

MINUTES OF MEETING  
SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION  
OCTOBER 6, 1994

MEMBERS PRESENT

Dr. Donald Crolley  
Dr. Colgate Darden  
Mr. Fred Day  
Ms. Elaine Freeman  
Mr. Austin Gilbert  
Ms. Reba Kinon  
Mr. Ray Lathan  
Dr. W. David Maxwell  
Mr. Williard Metcalf  
Mr. Lewis Phillips  
Ms. Debbie Whittle  
Ms. Mildred Williams

GUESTS

Mr. Harry Bell  
Mr. Arthur M. Bjontegard  
Dr. Ben Box  
Mr. Charles Brooks  
Dr. Dean Cleghorn  
Mr. Joe Cooper  
Ms. Susan Dewitt  
Dr. Doug Dobson  
Mr. Daniel Dukes  
Dr. Nancy Dunlap  
Dr. Carol Garrison  
Mr. Sandy Gilliam  
Dr. Mac Holderfield  
Dr. Sally Horner  
Ms. Karen Hudgins  
Mr. David Hunter  
Mr. Carl Jordan  
Mr. Ben LaGare  
Dr. Bill Leonard  
Mr. Howard Lundy  
Col. Jerry Lyons  
Ms. Ginger Noel  
Mr. Bill Robinson  
Ms. Marilyn Sarow  
Mr. Eddie Shannon  
Mr. Charles Shawver  
Dr. Dewitt Stone  
Mr. Tom Terrill  
Mr. W.E. Troublefield, Jr.

MEMBERS ABSENT

Mr. Kenneth Goad  
Dr. Gregg Jones  
Dr. Raymond Ramage  
Mr. Bill Stern  
Mr. Edwin Tolbert

STAFF

Mr. Michael Brown  
Ms. Addie Caldwell  
Ms. Renea Eshleman  
Ms. Lynn Metcalf  
Mr. Joseph Pendergrass  
Dr. Robert Poch  
Mr. Fred Sheheen  
Mr. John Smalls  
Ms. Yolanda Solone  
Ms. Julia Wells

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

Introduction of guests were provided by Ms. Lynn Metcalf.

1. Approval of minutes of August 22, 1994 and September 1, 1994.

Two corrections were made regarding the minutes of the Commission meeting of August 22, 1994. First, on page 2, paragraph 4, Mr. Metcalf, not Dr. Crolley, questioned the need for a quarterly review of progress made in the implementation of the report of the two year study committee and recommended that progress be reviewed after one year. Second, in the same paragraph, a typographical error was made in the spelling of the word "undertaken."

It was moved (Freeman), seconded (Kinon), and voted that minutes of the August 22, 1994, meeting be approved as amended.

In the minutes of the Commission meeting on September 1, 1994, under item 3.01, it was indicated that Mr. Lathan seconded the motion in regards to the SPRE Review Standards. Mr. Lathan stated that he did not make the motion. Mr. Sheheen indicated that the tape of the September 1, 1994, Commission meeting would be reviewed and that the Commission member who seconded the motion would be identified accurately. (Note: the staff later reviewed the tape and could not identify the Commission member who seconded the motion. The staff requests the advice of the Commission on this matter).

It was moved (Gilbert), seconded (Kinon), and voted that the minutes of the September 1, 1994, meeting be approved as amended.

2. Special Presentations

- a. Resolution of the Commission on Higher Education regarding the membership of the Chairman of the Commission on the Board of Trustees of the Independent Colleges and Universities of South Carolina, Inc.

At Mr. Day's request, Mr. Sheheen commented on the resolution. Mr. Sheheen stated that the Independent Colleges and Universities of South Carolina passed a resolution amending their by-laws to permit the addition of members to their board. This was to accommodate the addition of the Chairman of Commission on Higher Education as an ex officio member. Mr. Sheheen noted that Mr. Day thought it best for the Commission members to act formally on the matter. Therefore, a resolution concerning the addition of the Commission chairman as an ex officio member of the Board of Trustees of the Independent Colleges and Universities of South Carolina, Inc., was prepared for the Commission's action.

It was moved (Crolley), seconded (Lathan), and voted that the resolution be approved.

b. Resolution Expressing Appreciation to the Staff of the South Carolina Commission on Higher Education

A resolution expressing the Commission members' appreciation and highest commendation to the Commission staff was read by Mr. Gilbert (Attachment 1).

