

**SOUTH CAROLINA
COMMISSION ON HIGHER EDUCATION**



**ANNUAL ACCOUNTABILITY REPORT
FISCAL YEAR 2012-13**

September 2013

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South Carolina Commission on Higher Education

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Dr. Richard C. Sutton
Executive Director

September 16, 2013

The Honorable Nikki R. Haley, Governor of the State of S.C.
Members of the S.C. General Assembly

The S.C. Commission on Higher Education (CHE) is pleased to submit for your review its annual accountability report for Fiscal Year 2012-13. The report includes an executive summary, an organizational profile, and information pertaining to the elements of the Malcolm Baldrige Award Criteria per the Budget & Control Board's 2012-13 Accountability Report guidelines.

In past years, CHE also submitted each January a separate report on the state's public institutions of higher education in accordance with S.C. Code §59-101-350. The report, entitled "*A Closer Look at Public Higher Education in South Carolina: Institutional Effectiveness, Accountability, and Performance*," provided information and performance trends for key data for our state's public institutions, and prior to 2006, served as the annual accountability report for the public higher education institutions. Each institution now submits its own accountability report. The "*Closer Look*" report was suspended in 2010 by a budget proviso that remains in effect as of FY 2013-14.

We are proud of the work of CHE in fulfilling its role as the state coordinating body for public higher education. If I can provide any additional information or material relating to our agency, please contact me at 737-2275.

Sincerely,

A handwritten signature in black ink that reads "Richard C. Sutton".

Richard C. Sutton
Executive Director

Enclosure

Accountability Report Transmittal Form

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H03

Date of Submission: September 16, 2013

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Note: In accordance with Budget and Control Board requirements, CHE has submitted the required three (3) printed copies and an electronic version (e-mailed) of the report to the Office of State Budget, Attention: Karen Rhinehart (Krhinehart@budget.sc.gov), Office of State Budget, Edgar A. Brown Building, 1205 Pendleton Street, Suite 529, Columbia, SC 29201.

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SECTION I – EXECUTIVE SUMMARY

Mission and Values

The South Carolina Commission on Higher Education (CHE) operates pursuant to the S.C. Code of Laws, as amended, §59-103-5, et seq. CHE's website is www.che.sc.gov.

MISSION

The S.C. Commission on Higher Education will promote quality and efficiency in the state system of higher education with the goal of fostering economic growth and human development in S.C.

VALUES

CHE values

- the importance of quality higher education
- the accessibility of this education to the citizens of the state
- the accountability of the institutions to their students and the General Assembly
- excellence on the part of its staff in performing its functions
- excellence on the part of the institutions in providing educational opportunities

SERVICES OFFERED

CHE, established in 1967, serves as the coordinating board for SC's 33 public institutions of higher learning. It acts both as an advocate for higher education and an oversight entity on behalf of the General Assembly. The Commission is responsible for assuring a balance between student and taxpayer interests and institutional policies, aspirations, and needs.

CHE carries out its mission through statewide planning and approval authority, working with institutions to promote quality, access, and efficiency in the state's higher education enterprise, while balancing advocacy, stewardship, and accountability. The major functions of CHE can be categorized broadly into four major areas: advocacy, coordination, and planning; research and information services; accountability and reporting; and program administration. In performing its responsibilities, CHE works closely with institutions to expand educational opportunities for the state's citizens, to invest in research for economic development and a better quality of life, and to increase cooperation and collaboration for higher levels of efficiency and quality in higher education opportunities throughout the state.

CHE is governed by a board of 15 members who are appointed by the Governor including: one at-large member appointed as chair, three other at-large members, seven members representing the Congressional Districts, three members representing the public higher learning sectors, and one member representing the independent higher learning institutions. Appointees representing Congressional Districts are recommended by a majority of the State Senators and House members comprising the District's legislative delegation; the remaining appointees are recommended and appointed based on the advice and consent of the Senate. Commissioners serve four-year terms with the exception of the three public institutional trustees who serve two-year terms. All except the independent institution representative are voting members.

OVERARCHING STRATEGIC GOALS

The following broadly defined goals have been established to provide guidance and evidence of direction for future work of CHE:

- To make S.C. a global leader by working with business and industry to foster higher education's role in economic growth and human development.
- To maintain positive relations with the Governor, the Legislature, state agencies, parents, and students and to provide them and the general public with accurate information on S.C. higher education.
- To present the needs and develop support for appropriate funding of public colleges and universities.
- To address strategic issues in public and private higher education as they are identified and to ensure a continuous process of assessment and improvement in the colleges and universities.
- To assure access to and equality of educational opportunity among underrepresented populations in S.C. higher education.
- To promote quality and diversity in the academic offerings of institutions of higher learning.
- To prevent or eliminate unnecessary duplication of degree programs among the state's institutions.
- To expand postsecondary educational opportunities for S.C. residents, to recognize student achievement, and to encourage excellence in teaching and research by administering various higher education programs.
- To ensure that non-public educational institutions, other than those exempted by statute, are legitimate educational enterprises and that they are fulfilling their purposes.

Major Achievements from the Past Year

- ◆ During the year, CHE continued its search, which had begun in March 2012, for a permanent executive director. The search was concluded successfully with the hiring of Dr. Richard C. Sutton, who assumed his responsibilities on May 1, 2013.
- ◆ As one of its main goals, CHE supports the implementation of a statewide strategic plan for higher education that was released in March 2009 by the legislatively-appointed Higher Education Study Committee (HESC). The Action Plan and follow up study, *The Economic Return on Investment in S.C.'s Higher Education*, which was conducted by the University of South Carolina's (USC) Division of Research of the Darla Moore School of Business and released on August 19, 2009, are accessible at www.che.sc.gov/HigherEd_ActionPlan.htm. Progress updates on activities of CHE and institutions in implementing the Plan are provided, and staff continues to pursue activities to increase awareness of the value of higher education to the state and individuals.
- ◆ As part of efforts to implement the Action Plan and the goal of making our state one of the most educated states, CHE staff continued work with institutional representatives and other key stakeholders on an initiative, Carolina Stackable Certificates, which is aimed at increasing adult participation in higher education. Steering committees and task force committees made up of representatives from higher education institutions, the S.C. Department of Education, Adult Education and Literacy Council Centers, the S.C.

Department of Commerce, and the S.C. State Library were appointed to oversee implementation activities. Pilot studies have begun and progress updates are provided regularly throughout the year.

- ◆ Higher education institutions have lost nearly 50% of their base recurring state funding since the beginning of FY 2008-09. CHE, along with the institutions, continued during the year to advocate for increased operating funds for institutions and also for funds in support of maintenance needs. In the budget approved by year-end for FY 2013-14, appropriations from recurring, nonrecurring, Capital Reserve Fund (CRF) and the S.C. Education Lottery totaled \$885.4 million which is down 1.2% from FY 2012-13. For institutions, funding included an increase of just over \$11 million in general fund operating appropriations for select colleges and universities. Non-recurring funding for colleges and universities (including nonrecurring provisos, CRF and Lottery for educational and general purposes) totaled approximately \$70 million with \$36 million appropriated from the CRF and the Education Lottery for institutional maintenance needs and facilities.
- ◆ With the current economic conditions and increased college costs, support for need-based grants remains critical and is vital to success in improving the number of South Carolinians who enter college and graduate. Need-based financial aid is essential to any state that seeks to enhance the participation of students who have limited financial means. In recent years, funding for merit-based scholarships has grown to keep pace with increased numbers of eligible students, but funding for need-based grants has not. As of FY 2012-13 appropriations for the state's merit programs (Palmetto Fellows, LIFE and S.C. HOPE) continues to represent 70% of approximately \$330 million in dollars appropriated, whereas state need-based aid programs (CHE Need-Based and Tuition Grants) represent 16%, and Lottery Tuition Assistance at two-year institutions represents 14%.

CHE again advocated for increased need-based grant funds during the year. Total appropriations in FY 2013-14 for the S.C. Need-Based Grant Program are \$2.6 million less than FY 2012-13 funds and \$380,844 more for the S.C. Tuition Grants program. For the S.C. Need-Based Grant Program, funding continues to be allocated according to a methodology enabled by the General Assembly in 2008 to ensure that funds are reaching the neediest students. The change in methodology, which was made permanent in 2011 with the passage of S.172 (Act 24), allows for additional funds to be allocated on the basis of Pell Grant recipients as a measure of financial need instead of enrollment.

- ◆ During FY 2012-13, CHE continued to work to secure recurring funding for the state's Higher Education Electronic Library, Partnership Among S.C. Academic Libraries (PASCAL), which includes participation of 53 public and private institutions. After being funded initially in FY 2004-05 with \$2 million in non-recurring (one-time) funds and in each year until FY 2008-09, PASCAL saw its recurring funding reduced in FY 2008-09 to \$200,000 and ultimately to \$169,674, the current base funding as of FY 2011-12. This figure represents more than a 90% reduction in original funding. In light of the budget reduction and lack of restored state funding in recent years, member institutions have been asked to pay increased assessments in order to maintain essential PASCAL services.

Budget reductions coupled with the fee assessment have exacted a heavy toll on individual institution library budgets, resulting in significant permanent collection funding losses statewide. Despite this toll on institutional collections, member institutions have maintained participation in the program, a fact which underscores both the importance of PASCAL resources and the significance of collaboration among the state's higher education institutions. In 2012, PASCAL libraries launched a joint procurement for core electronic resources with the state's South Carolina State Library. PASCAL libraries agreed to support a

cornerstone element of the DISCUS package using institutional funds. This agreement, now in its second year, allows the State Library to upgrade resources available to citizens through public and school libraries and allows academic libraries to reduce their core resource expenditures made through PASCAL. However, while this agreement is remarkable and historic for South Carolina libraries, it should be noted that this was a consolidation of resources taking place within the context of large losses absorbed by all libraries since 2009. Indeed, it represented a shifting of academic library expenditures rather than a net savings. While some of the new content was important in supporting undergraduate education, several key academic resources were dropped from the package and costs for these resources were shifted back to the institutional level. Thus some academic libraries paid roughly the same for slightly more content while others lost some academic content.

Secure state funding remains a challenge. PASCAL continues to be included on the priority list for unclaimed prize funds that may become available beyond the level of such funds that are certified. In July 2012, PASCAL received \$1.25 million from FY 2011-12 excess unclaimed lottery prize funds that became available. In FY 2012-13, PASCAL libraries developed a comprehensive strategy that emphasized a strategic transition to accelerate access to electronic books and common collection management. Access to academic e-books through a combination of creative multi-year licenses and one-time purchases compliments PASCAL's electronic journal package and print book delivery programs. Use data developed through this initiative will be useful in developing long range collection strategies. The consortium is also using funds to modernize elements of this delivery infrastructure in order to improve the scope of services and continue to increase efficiencies in academic library operations. A core reference package for science, technology and medicine resources and modest support for digitization of archival collections have also been pursued.

In July 2013, PASCAL received \$36,933 of \$1.5 million authorized from the FY 2012-13 excess unclaimed lottery prize funds. These funds will be used in support of the activities launched in FY 2012-13. For FY 2013-14, PASCAL remains on the priority list for excess unclaimed prize funds should the funding become available. PASCAL at \$1.5 million is in the second priority position for these funds, and if available after the first \$11.3 million will receive funding. While PASCAL is in a reasonable position to realize the additional funding in FY 2013-14, the outcome will not be known until nearer the end of the fiscal year. Along with the colleges and universities, CHE will continue to seek from the state a stable funding source for this important statewide project. Additional information on PASCAL is available below under *Key Objectives for FY 2012-13 and Upcoming Years*, page 5.

Key Strategic Goals for Present and Future Years

On an annual basis, CHE's major goals and annual objectives are reviewed and included in the Executive Director's planning process and performance evaluation process. Presently, given the recent hiring of the executive director, the agency's goals and objectives are under review. The most significant of FY 2012-13 and on-going goals are reflected below. Key strategic goals are listed and followed by on-going and future management objectives. The status for each is summarized as applicable.

Key Objectives for FY 2012-13 and Upcoming Years:

1) CHE will continue efforts to implement the higher education Action Plan and ensure broad participation through the engagement of the business community, colleges and universities, state and local government, and the public as a whole. The Action Plan and its implementation will inform future work and direction of CHE. **Status:** *See also related report above under "Major Achievements." CHE will continue to build on this work.*

2) CHE will continue to work with the SC Higher Education Foundation to 1) engage the colleges and universities in a coherent focused strategy of leadership; 2) work with state and community leaders to better understand the value of higher education, and 3) work with communities to engage local leadership in creating an education culture. **Status:** *Work on developing a strong education culture in S.C. continued through implementation of the Know2 initiative aimed at changing attitudes and beliefs in communities throughout the state concerning the importance and attainability of higher education. The initiative reinforces two key concepts: 1) Know that in the world of today being highly educated is essential for economic success and a high quality of life and 2) Know that being highly educated is possible for individuals, their family and the community. CHE has partnered with the S.C. Higher Education Foundation and through the College Access Challenge Grant program, is initiating pilots in several S.C. communities. In 2013, CHE has further refined its partnership with the S.C. Higher Education Foundation. The College Access Challenge Grant program will support two community sub-grants.*

3) Building on recent initiatives and planning considerations, CHE will continue efforts to ensure an appropriate state-level accountability system for higher education in conjunction with the implementation of the Action Plan. **Status:** *In 2011, Governor Haley initiated conversations with higher education leaders concerning higher education and an accountability-based funding model. In follow-up to the conversations, CHE worked collaboratively with the institutions to develop recommendations. During the 2012 legislative session, a joint resolution (S.1397) was introduced concerning the implementation of a new accountability-based funding system for universities. The resolution was not enacted. In the fall, CHE worked with the Governor and her staff to hold a higher education conference in October 2012. The conference was focused on higher education funding, regulatory reform and workforce needs. During the 2013 session, resolutions were again introduced with respect to accountability-based funding (H.3518 and S.266), but as of the end of the session, had not passed and remain under consideration.*

4) CHE will continue to work in cooperation with institutional finance officers and other institutional representatives to improve policies concerning recommendations for institutional operating funding, other budgetary requests for institutions, and facilities needs. **Status:** *CHE continues to work with institutions and other key constituencies in the development of a coordinated approach to higher education funding.*

5) CHE will continue its work to strengthen CHE's relationship with key state partners including the S.C. Department of Commerce and the S.C. Department of Education as well as to enhance and improve communications with all relevant stakeholders including, but not limited to, the Governor and General Assembly, institutions, students and their parents, the public, and business community. **Status:** *CHE will continue efforts under this goal in the upcoming year.*

6) CHE will continue to advocate for increased funding for need-based aid. **Status:** *See above under "Major Achievements" and item 1d below under "On-going and Future Program Management Objectives of the Agency" for additional information and details.*

7) CHE will continue to work with PASCAL to ensure success of the statewide Higher Education Electronic Library initiative through monitoring its continuing implementation. **Status:** *To enable continuation of PASCAL, CHE along with the institutions will continue efforts to seek restored stable state funding for this valuable project. Continued state funding will help PASCAL extend licensed resources, facilitate replacement of aging infrastructure, and accelerate collaboration in collection management, storage, processing and delivery of electronic materials that would allow institutions further leverage resources through gains in efficiency. (See also under Major Achievements, pages 3-4, additional information concerning PASCAL.)*

8) CHE will provide leadership under the terms of the EEDA to develop more seamless transitions among the levels and types of the state's public higher education institutions and between the state's higher education institutions and the state's K-12 public school system as well as increase the rigors of the high school curricula and align it with college curricula.

