightharp), seconded (Kinin), and voted that the recommendation of the Committee be adopted.

(2) Lease of Property at 1323 Pendleton Street. USC proposes to lease a building at 1323 Pendleton Street, Columbia, to house its Educational Policy Center, the South Carolina Literacy Association, and the Writing Improvement Network. Annual rent for the three-year lease would be \$39,950 based on a per-square-foot cost of \$8.50. The University would be responsible for utilities and janitorial services. The South Carolina Literacy Association is not a component of the University and will pay half the lease and building operating costs. Additionally, the Writing Improvement Network will also cover a pro rated share of the lease and building operating costs. The Committee recommends approval with \$9,987 added to the rental/lease payment schedule for of the higher education budget and one-fourth of the facility included in the formula for building maintenance and operations. It was moved (Brightharp), seconded (Craig), and voted that the recommendation of the Committee be adopted.

(3) Budget Increase for Drayton Hall. USC requests approval to increase the Drayton Hall project budget by \$525,000 in order to accept five proposed alternates on the project and to raise the level of contingency funds to a realistic level. Source of funds for the increase would be provided through the 1988 Capital Bond Act for renovations on the Columbia campus. The Committee recommends approval. It was moved (Brightharp), seconded (Ramage), and voted that the recommendation of the Committee be adopted.

VI. Report of Executive Committee

Mr. Whitener asked Mr. Krech to report on the following licensure matters:

a. Consideration of Licensure of Forrest College. In July 1988 Forrest College, Anderson, submitted an application for licensing to confer the associate in business degree in several business disciplines. At the request of Commission staff, the documentation was resubmitted in November 1988 and additional financial data were received in December 1988 and January 1989. The staff has reviewed the materials and believes that

Forrest College substantially meets the licensure standards. Mr. Sheheen has recommended to the Executive Committee that the Commission issue a temporary license for one year or until a provisional or regular license is issued, whichever is less, granting Forrest College permission to offer programs leading to the associate in business degree in accounting, business administration, secretarial science, medical secretarial, and office management in Anderson. The institution will be visited by an examining committee within the next eight months.

The Executive Committee recommends approval. It was moved (Whitener), seconded (Brightharp), and voted that the recommendation of the Committee be adopted.

b. Request for Special Exception: Student Completion of Independent Studies at American Management College. On February 2, 1989, the Commission adopted the recommendation that "the license of American Management College to operate in South Carolina not be renewed, that no new students be enrolled effective immediately, and that operations be discontinued when contractual obligations to enrolled students and employed faculty have been fulfilled or appropriately dissolved."

On February 16 American Management College requested permission to allow three students to complete degrees at the institution using independent study courses and to allow a fourth student, enrolled as a transient student prior to the closure order, to complete three independent study courses. All independent study courses will be completed by April 10, 1989.

Mr. Sheheen has recommended that the Commission authorize the Chairman to write Dr. Craven H. Sumerell, President of the College, with copies to Mr. J. Emory Smith, Jr., Assistant Attorney General, and Mr. Bernelle Demo, attorney and member of the board of the College, permitting the specific exception to the closure order with the following conditions:

(1) The permitting of the specified exceptions shall not in any way be interpreted as a negation of the Commission's findings or the intent of the closure order; and

(2) The above students for which these exceptions are made shall be notified in writing of the Commission's action with regard to the closure of American Management College and the granting of permission for them to complete independent study courses and degrees (when applicable) as exceptions to that closure order. Copies of these letters are to be filed with the Commission.

The Executive Committee recommends approval. It was moved (Whitener), seconded (Kinon), and voted that the recommendation of the Committee be adopted.

VII. Report of the Commissioner

Mr. Sheheen reported on the following matters:

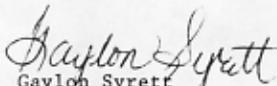
a. Office Move. The office of the Commission is in the process of moving to the third floor of the IBM Building. Effective March 6, the new address will be 1333 Main Street, Suite 300, Columbia 29201. The telephone number will remain the same.

b. Report of the Commission on the Future of South Carolina. Mr. Sheheen noted that the Lieutenant Governor has provided Commission members copies of the Executive Summary of the final report of the Commission on the Future of South Carolina. Mr. Sheheen was a member of that Commission. The report contains recommendations on education, economic opportunities, government, and the living environment in South Carolina.

c. Status of the Appropriation Bill. Mr. Sheheen reported that the House Ways and Means Committee has completed its study and recommends 93.3% of formula funding in the initial version of the appropriation bill, plus \$1 million for the access and equity program.

The meeting was adjourned at 11:05 a.m.

Respectfully submitted,


Gaylon Syrett
Recording Secretary