It was moved (Williams), seconded (Whittle), and voted that the resolution be approved. Mr. Day requested that the Commission members sign the document.

Mr. Sheheen stated that he was grateful to the Commission for articulating their positive feelings about the staff.

3. Committee Reports

3.01 Report of the Executive Committee.

There was no report.

3.02 Report of the Committee on Academic Affairs

There was no report.

3.03 Report of Committee on Access and Equity

There was no report.

3.04 Report of Committee on Business and Finance

a. Formula Changes

1. Introduction of Allocation Step

Mr. Lathan stated that the Committee on Business and Finance recommended that an Allocation Step be added to the existing formula as the final step. This step will be subject to the normal annual review process associated with all other steps of the formula.

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

2. Limitation of Remedial Credit Hours

To begin the process of linking funding to goals, the Committee on Business and Finance recommended that the issue of remedial education be the first linkage and the 1995-96 formula be changed to reflect the following:

(a) No remediation credit hours will be funded for Group I institutions.

(b) No remediation credit hours above the 1993-94 formula baseline will be funded at Group II institutions.

It was moved (Lathan), seconded (Williams), and voted that the recommendation be approved.

b. Status of Allocation Methodology

Mr. Lathan noted that in order to allow for appropriate deliberations on the allocation methodology, the Commission staff will present its recommendation to the Business and Finance Committee no later than November 1, 1994.

c. Establishment of Base Amount for Use in Allocation Methodology

The Business and Finance Committee recommended that as a component of the 1995-96 formula, a "Base" be established which would be equal to the 1993-94 appropriations, plus the 1994-95 State pay increases (combined total of \$581,383,531).

It was moved (Lathan), seconded (Gilbert), and voted that the recommendation be approved.

d. Step 12 Funding Policy

The Committee on Business and Finance recommended that existing Step 12 items will be funded at the percentage equivalent to the institution's appropriation as compared to their formula recommendation. Increases in existing Step 12 projects and new projects must be funded proportionate to increases in each institutional appropriation provided that if an institution elects not to expend available dollars on the specified project, that amount will be deducted from the next ensuing fiscal year's recommended appropriation.

Provided further that institutions will clearly communicate to project directors the contingent nature of Step 12 appropriations, and copy the Commission staff with such communications.

Provided further that all Step 12 expenditures will be reviewed and subject to audit under the Commission's normal audit procedures.

It was moved (Lathan), seconded (Williams), and voted that the recommendation be approved.

e. Step 12 Requests

Mr. Lathan recommended that the Commission members refer to the pages entitled "FY 1995-96 Institution's Step - 12 Requests and Business and Finance Committee Recommendations" (Attachment 2) as a way to consider in an orderly manner the numerous Step-12 requests. Mr. Day added that an efficient way for the Commission to consider and vote on the requests would

be to proceed through the list and to vote first on those requests where there were no objections and to return later to those items where questions or objections were raised.

Mr. Lathan reviewed briefly the respective Step-12 requests and the Business and Finance Committee's recommendations. Following the review, Mr. Day asked whether the Commission members or institutional representatives had any comments or questions concerning the projects. Questions were raised concerning Lander University (economy of scale -- institutional support), AHEC (healthcare recruitment), and, USC-Columbia (SCAMP). Mr. Day indicated that the Commission would return to those requests and asked that the Commission vote upon the remaining Step-12 requests and recommendations which were not in question. It was moved (Lathan), seconded (Williams), and voted to approve the recommendations of the Committee on Business and Finance concerning The Citadel, Clemson University, the College of Charleston, Francis Marion University, the Medical University of South Carolina -- Academic Division, AHEC (Rural Physicians Recruitment), South Carolina State University, USC-Columbia (with the exception of SCAMP pending further discussion), USC-Beaufort, and Winthrop University.

Mr. Day then asked for further discussion concerning Lander University's request concerning economy of scale - institutional support. Mr. Troublefield was recognized to provide institutional comment. Mr. Troublefield stated that he believed that the recommendation of the Business and Finance Committee ignored Lander's request and urged the Commission to provide funding. Absent approval of funding, Mr. Troublefield asked the Commission to review the institutional support step and do so during the fiscal year 1996-97 formula period.