Status: *Under the direction of CHE, the **S.C. Course Alignment Project (SC CAP)** is one of the first statewide collaborative efforts to bring together high school and college faculty to align high school exit courses with entry-level college courses. The project focuses on aligning core high school exit courses in math, English/language arts, and science with entry-level college courses in the same disciplines. The Educational Policy Improvement Center (EPIC) at the University of Oregon, a national and international leader in the area of high school-to-college alignment, continues to facilitate the project in partnership with CHE (the lead agency), the S.C. Department of Education, and the S.C. Technical College System.*

A project website that provides ongoing resources, project documents, and updated information for the public and project participants is regularly updated to serve as an interactive communication site about the issue of P-16 alignment. A steering committee representing all stakeholders, including the business community, provides ongoing project support and guidance. College readiness standards for S.C. have been developed and paired courses have been designed, tested during a pilot implementation, revised based on faculty feedback, and implemented in secondary and postsecondary classrooms across the state. These courses consist of a secondary course which is matched or "paired" with a postsecondary one and aligned with the college readiness reference standards. Seventeen aligned courses were developed in English (five courses), mathematics (five courses), and science (seven courses). Course packets created for these paired courses contain the course syllabus; lab/classroom activities and scoring rubrics; out-of-class assignments and scoring rubrics; assessments and scoring rubrics; and a list of recommended readings, resources, and websites. The course packets also explain how courses are aligned to state academic standards and college readiness standards and explain the elements of paired course alignment. During 2012-13, more than 100 faculty members taught the paired courses. These faculty were grouped by region, completed several partnership building activities during the year and training webinars in August 2012 and a training workshop in November 2012. CHE and EPIC continue to plan for statewide distribution of the paired courses and are actively recruiting additional participants for the project. Please see www.epiconline.org/south_carolina for additional information about this project.

*Also in response to the EEDA, CHE, in collaboration with the public institutions of higher education and AcademyOne, the software developer, continue to implement the **S.C.***

Transfer & Articulation Center (SC TRAC), a web-based course articulation and transfer system for statewide use by students. The system, available online at www.SCTRAC.org, is designed to facilitate student transitions between and among S.C.'s public institutions of higher education. SC TRAC is an on-demand, web-based platform that provides information and services for transfer students and the institutions that serve them. As such, the system displays detailed and up-to-date information on degree pathways; provides students with an easy way to access transfer agreements developed between public institutions in a searchable database; and enables students to compare current courses against equivalent courses at another institution. The project spans several years and is divided into multiple phases.

During Phase One, institutions were provided with the following electronic tools by AcademyOne: the Transfer Agreement Management Center, which enables institutions to publish their transfer agreements, codify them, and promote them to prospective students; the Course Equivalency Management Center, which helps institutions map their courses to equivalencies at other institutions, record them in the database, and provide updates; and the Transfer Profile Management Center, which provides a summary of transfer attributes so that institutions can promote their programs and services with pictures and historical attributes.

During Phase Two, AcademyOne created a customized web portal that serves as the main interface for the system. The portal (www.SCTRAC.org) was launched on April 1, 2010, and the system is now available to the state's students and institutions. During Phase Three, AcademyOne implemented interfaces at the institutions so that information related to course articulation and transfer is easily added into the system and displayed on the SC TRAC website. The Equivalency Synchronizer interface allows equivalency data from each institution to be synchronized with the SC TRAC database to save institutions the time and effort of recording course equivalencies in two places while ensuring timeliness and correctness of information. The Coursework Importer interface enables the import of an individual student's coursework history (including each course taken, when the course was taken, the grade earned for the course, and the number of credits earned), saving the student time and effort since there is no need to input data manually into the system. In support of statewide policies, Advanced Placement and International Baccalaureate exam transfer-in credit awards were created and recorded in SC TRAC by all institutions. For the transferability of universally transferable courses among and between all public institutions (86 courses per the Statewide Articulation Agreement), SC TRAC was used by institutions to systematically record all possible transferable course equivalencies.

In March 2011, the Postsecondary Electronic Standards Council (PESC) announced SC TRAC as the winner of PESC's 12th Annual Competition for Best Practices. SC TRAC received high praise from the Board Review Committee for Best Practices because the system "focuses strategically on a high risk population (transfer students) through collaboration and the use of centralized resources and infrastructure, resulting in a robust, statewide solution that streamlines student transfer steps." The receipt of such a prestigious national award recognized South Carolina's commitment to ensuring seamless transitions for students from secondary to postsecondary education.

On February 27, 2013, the third annual SC TRAC User Group Conference was held in Columbia, S.C., and featured presentations on functionality, current project activities, marketing SC TRAC, and portal enhancement options. During 2012-13, several enhancements were added to the system, including the improvement of the equivalency maps, the addition of a contact directory for institutional personnel, and additional functionality to the Transfer Agreement Management Center (such as the ability to apply a single transfer agreement to multiple institutions) and the Course Equivalency Management Center (such as the bulk deny functionality). In addition, the course update process was improved and we began the implementation of the Virtual Transfer Advisor feature. AcademyOne and CHE continue to work with all public higher education institutions to manage course equivalencies and transfer information in the system. Ongoing plans include continuing to install the equivalency synchronizer interface at two-year institutions that wish to take advantage of this functionality and continuing to develop enhancements to the system such as the addition of a High School tab with appropriate content for college-bound K-12 students. CHE staff also work collaboratively with institutions to continuously identify, design, and implement improvements and additional functionalities for the system, thereby enhancing the quality of information provided to students and the public.

9) CHE completed the two-year process to evaluate all education programs at the state's 11 public institutions in partnership with the National Council for the Accreditation of Teacher Education (NCATE) as part of the state's nationally recognized three-way partnership with the SDE, CHE, and NCATE, including data collection, program reports, and site visits. CHE has withdrawn from the partnership, but continues its focus on teacher education and training. **Status:** CHE withdrew from the three-way partnership effective May 1, 2010. CHE staff continues to monitor education programs at the public institutions and their status with NCATE and the Specialized Professional Agencies (SPAs). In addition, CHE staff members are staying up-to-date on standards and training involving the merger of NCATE and the Teacher

Education Accreditation Council (TEAC) into the new accrediting body: Council for the Accreditation of Educator Preparation (CAEP).

10) CHE will continue to review and assess provisions relating to CHE's licensing responsibilities to ensure they are best serving the state and consumers. An increasing number of institutions, especially those that offer online programs that originate in the state, continue to operate in defiance of efforts by the staff. Because enforcement is an escalating issue, the staff will look for options to increase enforcement effectiveness. The staff is also closely monitoring changes initiated by the U.S. Department of Education (USED) for State Authorization and increased accountability in deceptive recruiting practices. **Status:** *Staff has responded to approximately 550 requests from out-of-state institutions that enroll S.C. residents in distance learning; several have applied and several more have indicated that they will apply for licensing to recruit S.C. residents into distance learning courses or programs. The staff also continues to review and develop consumer protection information to assist individuals in making informed decisions about school choice. The Lottery Commission, in collaboration with the Commission staff, developed a public service announcement (PSA) that highlights strategies for prospective students (accreditation/transfer credit, degree/certificate, and cost/debt). Local television stations have generously broadcast the PSA. CHE will seek statutory and regulatory changes as needed. CHE will continue to pursue ways to inform the public about making wise education choices and statutory changes as deemed prudent. CHE staff participated in information meetings concerning a nation-wide initiative toward a State Authorization Reciprocity Agreement. The initiative has gained momentum as a result of grant funding from the LUMINA Foundation. The staff continues to carefully monitor the progress of the project and review the implications of participating in reciprocity.*

11) CHE will continue to improve accessibility to information and data products by: a) re-vamping CHE's website to provide a more user-friendly web presence that enhances the accessibility and availability of information about CHE, its work, and available data products and b) continuing efforts to automate the receipt of data electronically from the public institutions. **Status:** *CHE staff continues to work on improving the status of data accessibility. In 2010, CHE was awarded a sub-grant as part of the federal State Longitudinal Data System Grant awarded to the S.C. Department of Education and is collaborating with the Department to improve connections of statewide education and employment data systems. The sub-grant is also making possible needed upgrades to CHE's data system to improve data accessibility.*

12) CHE will continue to ensure the strength of the Access and Equity Program through collaborative work with the colleges and universities to: a) achieve more positive outcomes in expanding the pool of minority students who will be academically prepared and motivated to succeed in college, in increasing minority enrollments and graduation rates, in hiring of underrepresented faculty and professional staff (in conjunction with the SREB Doctoral Scholars Program) and in improving campus climates; b) challenge public and private institutions of higher learning to broaden their reach into secondary education schools in S.C. through coordinated efforts to implement programs that identify, motivate, prepare, and provide assistance to underrepresented students in efforts to expand the pool of qualified applicants for college; and c) collaborate with other campus projects that have similar goals and objectives to advance the achievement of underrepresented populations. **Status:** *State funds provided through CHE for the Access and Equity program were lost in FY 2010-11 after the Governor vetoed the budget line and the veto was sustained. CHE will continue to work with institutions to support and promote the importance of Access and Equity and the continuation of institutional programs.*

13) CHE will continue efforts to increase awareness of campus safety issues by convening annually a conference to provide a forum for discussion of issues and updated information in the area of campus safety. **Status:** *CHE and the Higher Education Foundation continue to*

sponsor the annual statewide conference. In 2013, the 14th annual Linda B. Floyd Campus Safety Conference was held in Myrtle Beach in February. Planning for next year's conference is underway.

On-going and Future Program Management Objectives of the Agency

1) CHE will provide management of the following programs under its purview:

- a) CHE will manage various competitive grants programs and competitions including the Governor's Professor of the Year Awards, the Service Learning Awards, the Education Improvement Act (EIA) Centers of Excellence program, and the federal Improving Teacher Quality (ITQ) Competitive Grants program. **Status:**

Governor's Professor of the Year Awards: This year marked the 25th Anniversary of the Professor of the Year Awards. Mr. Joshua Castleberry of Central Carolina Technical College and Dr. Robert Jesselson of the University of South Carolina Columbia were recognized in March 2013, respectively, as the two-year and four-year Governor's Professors of the Year. A luncheon was held in recognition of the Professors of the Year and the eight distinguished finalists. Monetary awards and the luncheon have been continued through the generous sponsorship of the S.C. Higher Education Foundation and contributions in 2013 of Denisa and Craig Garner, Blue Cross Blue Shield of South Carolina, Mid-Carolina Electric Cooperative, Inc., SC Independent Colleges and Universities, Inc., WellsFargo, Associates in Education and Business, Bank of America, Elliott Davis, First Citizens Bank, Fluor Corporation, and SCB&T.

Service Learning Awards: On May 2, 2013, the University of South Carolina Columbia, Greenville Technical College, and Claflin University each received an award for Service Learning Excellence for their respective programs. CHE's Service Learning Awards are awarded annually to recognize the extensive contributions made by the service learning efforts of our colleges and universities and their students. The criteria used to select the winners include the ability to resolve community concerns or address community issues; the degree to which the project serves as a meaningful opportunity for students to apply acquired knowledge and skills in solving real world problems to enhance students' learning; the impact of the project on campus; and the integration of the project's activities into academics.

EIA – Centers of Excellence: A request for proposals (RFP) for the FY 2012-13 EIA Centers of Excellence competition for grants was submitted. Six new proposals in addition to four continuing proposals were received. A review panel selected one new and three continuing institutional projects to receive funding. The one new Center of Excellence was delayed by one year due to budget reductions and the commitment to the four currently funded Centers. Budgets are being closely monitored for funded projects.

ITQ: The request for proposals (RFP) for the Improving Teacher Quality (ITQ) competition for grants was submitted. Five new proposals in addition to four continuing proposals were received. Eight projects (four new and four continuing) were recommended for funding for FY 2012-13. CHE staff has been providing on-site technical assistance and leadership to campus personnel for meeting the goals stated in institutional grants. When the budget allows, staff plans to initiate a symposium for Centers of Excellence in Teacher Education for all the active centers in order to showcase their work with K-12 students and teachers. CHE's Division of Academic Affairs and Licensing continued with technical assistance workshops for the federal

ITQ grants. The workshop was successful in establishing better communication between CHE staff and institutional faculty and administrators and in raising the quality of proposals for the projects submitted. For these reasons, workshops will continue to be offered in the future.

- b) CHE will manage two lottery-funded programs, 1) the SmartState® Program and 2) the Higher Education Excellence Enhancement program.

SmartState Program: Ongoing activities include the submission, evaluation and awarding of proposals; financial tracking of fund disbursements; certification of pledges for non-state matching funds to the three senior research universities; coordination of SmartState Program Review Board meetings and agendas; coordination of SmartState Program Centers of Economic Excellence Council of Chairs forum, meetings, and events; submission of the annual audit and accountability report to the S.C. General Assembly and S.C. Budget & Control Board.; **Status:** *CHE continues to administer the program as required. Five CHE staff members contributed varying percentages of compensated time ranging from 5% to 80% of their time to the SmartState Program by coordinating with the SmartState Review Board, implementing policies and procedures for the SmartState Program, contracting with evaluators and consultants, and coordinating the peer review and onsite visitation processes. The Review Board continued its working relationship with Derrick, Stubbs & Stith, LLP, the program's auditing firm. The Review Board is scheduled to release the required annual audit and accountability report for FY 2012-2013 in November 2013. In addition to its responsibilities for staffing the SmartState Program, CHE also provides staff support to the Review Board for the Research University Infrastructure Act project certifications. CHE staff assists by certifying non-state matches and preparing each project certification for subsequent approval by JBRC and the S.C. Budget & Control Board.*

Activities of note during the year included the following. On May 8, 2013, InnoVenture awarded the third annual Prziembel Prize to SmartState. This prestigious award distinguishes collaborations in the southeastern United States which are recognized as significant by those outside the region. The process of identifying and selecting recipients for the Prziembel Prize discovers and promotes best practices in open innovation, builds relationships and creates a greater sense of identity of the Southeastern United States as an innovation powerhouse in the world. Also in May 2013, the SmartState Council of Chairs met for its annual forum. In addition to the business meeting, the forum included a presentation about the Stroke Center of Economic Excellence; a session on research commercialization, optimizing, and protecting patents; and a panel discussion and role play to coach Center Chairs to participate in and benefit from media opportunities.

Proposals for new Centers were solicited at the beginning of the year. The three research institutions submitted a total of five proposals. The SmartState Review Board accepted the Onsite Review Team recommendations to fund \$2 million each to Clemson for the Smart Grid Technology Center, the University of South Carolina for the Multiphysics of Engineered Functional Materials and Structures Center, and the Medical University of South Carolina for the Translational Biomedical Informatics Center. The Board and support staff collaborated with EngenuitySC to host eleven SmartState Science Café sessions, where world-class scientists made presentations in a relaxed public forum about their cutting-edge research.

Higher Education Excellence Enhancement Program: The appropriate processes for collecting necessary program data and for conducting an audit function as required have been implemented as part of on-going program management. **Status:** *CHE will*

continue to administer the Higher Education Excellence Enhancement Program per S.C. Code, 2-77-10, et seq., as required.

- c) CHE will manage the State's participation in the Southern Regional Education Board (SREB) programs including the Academic Common Market, the Contract Programs in Veterinary Medicine and Optometry, the Electronic Campus, and new programs as these may become available. **Status:** *The Academic Common Market program and the SREB Contract Programs remain in high demand. CHE certified 122 state residents for Academic Common Market programs, and processed 72 applications for the 31 available freshman contract seats in Veterinary Medicine and Optometry. Both the Contract Programs and the Academic Common Market continue to be administered by CHE in partnership with the SREB.*
- d) CHE will manage the state-supported scholarship, grant, and loan programs (Palmetto Fellows, LIFE, S.C. HOPE, S.C. Need-based Grants, Lottery Tuition Assistance, and the National Guard College Assistance programs) and provide information about program participation. **Status:** *CHE continues to administer the state-supported scholarship, and grants programs. These programs provided nearly 120,000 scholarships and grants, totaling over \$318 million, to South Carolina students as of FY 2012-13. For all programs, CHE continues to use a variety of media to provide information about the programs in order to expand public/student awareness of eligibility requirements. New collaborations were forged with state guidance counselor associations and the Carolinas Association of Collegiate Registrars and Admissions Officers in an effort to expand the dissemination of information on the state-supported scholarships and grants programs. Information regarding state scholarship programs and federal financial aid was provided through CHE's website and SC CAN GO website. Additionally, during the year, CHE staff participated in college information sessions and financial aid workshops held at middle schools, high schools, higher education institutions, state agencies, and non-profit organizations throughout the state in order to reach students, parents, guidance counselors, and school administrators. CHE staff also held statewide workshops for financial aid representatives, admissions officers, and student personnel administrators. The State Scholarship Taskforce was formed that included representation from 16 institutions from the various public and independent sectors. CHE staff and the Scholarship Taskforce convened two times to research the potential implementation of awarding scholarships year round. This research, with the collaboration of the members of the Scholarship Taskforce will continue in the upcoming fiscal year. Additional information on the state's undergraduate scholarship and grant programs and the S.C. National Guard College Assistance Program is found in Section III of this Report under the "Category 7, Results".*

2) CHE will continue efforts undertaken through the federally-funded Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) to promote early awareness and participation in post-secondary education among low-income and underrepresented groups. **Status:** *CHE staff continued this work during the year. CHE was awarded a seven-year GEAR UP Grant from the US Department of Education for 2011 – 2018 to provide academic assistance for 3,689 low-income students in 24 middle schools along the I-95 corridor in preparation for postsecondary education. Program details and accomplishments are presented under "Category 7, Results" found in Section III of this Report.*

3) CHE continues to carry out activities implemented under the federal College Access Challenge Grant (CACG) program. CHE was first awarded this grant on behalf of S.C. in fall 2009, and it provided approximately \$2 million over two years to support activities and programs relating to college awareness and access in S.C. **Status:** *CHE staff continued implementing CACG activities during year two of grant implementation and met the program's maintenance of*

effort (MOE) requirements with the application of federal State Fiscal Stabilization Funds in order to receive the grant for the third year (2010-11). CHE continues to be identified by the Governor as the lead state entity for the CACG program and submitted an application for the 2012 College Access Challenge Grant year along with a request to waive the MOE requirements for 2012 which were not met with respect to state funding levels of public higher education. South Carolina was not granted a waiver by the USED of the CACG MOE requirements and did not receive the grant funds for the 2012 year (fourth year). CHE staff continued implementing CACG activities during year three of grant. In spring 2013, CHE submitted its annual performance report and again submitted an application for CACG funds available for 2013. To be provided with 2013 CACG funds, the USED must waive the MOE requirement because South Carolina continues not to meet the requirement that requires state funding for public institutions to be at or higher than the average of the preceding five-year average. CHE has submitted a request for a waiver, the outcome of which is pending. See Category 7, Results of Section III of this report for additional program details.

4) CHE will ensure that required reports and publications such as the agency accountability report and institutional effectiveness report which must be submitted to the S.C. General Assembly are completed and properly disseminated. CHE staff will conduct any necessary work to integrate legislative changes as applicable into CHE's policies and procedures. **Status:** *CHE staff completed and disseminated all reports as required and accomplished work to integrate legislative changes into CHE policies and procedures as applicable.*

Key Strategic Challenges

As the coordinating board for S.C.'s 33 public institutions of higher learning, CHE is responsible for serving a dual role within state government, acting both as an advocate for higher education and an oversight entity on behalf of the General Assembly. These dual roles present a key challenge. The agency must work with its stakeholders in ensuring an appropriate balance between regulatory and advocacy functions. CHE works to promote quality, access, and efficiency while balancing advocacy, stewardship, and accountability. CHE's primary value to the state lies in the benefit of having an entity responsible for bringing to light and working through myriad issues to assure a balance between student and taxpayer interests and institutional policies, aspirations, and needs. In recent years, CHE has endeavored to accomplish its mission in the face of diminished resources. A lack of incentive funds to bring together stakeholders to implement collaborative initiatives poses challenges in reaching mission goals.

Budget cuts since the economic downturn at the end of FY 2007-08 have taken their toll leaving CHE with reductions nearing half of the previous staffing and funding levels. As would be expected, the reduced staffing levels are not ideal, and result in lost opportunities as CHE works to carry out its mission as effectively as possible. With the reductions in available resources, CHE has and continues to look very critically at how functions are performed and for potential efficiencies. CHE has employed restrictions on purchasing, travel and hiring; the workload of existing staff has increased and staffing duties and responsibilities have been reassigned as part of efforts to address the reductions.

The primary barriers to functioning at optimal levels have included: major cutbacks in state funding, reductions in staffing, inability to fill vacated positions, increases in staff workload, turnover in key staff positions (including this past year the Academic Affairs and Licensing Director), travel constraints, and constraints on the ability to provide for appropriate technology support. CHE appreciates the state's current budget situation, but will continue to seek necessary state support to carry out mission critical responsibilities. In FY 2012-13, the agency requested assistance with staffing needs and was thankful to receive an appropriation of \$175,000 which will enable funding for two positions. Additionally, CHE requested and had

approved an increase in authorization of collected licensing fees which will also enable additional support.

In 2011, CHE saw significant turnover in its board members as several new appointments were made to replace board members who had been serving in expired terms. In spring/early summer of 2011, over half of CHE's board members were newly appointed. With many of the board members in carry over status, additional changes may be forthcoming. Additionally, a fifteenth member, added to CHE's board to represent the new 7th Congressional District, has not yet been appointed and two other seats (independent colleges representative and a statewide at-large position) are currently vacant. During the year, a new chair was appointed in October 2012 and in February 2013 was asked by the Governor to step down temporarily in order to serve as an interim director at another state agency. CHE's new chairman was ultimately confirmed in June 2013 and returned to the position of chair as of July 2013. A search process which began in March 2012 for a new executive director culminated in May 2013 with the hiring of a new director. A search process was also implemented under the new director to fill the director of Academic Affairs and Licensing position. Changes in board membership and staffing leadership require a renewed focus on planning and professional development activities.

CHE will continue to explore its operational requirements to ensure the agency's mission is carried out most efficiently and effectively to the extent that resources allow. The agency remains appreciative of the state's budget situation and recognizes that the state continues to face funding constraints and will continue to do so in the foreseeable future. CHE budget recommendations advocated for FY 2013-14 will again reflect these constraints but recognize the importance of higher education to the state's competitiveness and economic success.

In the upcoming year, CHE will continue to seek necessary support to maximize statewide capacity in higher education and to promote statewide programs to improve the affordability, quality, and effectiveness with which higher education is delivered. Funding priorities are expected to focus on innovations to improve affordability and accessibility of higher education to South Carolinians.

As funding becomes available, our top priorities for higher education will continue to be increased funding of core operating needs, including capital and maintenance support, for colleges and universities, increased need-based grant funding to the greatest extent possible, recurring support for the state's higher education electronic library, PASCAL, and restored funding of other statewide collaborative programs such as the SmartState Program. CHE will also continue to support funding of student financial aid programs including necessary funding increases to continue SREB contract programs and to fully fund the state's scholarship and grant programs including the S.C. National Guard College Tuition Assistance Program. In addition, CHE is examining the effects of program reductions and will seek as appropriate support for mission critical programs and those that will help S.C. successfully achieve the Action Plan goal of making the state a leader in educational attainment so as to improve the state's economic outlook and future prosperity. Should new initiatives affecting CHE's responsibilities be advanced, staffing support and resources will be a necessary consideration.

Use of Accountability Report to Improve Organizational Performance

CHE uses the agency accountability report as a tool for planning and assessing progress in carrying out CHE's mission and achieving its goals and objectives. The report also serves to pull together in a single reference document descriptions of CHE's operations.

SECTION II – ORGANIZATIONAL PROFILE

Major Products and Services and Delivery Method

The major programs operated by CHE fall within the structure of the divisions as described on page 17 and illustrated through the organizational chart on page 18. As reported elsewhere in this report, CHE relies heavily on staff work with key constituencies in policy development and in communicating necessary regulatory requirements. CHE maintains a website with readily accessible information as to the scheduled CHE activities and in regard to higher education information and data. Relevant data and descriptions of specific programs of CHE are also found in the *Results* section of this report.

Outlined below are the major programs and functions of CHE categorized broadly into four areas including: Advocacy and Coordination, Information, Accountability, and Administration.

Advocacy and Coordination

- Promote statewide higher education action planning and policies to optimize the efficiency and collaboration with which S.C. colleges and universities are meeting state needs including conducting work necessary to implement the Action Plan for higher education in S.C. which was released in March 2009.
- Serve as a higher education advocate in supporting statewide initiatives and promoting and securing funds for needed programs including: higher education operational and capital funding, merit-based and need-based student aid, research initiatives, statewide academic electronic library, statewide licensing agreements, state procurement contracts, and state planning issues.
- Promote cooperation and collaboration in coordinating efforts to address issues affecting the states' citizens such as: access and equity, campus safety, higher education awareness and readiness programs for K-12 students, and a seamless K-20 education system.
- Provide direction at the state-level in the area of academic quality by developing state-level policies and best practices guidance for such items as: minimum admissions standards, dual enrollment, transfer and articulation, program productivity, remedial education, quality standards for professional development courses for teachers, post-tenure review, and annual review of faculty.

Information

- Provide statewide oversight and coordination for a higher education database necessary to respond to federal and state reporting requirements, legislative and citizen inquiries, and to study, monitor, and report on higher education issues such as those related to enrollment, student aid, program offerings, faculty, and facilities use and maintenance.
- Provide pertinent information about higher education to parents and students and to promote access to higher education.
- Make recommendations by means of data collection, research, and studies to the Governor, the Budget and Control Board, and the General Assembly regarding policies, roles, operations, and structure of S.C.'s higher education institutions.

Accountability

- Serve in a consumer advocate role by assuring accountability of public higher education institutions through, for example, performance funding, institutional effectiveness, facilities management, and data verification or audit functions of programs.
- Ensure institutional and program quality of S.C.'s public institutions through reviewing and approving institutional mission statements, reviewing and approving new academic

programs and evaluating existing degree programs, reviewing admission standards and compliance with the state's English-language Fluency Act, and reviewing minimum undergraduate admissions standards for in-state and out-of-state students.

- Serve in a consumer protection role by carrying out the responsibilities for evaluating and licensing educational providers of higher education programs that desire to provide higher education programming in S.C. or to recruit S.C. residents.

Administration

- Oversee state merit-based and need-based scholarship, grant, and loan programs including Palmetto Fellows, LIFE, S.C.HOPE, Lottery Tuition Assistance, Need-based Grants, S.C. National Guard College Assistance Program, and other student aid programs such as the SREB contract programs in Veterinary Medicine and Optometry and the SREB Doctoral Scholars Program.
- Administer and provide early awareness and outreach programs to increase awareness of higher education, provide coordinated support, including mentoring, tutoring, college and career exploration and planning, informational workshops, parent/guardian and guidance counselor meetings, and financial aid information through the state's federal College Access Challenge Grant program, the federal Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP), College Goal South Carolina (College Goal Sunday), and Go Alliance partnership with SREB.
- Administer the Veterans Education and Training Program in which the state acts on behalf of the federal government to evaluate educational/vocational institutions and training establishments where veterans and dependents eligible for veteran's educational benefits can achieve either an educational, professional or vocational objective;
- Administer and increase adult participation in higher education by building a "Knowledge Network" system that ties literacy, adult education, workforce training, and college preparation into a coherent whole, provides coordinated support, including mentoring, tutoring, college and career exploration and planning, informational workshops, college admissions procedures, and financial aid information through the state's Carolina Stackable Certificates initiative.
- Oversee other state lottery-funded programs including the SmartState Program, the S.C. Higher Education Excellence Enhancement Program (HEEEP), and the Technology Incentive Funds program for public colleges and universities.
- Oversee and administer other state and federal programs (in addition to those already mentioned) affecting S.C. higher education including:
 - The S.C. e-Course Alignment Program and the transfer and articulation web-based project called SC TRAC which was initiated under the EEDA to improve and promote seamless educational transitions from high school to institutions of higher education.
 - Statewide Access and Equity Program to include monitoring implementation and collaboration of programs designed to provide underrepresented populations with access to higher education programs;
 - Governor's Professor of the Year Award Program and Service Learning Awards;
 - Other Southern Regional Education Board (SREB) Programs such as Electronic Campus.