Mr. Lathan moved that the Committee recommendation be approved as written. Mr. Sheheen asked Mr. Lathan if he would consider accommodating Mr. Troublefield's request that the staff study the relevant formula step during the 1996-97 formula period. There was no second to Mr. Lathan's motion.

It was moved (Williams), seconded (Kinon), and voted that no unique funding be provided for Lander University relevant to economy of scale -- institutional support, and that the staff be directed to review the formula step during the fiscal year 1996-97 formula period.

Mr. Day invited Dr. Cleghorn to comment on the request for the South Carolina Healthcare Recruitment and Retention Center. Dr. Cleghorn stated that over the last several years, as funding declined, AHEC lost approximately \$1.5 million in formula funding, and, as a result, AHEC receives the lowest percentage of formula funding of any State entity. Further,

he noted that over the last three years, the AHEC administrative office lost four full-time equivalent staff members as a result of the loss of funding. Dr. Cleghorn noted that the problem is exacerbated further by the need to transfer funds to cover costs incurred in the recruitment programs.

Mr. Sheheen responded that many of the costs incurred are the result of administrative decisions made knowingly by the AHEC management. It was moved (Lathan), seconded (Williams), and voted that funding in the amount of \$40,986, which includes a 3.4 percent inflationary increase over the 1994-95 recommendation, be provided for the South Carolina Healthcare Recruitment and Retention Center.

Mr. Day recognized Mr. Smalls regarding the South Carolina Alliance for Minority Participation (SCAMP). Mr. Smalls stated that the detailed budget for SCAMP was revised. He distributed the revised budget to the Commission members and noted that the bottom line on the revised budget was the same as the SCAMP budget originally submitted.

It was moved (Lathan), seconded (Kinon), and voted that the revised SCAMP budget request be funded "below-the-line" in the amount requested (\$600,000).

Dr. Maxwell stated that he was dismayed at the number of Step-12 requests submitted. He also reminded those who work with the formula that "unique" is an absolute adjective -- a thing is either unique or it is not. There is no such thing as "very unique." Dr. Maxwell observed that the integrity of the formula is inversely proportional to the part of the funds that go into the formula through Step-12.

#### f. Indexing Tuition Grants with Formula Funding

It was moved (Lathan), seconded (Williams), and voted that the Commission reaffirm its commitment to the concept of indexing Tuition Grants with Formula Funding and communicate its commitment to the General Assembly in the form of a resolution.

Mr. Shannon stated that the Tuition Grants Commission is in favor of indexing tuition grants with formula funding and observed that the percentage of tuition covered by tuition grants has gone down dramatically from 80 percent in the first year of the program to under 20 percent currently. He emphasized the need to communicate the indexing concept to the General Assembly.

### 3.05 Report of the Committee on Facilities

#### a. Consideration of Proposal for the University Center, Greenville Technical College

Ms. Kinon stated the Business and Finance Committee and the Facilities Committee met together to consider a proposal from Greenville Technical College to retrofit a 92,600 square foot donated facility for use as the University Center. The total estimated project cost for the retrofit is \$4 million. The source of funds will be a revenue bond issue of \$4 million. The revenue bond will not require a student fee increase.

Once the building is retrofitted by the College, the College will execute a new lease agreement, sufficient to cover the College's debt costs of the renovation and subsequent maintenance and operations. That total annual payment is estimated at \$600,000.

It was moved (Kinon), seconded (Metcalf), and voted to approve the project as proposed.

**3.06 Report of Committee on Planning and Assessment**

There was no report.

**4. Report of the Commissioner**

Mr. Sheheen noted that he was meeting with the chairman of the Council of Presidents (Dr. DiGiorgio), in the afternoon to review matters of common interest between the Council and the Commission.

Mr. Sheheen also reported that he will be traveling to Germany as part of a delegation assembled by the Budget and Control Board to further formalize a sister state agreement between South Carolina and the German state of Brandenburg. He indicated that he would be away from the Commission office between October 17 and 24, 1994.

**5. Other Business**

Mr. Lathan stated that the Commission members had received a letter from Dr. DiGiorgio on the upgrading of academic standards at Winthrop University. Mr. Lathan said that the University should be commended for the progress that it has made and asked that a resolution conveying the Commission's congratulations be drafted and sent to Dr. DiGiorgio.

There being no other business, the meeting was adjourned.

Respectfully submitted,



Addie Caldwell  
Recording Secretary