Key Customers and Their Key Requirements/ Expectations

As a coordinating board for higher education, CHE provides services to the public, colleges and universities, the State Legislature and Governor, other state and private entities, and the federal government. CHE administers several federal and state programs, provides services to

institutions of higher education, develops and administers policies, and serves in dual roles of responsibility to the legislative and administrative branches of state government as both an advocate for higher education and intermediary for accountability of the state's public colleges and universities.

In fulfilling these roles, and in accordance with its mission, CHE serves three primary customer groups: the citizens of the state, the General Assembly, and the public colleges and universities. In order to meet most effectively the needs of these customer groups, CHE and its staff are organized along functional lines into the following divisions: Academic Affairs & Licensing; Finance, Facilities, and Management Information System; Student Services; and Planning and Access. Customers are also served by staff responsible for coordinating communications efforts, governmental relations, and administrative functions.

Other Key Stakeholder Groups

CHE also interacts regularly with other key stakeholders whether it is in policy development or constituent services. Key among these are the K-12 and business communities. Focus on taxpayer interests and student concerns are also vital to the agency's mission and service.

Key Suppliers and Partners

In its role as a state-level coordinating board, CHE's key suppliers provide needed data and information used by CHE in fulfilling its statewide advisory, advocacy, and accountability roles. Key suppliers of information and data include public colleges and universities, private colleges, and the K-12 community. For example, public institutions provide data critical in determining the institutional resource needs as well as student enrollment and other data necessary for required federal and state reporting purposes. Reported data are used for multiple purposes by CHE in carrying out its responsibilities such as data reported to determine critical resources are also used in the process of evaluating both existing and proposed academic programs. Student-specific information that is reported by public and independent colleges enable CHE to administer the scholarship and grant programs as well as respond to data requests and analyze trends for policy development. Data from the K-12 community, including information from middle and high schools, students, and parents, provides CHE with information and feedback to ensure the effectiveness of our higher education awareness programs.

CHE also uses external firms for the development, production, and dissemination of program materials for the higher education awareness programs (e.g., HEAP, GEAR UP, *College Goal South Carolina*, *SC CAN GO website*, *Go Alliance*, and the *S.C. On-line Application and Resources [SCHOLAR]*). During the first stages of development for HEAP and GEAR UP, CHE evaluated several alternatives for developing program materials in-house as compared to utilizing external organizations. CHE has consistently found that the expertise and technology needed to address the particular aspects of these programs are best provided by external services. The technical aspects of SCHOLAR (a web-based application that enables students to apply online to one institution or several institutions at once and import the application(s) directly into the college or university database) require resources and expertise that are more efficiently provided through external resources, and CHE has relied on an external supplier for the operation and maintenance of this process.

Operation Locations

CHE's offices are located in Columbia at 1122 Lady Street, Suite 300. The agency's telephone number is 803.737.2260 and its fax is 803.737.2297. CHE's web address is www.che.sc.gov.

Number of Workforce

As of the end of FY 2012-13, CHE has a workforce of 30 full-time positions (29 classified and 1 unclassified positions), 2 part-time positions and 7 temporary grant/time-limited positions.

Regulatory Environment

CHE serves as the coordinating board for S.C.'s 33 public institutions of higher learning. Operating pursuant to §59-103-5, *et seq.* of the S.C. Code of Laws, as amended, CHE serves a dual role within state government acting both as an advocate for higher education as well as an oversight entity on behalf of the General Assembly. Regulations promulgated by CHE pursuant to the State Code of Laws are found in Chapter 62 of the State Code of Regulations. Policies implemented by CHE in carrying out its legislated role and in administering programs are available from CHE's website at www.che.sc.gov. CHE also operates in accordance with applicable federal regulatory requirements for higher education programs and in regard to regulatory requirements pertaining to agency services and programs.

Performance Improvement System

CHE relies on internal and external feedback in improving its program and services. CHE will continue to work to formalize its performance improvement system to ensure efficient and effective channels for identifying and implementing improvement opportunities.

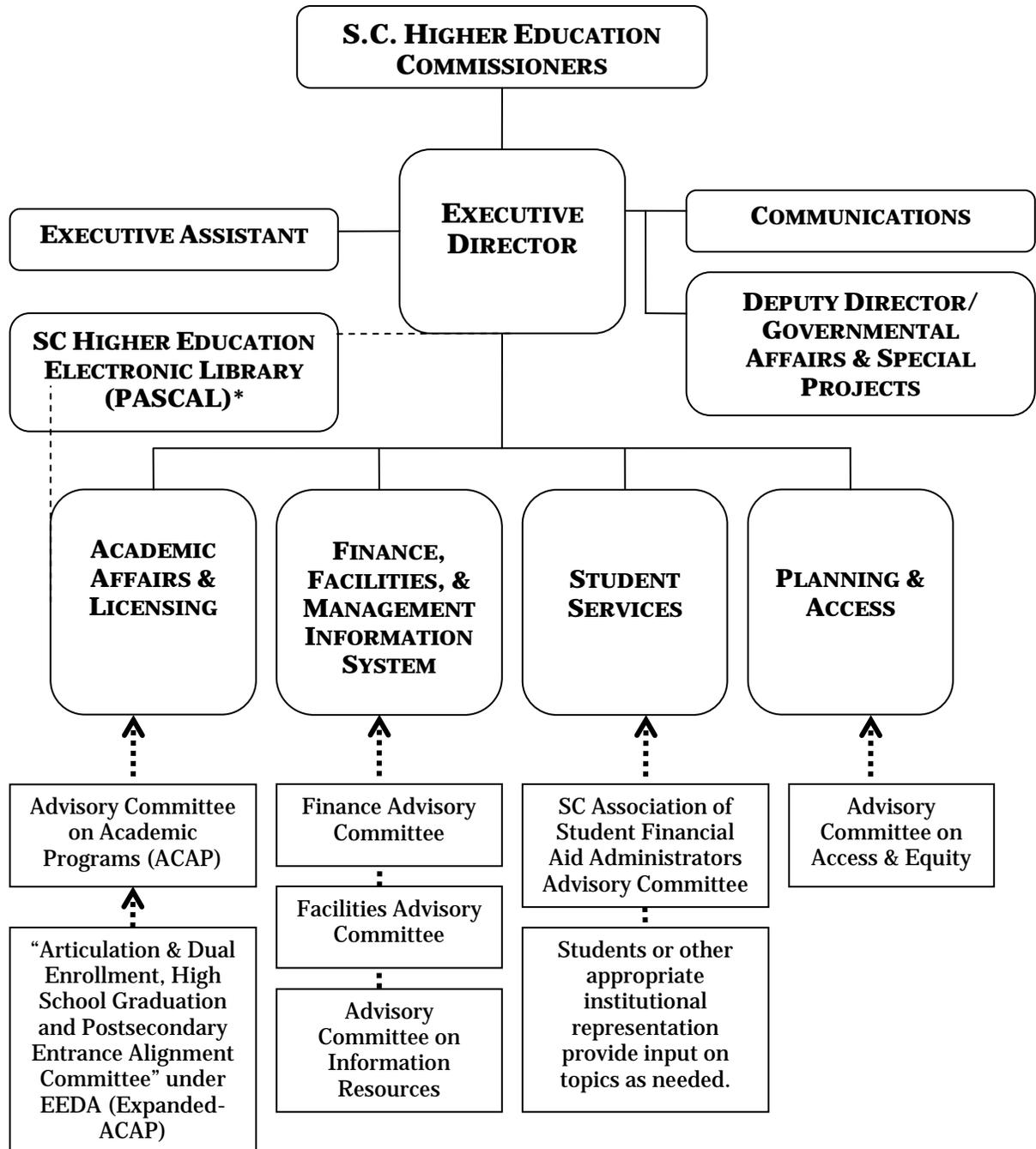
Organizational Structure

As illustrated in the organization chart found on page 18, CHE is governed by a board of commissioners. CHE's board consists of 15 commissioners appointed by the Governor including: one at-large member appointed as chair, three other at-large members, seven members representing the Congressional Districts, three members representing the public higher learning institutions, and one member representing the independent higher learning institutions. CHE's board was increased from 14 members to 15 in 2012 to include representation from the newly formed seventh Congressional District as a result of the 2010 redistricting. Appointees representing Congressional Districts are recommended by a majority of the members of the Senate and House of Representatives comprising the legislative delegation from the Congressional District. The remaining appointees are recommended based on the advice and consent of the Senate. Commissioners serve four-year terms with the exception of the three public institutional trustees who serve two-year terms. All except the independent institution representative are voting members.

CHE conducts its business through the work of standing committees organized along the functional lines of Academic Affairs and Licensing, Finance and Facilities, and Student Services and Access and Equity. CHE's Chair, Vice Chair, and Committee Chairs make up the Executive Committee of CHE. The standing committees bring recommendations forward to the full CHE for consideration. The work of these committees, as described in the following paragraph, is supported by CHE staff that are assisted and informed by various advisory committees made up of institutional representatives.

An Executive Director oversees daily operations of CHE and its supporting staff. CHE staff is organized in divisions that provide support for the committees including Academic Affairs and Licensing; Finance, Facilities, and Management Information System; Student Services; and Planning and Access. Work of the divisions is also informed on a regular basis by formal and informal advisory committees comprised of institutional representatives. The directors of the divisions and the directors of Communications, Governmental Affairs and Special Projects along with the Executive Director make up the staff's Executive Management Team. CHE continues to serve as the fiscal agent for PASCAL and also as staff of the SmartState Program Review Board. A non-profit foundation, the S.C. Higher Education Foundation, continues to support CHE and the higher education community by raising private funds for use in supporting programs that are not possible within CHE's available state resources.

S.C. Commission on Higher Education Organizational Chart June 30, 2013



NOTE: CHE forms other advisory committees and requests input from its constituents as applicable (e.g., Business Advisory Council) to inform its work. The Council of Public College and University Presidents and the Council of Independent College Presidents also meet with CHE and aid in informing processes as necessary.

*CHE serves as the fiscal agent for PASCAL.

**Accountability Report Appropriations/Expenditures Chart
S.C. Commission on Higher Education (CHE)**

Base Budget Expenditures and Appropriations

Major Budget Categories	FY 2011-12 Actual Expenditures		FY 2012-13 Annual Expenditures		FY 2013-2014 Appropriations Act	
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personal Service	\$2,692,592	\$1,483,877	\$2,603,039	\$1,253,782	\$1,778,899	\$1,392,420
Other Operating	\$1,350,791	\$307,555	\$5,545,102	\$1,410,392	\$412,172	\$285,520
Special Items ⁽¹⁾	\$304,349,431	\$106,489,933	\$320,962,973	\$104,556,370	\$286,173,377	\$102,036,338
Permanent Improvements	\$0	\$0	\$0	\$0	\$0	\$0
Case Services	\$0	\$0	\$0	\$0	\$0	\$0
Distributions to Subdivisions	\$0	\$0	\$0	\$0	\$0	\$0
Fringe Benefits	\$742,188	\$406,135	\$767,075	\$385,325	\$640,355	\$437,806
Non-recurring	\$137,820	\$68,910	\$0	\$0	\$0	\$0
Total	\$309,272,823	\$108,756,410	\$329,878,189	\$107,605,870	\$289,004,803	\$104,152,084

(1) Special items include scholarships, grant funding, programs administered by CHE, and other flow-through programs. Expenditures reflect significant increases to sponsored scholarship programs which have been held harmless from budget cuts per statutory proviso and have been increased to provide for increases in eligible students.

Other Expenditures

Sources of Funds	FY 2010-11 Actual Expenditures	FY 2011-12 Actual Expenditures
Supplemental Bills	\$0	\$0
Capital Reserve Funds	\$0	\$0
Bonds	\$0	\$0

Major Program Areas

Accountability Report Major Program Areas Chart S.C. Commission on Higher Education (CHE)

Program Number and Title	Major Program Area Purpose	FY 2011-12 Budget Expenditures		FY 2012-13 Budget Expenditures		Key Cross References for Financial Results*
	Operations	State:	\$3,266,872	State:	\$3,052,807	7.1-1, 7.1-2, 7.1-4, 7.1-6, 7.1-7, 7.1-8, 7.9 and 7.10
		Federal:	\$1,758,439	Federal:	\$4,298,486	
		Other:	\$3,182,665	Other:	\$3,199,786	
		Total:	\$8,207,977	Total:	\$10,551,079	
		% of Total Budget:	2.7%	% of Total Budget:	3.2%	
	Flow-Through Funds	State:	\$5,255,609	State:	\$4,573,009	7.1-5
		Federal:	\$3,203,408	Federal:	\$3,097,583	
		Other:	\$29,759,501	Other:	\$38,298,458	
		Total:	\$38,218,517	Total:	\$45,969,051	
		% of Total Budget:	12.4%	% of Total Budget:	13.9%	
	Scholarship and Grant Programs:	State:	\$100,233,929	State:	\$99,980,054	7.1-3, 7.1-4, and 7.6
		Federal:	\$0	Federal:	\$0	
		Other:	\$162,612,399	Other:	\$173,378,005	
		Total:	\$262,846,328	Total:	\$273,358,059	
		% of Total Budget:	85.0%	% of Total Budget:	82.9%	
	Total	State:	\$108,756,410	State:	\$107,605,870	
		Federal:	\$4,961,847	Federal:	\$7,396,069	
		Other:	\$195,554,566	Other:	\$214,876,250	
		Total:	\$309,272,823	Total:	\$329,878,189	

Section III – Elements of Malcolm Baldrige Award Criteria

The concepts of evaluation and continuous improvement are present within CHE's operations and activities. Provided below are descriptions of the agency's use of the Malcolm Baldrige Criteria concepts and principles.

Category 1. Senior Leadership, Governance, and Social Responsibility

CHE is a 15-member lay board appointed by the Governor. CHE is responsible for the hiring of an Executive Director, who in turn is responsible for developing an appropriate staff and agency structure. CHE itself has a chair, appointed by the Governor, a vice chair, and representatives from Congressional Districts, institutional trustees, and the statewide citizenry. CHE uses a committee structure for the handling of business. An Executive Committee of CHE, including the chair, vice chair, and all committee chairs, provides specific direction to the Executive Director for activities and issues to be addressed by the staff. The staff is organized along the lines of CHE's committee structure.

More specifically, the Executive Director uses an Executive Management Team consisting of division directors. Each division includes professional staff and appropriate support staff to perform the related functions. The Executive Management Team serves as the planning and evaluative group for CHE staff. Agency staff has have input into CHE's activities through their respective division directors.

The Executive Director meets with the Executive Management Team regularly. In addition, the Executive Management Team meets with the full CHE staff routinely to discuss current issues and activities of CHE. Further, individual divisions also meet on a regular basis. These various meetings are designed to ensure the entire staff is aware of and involved in the activities of CHE. These meetings also provide a forum for the clear communication of the mission, vision, goals, and processes to achieve those goals throughout the entire organization.

The Director of Finance, Facilities & MIS manages the fiscal activities of the agency. The Director of Finance, Facilities & MIS is accountable to the Executive Director and the Board for the fiscal health of the agency. The legislature is responsible for determining legal and regulatory accountability of the agency by passing legislation and approving regulations.

Category 2. Strategic Planning

CHE relies on strategic planning in all activities. CHE uses a planning retreat for Commissioners to evaluate the programs and direction of the agency and meets on a periodic basis with CHE's Executive Committee to review CHE initiatives and direction. New appointees participate in an extensive orientation process so they may become familiar not only with issues in the field of higher education, but also the pertinent issues and policy decisions facing CHE. CHE consults with institutional leadership and other stakeholders in higher education planning processes. CHE staff's Executive Management Team conducts periodic planning sessions and has regular team meetings to continuously evaluate the agency's activities.

CHE's planning activities are focused internally on the agency as well as externally on higher education. In order to implement higher education planning, CHE must gain consensus and support from the institutions, the executive and legislative branches, and other key state stakeholder and educational partners. In recent years, CHE has undertaken efforts to revitalize statewide strategic planning for higher education. CHE's Executive Director will continue work on agency planning and focus on implementing recommendations of the higher education Action Plan.

CHE's specific goals are articulated on an annual basis through the Executive Director's evaluation process and this Accountability Report. Goals are reviewed on a periodic basis by the Executive Management Team with respect to status and progress towards achievement. Status and/or completion are reported to CHE members as a component of the Executive Director's annual evaluation. The following represent on-going goals. The goals are presently under review by the recently hired executive director and Board.

Strategic Planning – S.C. Commission on Higher Education (CHE)

Program Number and Title	Supported Agency Strategic Planning Goal/Objective	Related FY 2012-13 Key Agency Action Plan/Initiative and Timeline for Accomplishing the Plans	Key Cross References for Performance Measures*
<i>Executive Director's Objective 1</i>	1) Work in cooperation with institutions and other key stakeholders to create an education culture in S.C. and to implement recommendations advanced in the recently released Higher Education Action Plan.	Continue to work in concert with state efforts to implement the new Higher Education Action Plan. Continue to meet regularly with institutional presidents and other key stakeholders to make progress in planning and implementation efforts. (Ongoing)	No Chart
<i>Executive Director's Objective 2</i>	2) Advocate for funding of institutional operating needs, cooperative initiatives for higher education (e.g., the statewide higher education electronic library), and student programs to promote the accessibility and affordability of higher education for the state's citizens, and for passage of a bond bill.	Coordinate and work with institutions to advocate for operating funding. Conduct work to develop recommendations to address funding issues for higher education institutions. Continue to advocate for and ensure success of statewide initiatives such as the electronic library. Continue to advocate for programs and funds to improve accessibility and affordability of higher education for the state's citizens. (Ongoing)	No Chart
<i>Executive Director's Objective 3</i>	3) Strengthen CHE's relationship with key state partners including the Department of Education and the Department of Commerce as well as enhance and improve communications with all relevant stakeholders including, but not limited to, the Governor and General Assembly, institutions, students and their parents, the public, and business community.	The Executive Director will continue to improve institutional relations with CHE and to strengthen relations with other key constituencies including Commerce and K-12. Provide support in statewide educational and other related initiatives through participation in various statewide councils and task forces. Work in cooperation with key stakeholders in regard to the Education and Economic Development Act legislation. (Ongoing)	No Chart
<i>Executive Director's Objectives 4, 5, 6</i>	4) Continue to provide for the efficient and effective management of programs and initiatives under the purview of CHE.	Programs under the purview of CHE are managed efficiently and opportunities to improve are recognized and implemented. (Ongoing)	<i>See 7.1-1 through 7.1-10</i>

**Key Cross-References are a link to the Category 7 – Business Results. These References provide a chart number that is included in the Results section of this document.*

Category 3. Customer and Market Focus

CHE provides service to three primary customer groups: the citizenry of the state, the General Assembly, and the public colleges and universities. Each of these groups views higher education from a different perspective. One of the challenges faced by CHE is to consider all of these perspectives, which at times may be conflicting, in performing its various functions. CHE's primary opportunity to interact with each of these groups is through one of its regularly scheduled CHE meetings or through numerous committee meetings. These meetings, along with other contacts as discussed below, provide the mechanism for evaluating satisfaction among these customer groups.

The citizenry of the state has a variety of means for addressing CHE. Citizens can contact CHE directly, either through board members or the staff, with issues or concerns that they would like to see considered. Citizens also can provide input indirectly into CHE activities through either the General Assembly or the colleges and universities. CHE outreach efforts around the state including scholarship and grant informational meetings at middle and high schools, college fairs, guidance counselor workshops, state residency workshops, and the Student Advisory Committee (with members ranging from 10th grade to college sophomores) allow for citizens and other stakeholders to interact with CHE staff. As an additional opportunity for citizens, CHE maintains a website with a variety of information, data, and links to related sites such as state colleges and universities. A page specifically designed for parents and students is also provided with relevant information and a link to an electronic application process that allows students to apply online to our state's colleges and universities. Each division of CHE maintains information relevant to its programs. For example, Student Services provides information about scholarship and grant statistics, applying for federal and state financial aid, residency requirements, and scholarship/grant recipient demographics. Academic Affairs includes a summary of available degrees, information on academic policies such as those related to dual enrollment or transfer and articulation, as examples, and information on the Academic Common Market (SREB program that provides in-state tuition to students attending certain programs in other states). Planning and Access includes information about access opportunities into higher education for the historically underrepresented population and the non-traditional student (adults. Finance, Facilities, and MIS includes information on the Mission Resource Requirement, Performance Funding, and the higher education data system (CHEMIS) and data reports. CHE's webpage details staff and committee information and includes numerous opportunities for communication directly to staff via e-mail.

The General Assembly works with CHE in the following manners: directives through legislation, contact directly with appointed Commissioners, or contact (directly or through legislative staff) with CHE staff. CHE maintains a legislative liaison charged with monitoring and providing coordination with this customer group. Certain other staff members whose areas of responsibility may relate to legislative activity also work with this customer group. These interactions with the General Assembly occur both formally and informally. Budget presentations to the House and Senate committees, legislative hearings on pending legislation, and informational presentations to *ad hoc* committees are a few of the formal interactions. Other formal assistance is provided by CHE staff in reviewing pending higher education legislation as requested by the State's Budget Office to determine the fiscal impact to higher education. Informal opportunities occur through information requests from individual senators and representatives, working with Legislative staff in preparing material for consideration, or serving as a resource during staff research of pending issues and discussions.

The public colleges and universities work closely with CHE and its staff. The first area of interaction is the membership of CHE itself. With the passage of Act 137 of 1995, CHE membership was modified to include institutional representation. Effective July 1, 1996, three members were appointed to represent the different sectors of institutions. The members are

trustees from each of the following sectors: public senior research institutions, four-year public comprehensive institutions, and the technical colleges. Institutions have additional input into CHE activities through advisory committees. Each functional area of CHE has one or more advisory committees including representation from every public four-year institution and selected representatives from the public two-year institutions. These advisory committees provide valuable discussion and recommendations to CHE staff. Often, the recommendations of these committees are made directly to CHE, with the support of CHE staff. Institutions have further access to CHE through direct requests. All institutional requests, ranging from academic program approvals to facilities improvements to budget requests, are made to CHE after appropriate analysis by the staff. Another key path of communication between the institutions and CHE is through the Council of Public College and University Presidents. In recent years the Council has not met as a body; however, CHE seeks the input and advice of the presidents routinely through meetings and correspondence. The Executive Director of CHE meets with the presidents individually and collectively. Additionally, every August each of the presidents meets with CHE in open meeting to provide information about priorities and budget needs and discuss opportunities to work collaboratively with CHE and each other on identified priorities. CHE will continue its work to encourage and re-establish the more formal Council of Presidents and annual meetings with CHE.

Category 4. Measurement, Analysis and Knowledge Management

CHE has several activities that rely heavily on the use of data. CHE Management Information System (CHEMIS) maintains data collected from institutions relating to scholarship/grant awards, student enrollment, student completions, facilities, courses, and faculty. This system serves as the principal repository for data used in staff analysis of and decision-making about institutional and higher education issues and in responding to informational requests from CHE's various stakeholders. These data also provide the basis for CHE's determination of funding needs of higher education, the evaluation of performance of the state's colleges and universities, and allocation of appropriations. Program-specific data is gathered for the financial aid programs administered by CHE (including Palmetto Fellows, LIFE, S.C. HOPE, Two-year Lottery Tuition Assistance, S.C. Need-Based Grants and S.C. National Guard College Assistance programs) and for GEAR UP, HEAP, and the Access & Equity program.

In addition to the CHEMIS database, CHE also acts as the state-level coordinating body for the collection and submission of data for the Integrated Post-secondary Education Data System (IPEDS), which is maintained by the US Department of Education for the federal government. Much of the IPEDS data required for federal reporting is collected as part of the CHEMIS database, and CHE can use the reported data to provide information for the federal reports. Additional data reported by institutions are used to meet the national statistical requirements and also to provide CHE access to national comparative data. CHE is very cognizant of data requirements placed on institutions and works as much as possible to streamline data reporting requirements and eliminate unnecessary or duplicative reporting.

CHE uses the collected higher education data to inform policy recommendations and respond to requests for information. The accuracy of data is ensured by an audit process implemented for the purpose of maintaining reliable data reporting and institutional compliance with program requirements. CHE staff regularly communicates and informs institutions and others of reporting requirements. CHE staff is encouraged to keep up-to-date policy and procedure manuals so that information is readily accessible.

Category 5. Workforce Focus

As a state coordinating board, CHE's primary business focus is policy-oriented, rather than direct service or product delivery. As such, the people making up CHE and its staff are the most valuable asset of the agency. Only through attracting, educating, and retaining a quality staff can

the appointed CHE members be assured that they are receiving the best possible analysis and review of issues being considered. Of 39 CHE staff, excluding the contractual staff, as of fiscal year end, 4 have doctoral degrees, 13 have graduate degrees, 15 have baccalaureate degrees and 7 have associate degrees.

Along with the credentials the staff members bring to their positions, CHE provides opportunities for developing, enhancing, and refining skills. Courses available through the Budget and Control Board provide opportunities. Annual conferences on programmatic areas ensure current knowledge of relevant issues. Several staff members are pursuing additional formal educational opportunities. Along with these opportunities, there exists an informal mentoring program provided by the more senior staff members. CHE places a high value on the quality of its human resources and recognizes the importance of continual development.

CHE has participated in past years in The Urban League's summer internship program, hosting a number of interns in each of the divisions over the summer. The program has provided staff with an opportunity to mentor high school and college students. Additionally, CHE provides experiences for college interns as opportunities arise.

Category 6. Process Management

Each area and program provided through CHE operates with the assistance of one or more advisory committees. Also, all meetings of CHE, including advisory committees, are held as public meetings, thereby providing public access and accountability. Academic quality is an overriding principle in every educational environment. Higher education is no different. Each concept for a new or modified academic program offering goes through an evaluation by a committee involving institutional academic officers. Issues relating to state funding are discussed with institutional chief finance officers. Questions and considerations relating to student scholarship and grant programs are reviewed extensively with institutional financial aid officers, and those relating to state residency concerns are discussed frequently with institutional admissions and residency officers. Assessment and performance evaluation issues are discussed with institutional research and/or institutional assessment officers. In each of these areas, and all others within CHE, processes are reviewed on a periodic basis to ensure both quality and efficiency, with input solicited from the participants, the business community, and other constituencies of higher education.

Category 7. Results

Provided on the following pages are a variety of data relating to CHE's programs and activities. These data are used within the respective programs as means of evaluating levels of activity, progress toward stated goals, or achievement of statewide objectives. All items presented relate to question 7.1, performance levels and trends for the key measures of mission accomplishment.

7.1-1, PRODUCTION OF ANNUAL REPORTS AND PUBLICATIONS PROVIDING INSTITUTIONAL DATA AND HIGHER EDUCATION FACTS AND FIGURES

Each year, CHE produces a number of reports and documents pertinent to higher education institutions, programs, and/or policies. A listing of annual and other CHE reports are available at http://www.che.sc.gov/New_Web/Data&Pubs.htm. Recent special reports of note include:

- *March 2009 Action Plan (Leveraging Higher Education for a Stronger South Carolina), the report of the Darla Moore School of Business, The Economic Return on Investment in S.C.'s Education, and status reports describing the activities specific to implementing the recommendations provided in the Action Plan* are available at http://www.che.sc.gov/HigherEd_ActionPlan.htm
- *2003-2008 S.C. Centers of Economic Excellence (SmartState) Program Comprehensive Evaluation* produced by the Washington Advisory Group, (see http://www.endowedchairs.org/SmartState_Program_Comprehensive_Evaluation.pdf);

- *Retaining Graduates of S.C. Public Colleges and Universities, November 2007*, (see http://www.che.sc.gov/Finance/CHEMIS/CHE_SpecialReport_110207.pdf); and
- *Summary Report on S.C. Scholarships and Grants, 1988-2005, May 2007*, (see <http://www.che.sc.gov/StudentServices/ScholarshipsandGrantsReport.pdf>).

Most CHE reports are accessible online or available by contacting CHE staff. Two of the more significant annual reports of institutional data are listed below:

- CHE produces annually the *S.C. Higher Education Statistical Abstract*. Now in its 33rd year, this report contains the latest facts and figures for our state's higher education system. Current and past years' reports are available at <http://www.che.sc.gov/Finance/Stat.htm>. CHE also produces a *Higher Education Facilities Abstract on S.C. Public Colleges and Universities*. The 2012 version is found at <http://www.che.sc.gov/Finance/Abstract/Abstract-2012-webaa.pdf>. Other higher education statistics are published online and accessible at http://www.che.sc.gov/New_Web/Data&Pubs.htm.
- Until 2010, CHE produced annually a report entitled, *A Closer Look at Public Higher Education in S.C.: Institutional Effectiveness, Accountability, and Performance*, to meet its legislated mandate per S.C. State Code §59-101-350. This report was submitted each January to the Governor's Office and General Assembly. Prior to 2006, this report served as the agency accountability report for each of the state's 33 public higher education institutions. The report pulls together data from the Performance Funding process, institutional assessment activities, and other required reporting as legislated. See http://www.che.sc.gov/New_Web/Rep&Pubs/ACL.htm for archived copies of the report. The report has not been published annually since 2009 due to a budget proviso that deferred reporting in light of the state's economic situation. The proviso remains in effect and the publication will not be produced in 2013.
- CHE produces annually a report entitled "SmartState Program Annual Report to the S.C. General Assembly and the S.C. Budget & Control Board," on the accomplishments of and job creation generated by the SmartState Program. (The 2011-12 report is posted at the following link: [http://smartstatesc.org/files/bg5z/2012%20SmartState%20Program%20Annual%20Report%20\[ELECTRONIC%20VERSION\].pdf](http://smartstatesc.org/files/bg5z/2012%20SmartState%20Program%20Annual%20Report%20[ELECTRONIC%20VERSION].pdf))

7.1-2, DATA SUPPORT ACTIVITIES FOR HIGHER EDUCATION

Another key responsibility of CHE is the collection and management of higher education data and information. CHE developed and supports a data management information system known as CHEMIS. CHE staff use the data regularly in responding to questions regarding S.C.'s higher education system. See Section 4 (i.e., Category 4, Measurement, Analysis and Knowledge Management) for additional details. During the year, staff responds daily to routine requests as well as numerous special requests that are outside of regular reporting and/or readily available data reports.

7.1-3, SCHOLARSHIP AND GRANT PROGRAMS

CHE is responsible for administration of the majority of higher education scholarship and grant programs made available by the General Assembly. S.C. provides funding for several undergraduate scholarship programs to S.C. residents. Three programs (Palmetto Fellows, LIFE, and S.C. HOPE) are merit-based programs. Students must meet criteria based on grades, class rank, and/or college entrance exam scores to earn merit awards and on grades for continued eligibility. Another program, Lottery Tuition Assistance, provides funds for students at two-year institutions enrolled in degree programs. The state also supports need-based student aid programs. These programs provide funds to students based on their need. The need-based programs (CHE Need-based and S.C. Tuition Grants) include funds provided to CHE to disperse to public and independent institutions. Need-based grant funding for independent institutions is administered by the S.C. Tuition Grants Commission. Of the funds dispersed by CHE, approximately 16% in FY 2013-14 goes to the independent institutions through the S.C. Tuition Grants program, which is managed by the S.C. Tuition Grants Commission. Unless specified, Tuition Grant dollars are not reflected in the information that follows. In brief, for the merit awards and lottery tuition assistance:

Palmetto Fellows requires that the student be a S.C. resident and attain a minimum 1200 SAT/ACT equivalent, a class rank in the top 6% (or for classes in which the top 6% is not a whole number, the next student), and a high school grade point average (GPA) of 3.5 based on the uniform grading policy (UGP). Alternatively, students may attain a 1400 SAT/or ACT equivalent and a high school GPA of 4.0 on the UGP. This award is provided for eight semesters provided students maintain eligibility. Students must be enrolled in four-year institutions. In 2007-08, a new initiative passed by the General Assembly was implemented that provides recipients beginning in the sophomore year with an enhanced award for majoring in math, science, engineering and health-related areas. Fellows may earn up to \$6,700 in the first year, \$2,500 in the second through fourth years, and may additionally receive up to \$2,500 beginning in the second year if majoring in eligible math/science programs.

LIFE requires for initial eligibility at a four-year college/university that students be a S.C. resident and attain 2 of the following 3 criteria; 1) have a 3.0 high school GPA (based on the UGP) 2) attain a 1100 SAT/ACT equivalent or 3) class rank in the top 30% of their graduating class. This award is provided for up to eight semesters provided students maintain eligibility. Initial eligibility at a two-year college also requires that students be a S.C. resident and have a 3.0 high school GPA (based on the UGP). This award is provided for up to four semesters provided students maintain eligibility. The new initiative described above for Palmetto Fellows recipients for math, science, engineering and health-related majors also applied for LIFE Scholarship recipients attending a four-year institution. LIFE recipients may earn up to \$5,000 and an additional up to \$2,500 beginning in the second year if majoring in eligible math/science programs.

S.C. HOPE requires that students be a S.C. resident and have a 3.0 high school GPA (based on UGS) be enrolled in a four-year institution, and not be receiving the LIFE or Palmetto Fellows Scholarship. The award is for the freshman year only of up to \$2,800. Students may become eligible for the LIFE Scholarship in subsequent years.

S.C. Need-based Grant provides financial assistance to residents who demonstrate a financial need at an eligible two or four-year institutions. Need-based grants, which may be available to full-time (up to a maximum of \$2,500) or part-time (up to a maximum of \$1,250) students at public institutions, are administered at the institutional level using funds allocated through CHE. To be eligible, students must be degree-seeking and enrolled in a minimum of six hours if part-time and twelve hours if full-time and must complete the Free Application for Federal Student Aid (FAFSA). In FY 2013-14, the General Assembly has also made available need-based grants for students with intellectual disabilities who are enrolled in recognized college transition programs at Clemson, Coastal Carolina, College of Charleston, University of South Carolina Columbia, and effective in fall 2014, Winthrop. The funding for these new grants is limited to existing funds totaling \$179,178 that had been directed through CHE to a non-profit for implementation of college transition programs in the state for students with intellectual disabilities.

Lottery Tuition Assistance provides aid for eligible students at two-year institutions. Students must complete the Free Application for Federal Student Aid (FAFSA), be degree-seeking, and be enrolled in a minimum of six hours to be eligible. Award amounts are set annually based on estimated student numbers and appropriations. In FY 2012-13, \$1,140 per semester full-time or \$95 per credit hour.

Students may not receive more than one of the merit awards or Lottery Tuition Assistance at the same time but may be eligible to receive need-based grant aid in addition to these awards. The table on the following page reflects some of the staff activity in regard to disseminating information and responding each year to student scholarship appeals. Subsequent tables and charts provide data on the state's scholarship and grant programs generally.

Table 7.1-3a, Staff Activity regarding Scholarship/Grant Awareness and Appeals

Staff Activity	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13
Number of events staff participated in to provide scholarship and grant program updates to students, parents, and guidance counselors and to increase awareness	40	10	10	12	21
Workshops hosted for financial aid representatives to review regulations and program changes to ensure proper administration	13	7	11	13	9
Number of student scholarship/grant appeals processed for which decisions were rendered	216	220	201	190	174

Table 7.1-3b, State Appropriations for Undergraduate Scholarship and Grant Programs

Beginning Appropriations for State Undergraduate Scholarship and Grant Programs, FY 2009-10 through FY 2013-14*

	FY 2009-10	FY 2010-11	FY 2011-12*	FY 2012-13*	FY 2013-14*	As of FY 2013-14 %by Fund Source
Palmetto Fellows ⁽¹⁾ Total	\$42,277,240	\$49,386,667	\$49,386,667	\$49,886,667	\$51,216,550	100.0%
<i>portion from State General Funds</i>	\$10,786,212	\$17,895,639	\$19,109,427	\$19,109,427	\$20,439,310	39.9%
<i>portion from Barnwell Revenues</i>	\$1,213,788	\$1,213,788	\$0	\$0	\$0	0.0%
<i>portion from Lottery Revenues</i>	\$30,277,240	\$30,277,240	\$30,277,240	\$30,777,240	\$30,777,240	60.1%
LIFE ⁽¹⁾ Total	\$156,288,989	\$173,136,362	\$171,890,285	\$172,390,285	\$169,060,402	100.0%
<i>portion from State General Funds</i>	\$71,032,307	\$76,900,892	\$65,335,669	\$65,154,048	\$59,754,048	35.3%
<i>portion from Lottery Revenues</i>	\$85,256,682	\$96,235,470 ⁽⁵⁾	\$106,554,616	\$107,236,237	\$109,306,354	64.7%
HOPE ⁽²⁾ Total	\$7,823,474	\$8,255,201	\$8,255,201	\$8,011,583	\$8,011,583	100.0%
<i>portion from State General Funds</i>	\$0	\$431,727	\$431,727	\$231,727	\$231,727	2.9%
<i>portion from Lottery Revenues</i>	\$7,823,474	\$7,823,474	\$7,823,474	\$7,779,856	\$7,779,856	97.1%
Sutotal Merit Programs (PF, LIFE HOPE)	\$206,389,703	\$230,778,230	\$229,532,153	\$230,288,535	\$228,288,535	100.0%
<i>portion from State General Funds</i>	\$81,818,519	\$95,228,258	\$84,876,823	\$84,495,202	\$80,425,085	35.2%
<i>portion from Barnwell Revenues</i>	\$1,213,788	\$1,213,788	\$0	\$0	\$0	0.0%
<i>portion from Lottery Revenues</i>	\$123,357,396	\$134,336,184	\$144,655,330	\$145,793,333	\$147,863,450	64.8%
Lottery Tuition Assistance (2-yr) ⁽²⁾ Total	\$47,000,000	\$47,000,000	\$47,000,000	\$49,100,000	\$49,100,000	100.0%
Need-based Grants ⁽³⁾ Total	\$25,131,566	\$23,631,566	\$23,631,566	\$27,631,566	\$25,000,000	100.0%
<i>portion from State General Funds</i>	\$10,786,212	\$10,786,212	\$12,000,000	\$12,000,000	\$12,000,000	48.0%
<i>portion from Barnwell Revenues</i>	\$1,213,788	\$1,213,788	\$0	\$0	\$0	0.0%
<i>portion from Lottery Revenues</i>	\$11,631,566	\$11,631,566	\$11,631,566	\$15,631,566 ⁽⁷⁾	\$13,000,000	52.0%
<i>portion from other funds</i>	\$1,500,000 ⁽⁶⁾					
Tuition Grants ⁽⁴⁾ Total	\$29,560,426	\$29,503,042	\$29,503,042	\$31,003,042	\$31,358,622	100.0%
<i>portion from State General Funds</i>	\$21,793,822	\$21,736,438	\$21,736,438	\$21,736,438	\$23,358,622	74.5%
<i>portion from Lottery Revenues</i>	\$7,766,604	\$7,766,604	\$7,766,604	\$9,266,604 ⁽⁷⁾	\$8,000,000	25.5%
TOTAL All Programs	\$308,081,695	\$330,912,838	\$329,666,761	\$338,023,143	\$333,747,157	100.0%
<i>portion from State General Funds</i>	\$114,398,553	\$127,751,218	\$118,613,571	\$118,231,640	\$115,783,077	34.7%
<i>portion from Barnwell Revenues</i>	\$2,427,576	\$2,427,576	\$0	\$0	\$0	0.0%
<i>portion from Lottery Revenues</i>	\$189,755,566	\$197,679,619	\$211,053,500	\$219,791,503	\$217,963,450	65.3%
<i>portion from other funds</i>	\$1,500,000 ⁽⁶⁾					

NOTE: The appropriations, except as noted, represent only initial program funds as provided per the Appropriations Act. State General Funds and Lottery Funds are included, as are other funds, such as Barnwell Nuclear Waste Facility revenues appropriated for the Education Endowment. The Education Endowment for higher education is required statutorily, per §48-46-40(F), to be funded at \$24 million annually should Barnwell revenues not be sufficient. As of FY 2011-12, the Education Endowment for higher education is funded wholly with State General Funds, and these funds are split equally, per §59-140-30, between Palmetto Fellows and Need-based Grant programs.

Student financial aid incentive programs for SC National Guard members are not reflected here. As of 2007, a college assistance program was made available to Guard members in lieu of a prior loan repayment program for Guard members. The loan repayment program is being phased out as of 2007 and was closed to new participants with the passage of the SC National Guard College Tuition Assistance Program (SCNG CAP). As the loan program was phased out, unallocated appropriations from the loan program were made available for SCNG CAP. Initial appropriations for the SCNG CAP program were approximately \$1.7 million in lottery funds in FY 2012-13, and with the depletion of availability of funds from the former loan repayment program, the SCNG CAP initial appropriations in FY 2013-14 have been increased to just over \$4.5 million.

* Beginning year appropriations and additional funds may be appropriated for the open-ended programs (Footnote 1). Merit programs have been fully funded to date with regard to anticipated program needs.

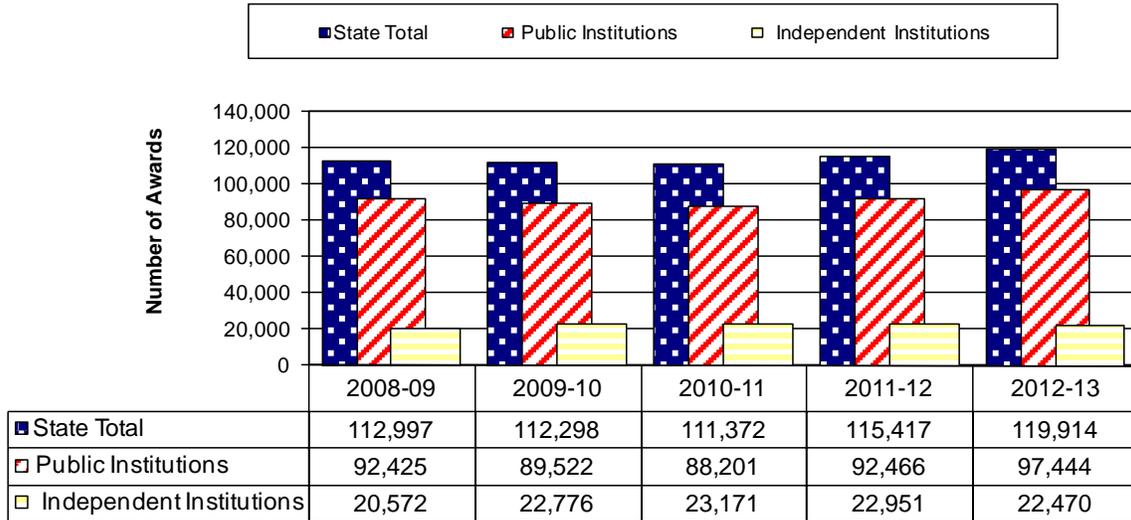
- (1) For the Palmetto Fellows and LIFE programs, additional amounts above initial appropriations may be provided since these are "open-ended" programs and qualified students are provided the awards. For Palmetto Fellows and LIFE, the General Assembly passed legislation effective FY 2008-09 that provided additional stipends beginning in the sophomore year to recipients of Palmetto Fellows and LIFE who are majoring in identified math, science, engineering and health-related majors and increased the amount of the Palmetto Fellows award beginning in the second year for all recipients.
- (2) HOPE and Lottery Tuition Assistance for 2-Year Institutions began with the implementation of the Education Lottery in 2002.
- (3) For CHE Need-based Grants program a statutory provision requires that a portion of the available Need-based Grant funds each year must be allocated to independent institutions based on their share of full-time, in-state undergraduate enrollment in the prior fall. In fall 2012, the percentage enrollment share for the independent institutions was approximately 16%. See also note 4 regarding Tuition Grants.
- (4) Tuition Grants is a program managed by the SC Tuition Grants Commission and provides need-based grants to qualified students at SC's Independent Colleges and Universities. Funds shown reflect the portion appropriated to the SC Tuition Grants Commission for grants. In addition to the allocations shown here under for Tuition Grants, the program also receives by statute a share of funds appropriated to the Need-based Grant program (Footnote 3).
- (5) FY 2010-11 includes appropriations from excess unclaimed Education Lottery prize funds \$5,809,819 and surplus lottery funds of \$3,054,735.
- (6) Other funds include non-recurring appropriations provided pursuant to FY 2009-10 Part 1B provisos 90.19 and 90.21
- (7) For FY 2012-13, amount inclusive of additional funds appropriated from FY 2011-12 lottery surplus including \$4 million for Need-Based Grants and \$1.5 million for S.C. Tuition Grants.

Source: Data are from appropriation acts and www.budget.sc.gov for balance of excess unclaimed prize funds at year-end.

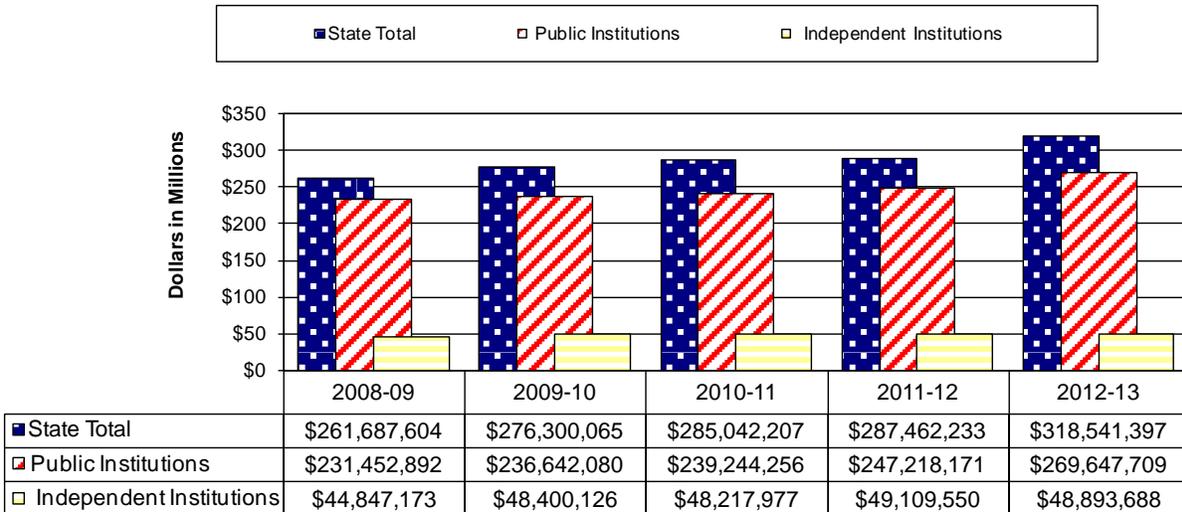
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Graph 7.1-3c, Annual Awards for State Undergraduate Scholarship and Grant Programs Type Institution (Public or Independent) by Year, FYs 2008-09 – 2012-13

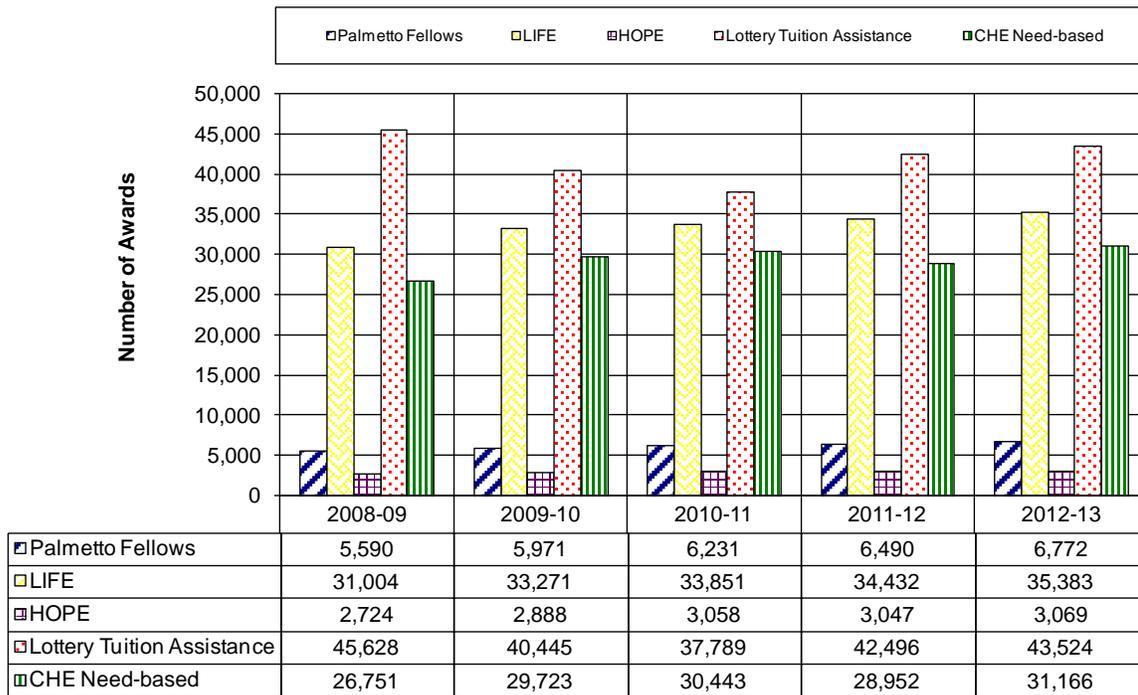
**Number of Undergraduate Scholarships and Grants
(Palmetto Fellows, LIFE, HOPE Lottery Tuition Assistance, and CHE Need-based Grants)**



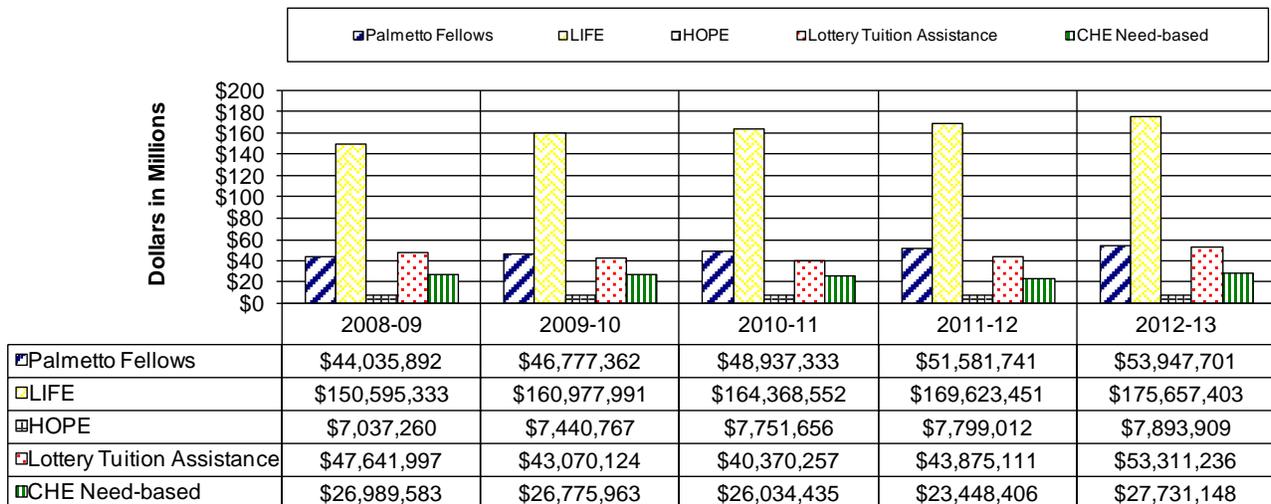
**Total Dollars Awarded in Undergraduate Scholarships and Grants
(Palmetto Fellows, LIFE, HOPE Lottery Tuition Assistance, and CHE Need-based Grants)**



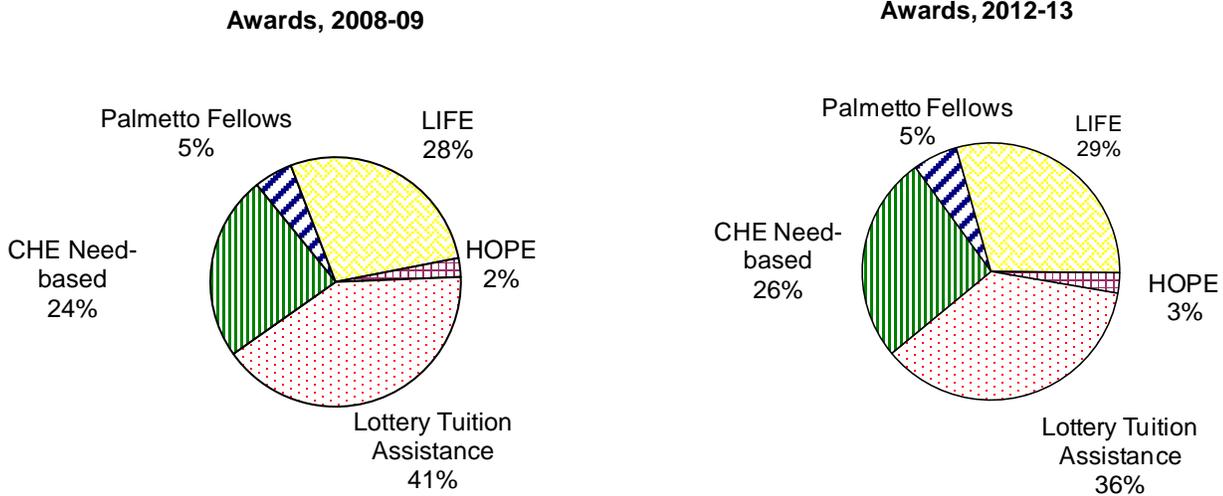
Graph 7.1-3d, Scholarship Awards by Program, Fiscal Years 2008-09 – 2012-13



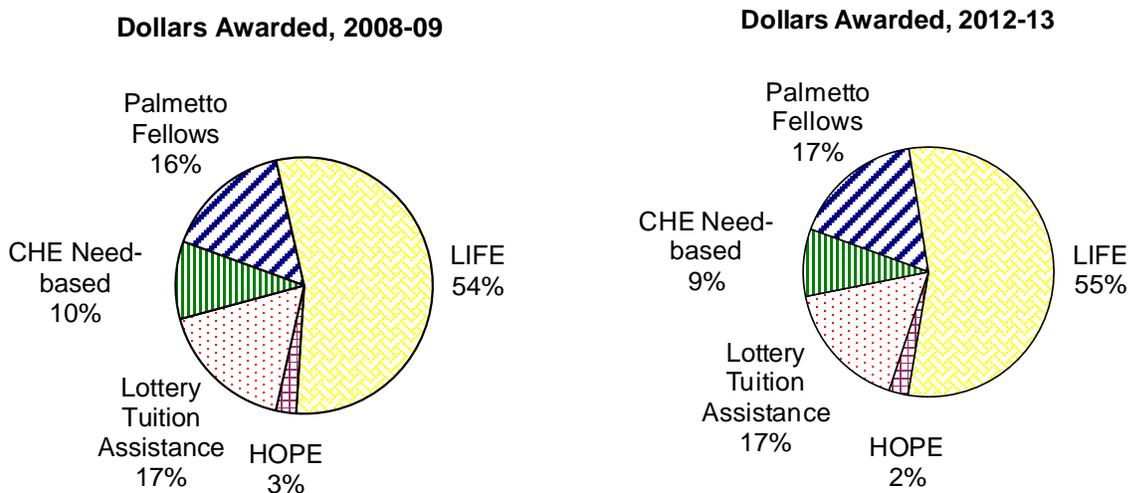
Graph 7.1-3e, Scholarship Dollars Awarded by Program, Fiscal Years 2008-09 – 2012-13



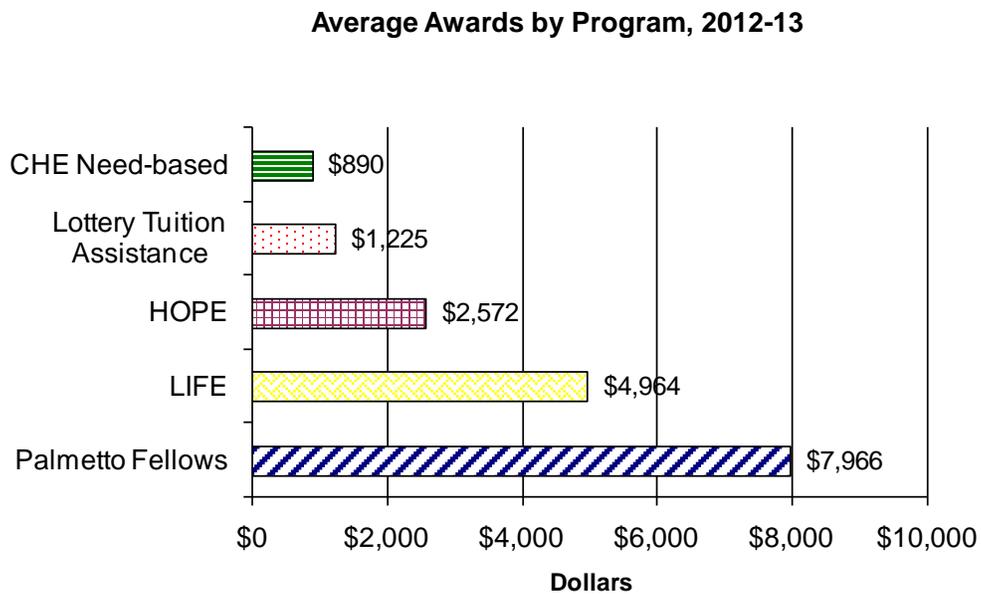
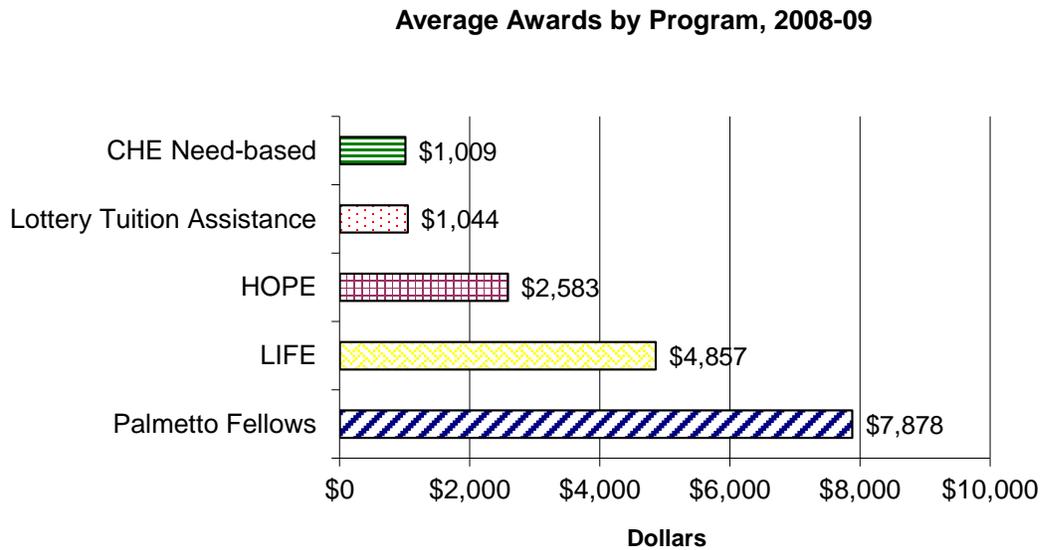
Graph 7.1-3f, Percent of State Undergraduate Scholarship and Grant Awards by Program, Fiscal Years 2008-09 – 2012-13



Graph 7.1-3g, Percent of State Undergraduate Scholarship and Grant Dollars Awarded by Program, Fiscal Years 2008-09 – 2012-13



Graph 7.1-3h, Average Award Amounts by Program, Fiscal Years 2008-09 – 2012-13



NOTE: In 2008, Enhancement Awards for eligible Palmetto Fellows and LIFE recipients were implemented. The enhancements provide additional funds to qualified recipients majoring in eligible math/ science/ engineering programs beginning in the sophomore year. For Palmetto Fellows, the award for all was increased from \$6,700 to \$7,500 in the sophomore year and up to an additional \$2,500 is available for eligible math/science/engineering majors. For LIFE, the enhancement available in the sophomore year increased the award from \$5,000 to \$7,500 for qualified recipients. (See also description on page 27.)

Table 7.1-3i, S.C. National Guard Student Loan Repayment Program

Act 41 of 2001 authorized the development of the S.C. National Guard (SCNG) Student Loan Repayment program. CHE, in consultation with the S.C. Student Loan Corporation, developed this loan repayment program for providing incentives, by repayment of eligible student loans, for enlisting or remaining a minimum of six years in either the S.C. Army or Air National Guard in areas of critical need. CHE, along with the SCNG, administers this student loan repayment program. Below is a chart of the program to date.

Legislation passed during the 2007 Session (Act 40 of 2007 enacted June 4, 2007), closed the SCNG Student Loan Repayment Program effective fall 2007. The program was replaced with a tuition assistance program for the SCNG. The SCNG College Assistance Program (SCNG CAP) provides financial incentives (tuition reimbursement) for enlisting or remaining for a specified time in the SCNG. The changes made to this program were sought by the SCNG in order to improve educational incentives for guard members. The efforts of the SCNG were supported by CHE. CHE and the SCNG worked during FY 2007-08 to implement this new program. (See following page for additional information.) All obligations for student loan repayment for SCNG members participating prior to fall 2007 will be met. Any remaining program funds are re-directed for SCNG.

	New Funds Available <i>(Note 1)</i>	New Funds Obligated	New Number of Awards	Payment on Awards <i>(Note 2)</i>	Aggregate of Payments	Aggregate Number of Awards
FY 2008-09	n/a	n/a	n/a	\$226,748	\$1,094,546	696
FY 2009-10	n/a	n/a	n/a	\$73,785	\$1,168,332	696
FY 2010-11	n/a	n/a	n/a	\$30,278	\$1,198,610	696
FY 2011-12	n/a	n/a	n/a	\$18,000	\$1,216,610	696
FY 2012-13	n/a	n/a	n/a	\$1,016	\$1,217,626	696

Note 1: Funds available are the annual appropriation, less CHE administrative fees, plus interest on the fund. Funds available are also subject to increase when a Guard member does not fulfill his/her obligations to qualify for payment. Although funds were appropriated to the S.C. National Guard Student Loan Repayment Program these funds were used for the National Guard new tuition assistance program. Beginning FY 2007-08 new participants were no longer accepted into the Loan Repayment program.

Note 2: This program was closed to new participants as of FY 2007-08 and no new obligations were made. Act 40 of 2007 amended S.C. Code Section 59-111-75 relating to the Student Loan Repayment Program for National Guard members serving in areas of critical need, so as to provide that new participants may not be accepted as of fall 2007, that members of the SCNG who have received an initial eligibility contract before the FY 2007-08 may continue to receive their loans and have their loans forgiven, and that any funds remaining in the SCNG Student Loan Repayment Program shall be transferred to the National Guard college assistance program. The SCNG Student Loan Repayment Program was officially closed when the last payment was made on February 28, 2013 to members of the S.C. National Guard who received an initial eligibility contract before FY2007-08.

Table 7.1-3j, S.C. National Guard College Assistance Program (SCNG CAP)

In 2007, the General Assembly created a new tuition assistance program for S.C. National Guard Members with the passage of Act 40 of 2007. (See also prior page.) In accordance with the program's authorizing legislation, S.C. Code of Laws, §59-114-10, et. seq., CHE in coordination with SCNG promulgated Regulations (R.62-250 – R.62-263) during FY 2007-08 for the administration of SCNG CAP consistent with statutory provisions. CHE, in consultation with the SCNG, administers the program. The program regulations provide for eligibility/commitment requirements for qualification for the tuition benefits; limitations on the amount of tuition assistance, qualifications for successful program participation in relation to the SCNG and successful school matriculation; the manner in which the benefits shall be disbursed and reimbursements made, if required, detail allowable administrative costs applicable to CHE; and that these benefits are subject to funds being appropriated by the General Assembly.

	Funds Available and Obligated (Notes 1 & 2)	Number Of Awards	Payment On Awards (Note 3)	Aggregate Of Payments (Note 4)	Aggregate Number of Awards
FY 2008-09	\$1,803,381	921	\$3,148,574	\$4,145,926	1,315
FY 2009-10	\$1,794,520	1,130	\$3,823,419	\$7,969,345	2,445
FY 2010-11	\$1,787,147	1,186	\$4,108,994	\$12,078,340	3,631
FY 2011-12	\$1,775,318	1,203	\$3,849,273	\$15,927,613	4,834
FY 2012-13 (Note 5)	\$2,493,667	901	\$2,108,350	\$18,35,963	5,735

Note 1: Funds available are the annual appropriation (to include supplemental funds), less CHE administrative costs as allowable, plus interest on the fund. Funds include any funds released when Guard member who is participating in the Student Loan Repayment Program does not fulfill his/her obligation to qualify for payment. The SCNG CAP program began FY 2007-08 with \$3,122,728 and with 394 awards.

Note 2: Funds obligated are based on the SCNG CAP benefits covering the cost of qualifying members of the National Guard attendance as defined by Title IV regulation, up to a maximum amount each award year. The maximum benefit for academic year 2012-2013 is \$9,000 (\$4,500 per term) for Air Guard members and \$4,500 (\$2,250 per term) for Army Guard members. Qualifying members of the National Guard may receive college assistance program benefits up to an amount equal to one hundred percent of college cost of attendance, provided, however, these college assistance program benefits in combination with all other grants and scholarships shall not exceed the cost of attendance at the particular institutions and the cumulative total of all college assistance program benefits received not exceeding eighteen thousand dollars.

Note 3: The FY 2011-12 amount does not include 2012 summer awards.

Note 4: Aggregate payments include all fund sources each year including funds that were appropriated to the Student Loan Repayment Program. Beginning FY 2007-08 new participants were no longer accepted into the Loan Repayment program and funds not obligated for this program are re-directed to SCNG CAP.

Note 5: In FY 2012-13, program funds were not sufficient to meet the annual demand for awards. Awards were made only in the fall semester. Funding for the program has been increased for FY 2013-14. It is anticipated that the funding will provide on an annual basis a similar number of awards that were made in fall 2012.

7.1-4, PROGRAM PARTICIPATION, SOUTHERN REGIONAL EDUCATION BOARD (SREB)

The Southern Regional Education Board (SREB) was founded more than 50 years ago specifically to help states improve and share resources in higher education. Today, SREB continues to organize and administer regional arrangements to avoid costly duplication and expensive development of new programs including the Academic Common Market which provides access to undergraduate and graduate programs in specialized areas by waiving the out-of-state portion of tuition. SREB data collection, SREB policy documents, comparative research, and publications on K-20 issues, as well as participation in several other programs, are benefits of S.C.'s membership in this 16-state consortium. CHE coordinates S.C.'s participation in higher education programs under the SREB. Data provided below include trends in student participation in programs made available through S.C.'s participation in SREB.

Table 7.1-4a, S.C. Students Participating in SREB Programs

Program	2008	2009	2010	2011	2012
N.C. School for the Arts ¹	5	3	3	2	1
Contract Programs for Veterinary Medicine and Optometry ² <i>Note: Reported academic year – total new and continuing students.</i>	115	119	121	123	124
Academic Common Market Program ³ <i>Note: SREB reported calendar year.</i>	134	142	161	106	124
Program	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Doctoral Scholar Participants ⁴ <i>(Total new and continuing students)</i>	15	15	12	15	16

¹ North Carolina School for the Arts is a conservatory-based high school program that provides for the training of professionals in the arts. Through SREB contractual arrangements, students from S.C. are able to attend this school with tuition assistance. These numbers represent student participation in the N.C School for the Arts.

² Under the SREB Regional Contract programs for veterinary medicine and optometry, spaces are made available for S.C. residents at the in-state rate at five partnering institutions. Through this program, S.C. is able to maintain availability of these programs for our citizens while the state avoids the full expense of building and staffing these professional schools. Optometry programs for S.C. residents at in-state rates are made available at Southern College of Optometry and the University of Alabama. Veterinary Medicine programs are available at Tuskegee University, University of Georgia, and Mississippi State University. Through this contractual arrangement, students from S.C. are able to attend these professional programs with tuition assistance. These numbers represent student participation in the contract programs.

³ The SREB Academic Common Market was established in 1974 by SREB to share between states specified degree programs located at southern public colleges and universities through an exchange of students across borders at in-state rates. As a cooperative agreement among states, the Academic Common Market seeks to eliminate unnecessary duplication of degree programs among states while supporting those programs which are able to serve additional students. The program allows residents of the 16 participating states (Alabama, Arkansas, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia) to pay in-state tuition rates while enrolled in certain degree programs at participating out-of-state colleges and universities. Florida, North Carolina, and Texas participate at the graduate level only. Currently, S.C. institutions have made 96 programs available through the Academic Common Market, and S.C. residents have ACM access to 372 out-of-state programs. Numbers are new S.C. student's certified each academic year for participation.

⁴ The SREB Doctoral Scholars program provides financial assistance and academic support to minority students who are admitted to doctoral programs.

7.1-5, ACCESS AND EQUITY – MINORITY PARTICIPATION IN PUBLIC INSTITUTIONS

South Carolina has done much to improve its educational system. At all levels, South Carolina has clarified expectations, promoted accountability and broadened access. The Commission on Higher Education's (CHE's) statewide Access and Equity (A&E) program has been a force in improving access to and equity within the educational system. State funds for the A&E program were vetoed in FY2010-11 and are no longer provided through CHE's budget. CHE recognizes the contributions of its A&E statewide program and of the individual institutional A&E programs and applauds institutions for continuing campus A&E programs despite the loss of funding from the state.

Ensuring educational equity for all students and faculty in higher education is one of the primary goals of CHE. The vision of the A&E program is to achieve educational equity for all students and faculty in higher education.

From 1981 to 1986, Era of Compliance - S.C. implemented a federally-mandated desegregation plan designed to: (1) enhance the state's public historically black colleges, (2) desegregate student enrollments at the state's baccalaureate degree-granting public colleges and universities, and (3) desegregate faculties, staffs, and governing bodies of all S.C. public colleges and universities. CHE adopted the *S.C. Plan for Equity and Equal Opportunity in Public Institutions of Higher Education*, which provided funds to support graduate and undergraduate scholarships, recruitment and retention programs to enhance the state's two public historically black institutions.

In 1985, Era of Commitment, CHE approved guidelines for the A&E program and provided statewide evaluation and coordination of the program. Funds were awarded to institutions with well-planned activities that (1) flowed from the institution's mission and addressed the recruitment and retention of minority students and employees, (2) met specific institutional requirements related to the characteristics of students and faculty, (3) were carefully conceptualized, and (4) were-linked to guidelines that emphasized the need to achieve campus climates and academic settings that encouraged participation and achievement by African American students. As of FY 2009-10, state funds are no longer available through CHE for the institutional A&E programs. However, institutions continue to support campus programs.

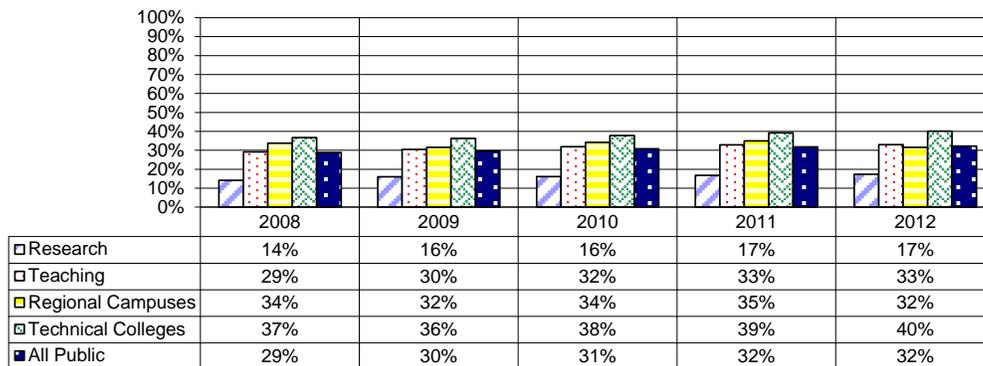
While significant progress has been made in South Carolina and elsewhere, the status of minorities in higher education still reflects a condition where minorities are underrepresented on campuses, in enrollment and in professional positions of employment.

Responsible states in the southeast and throughout the country have recognized that the task of providing full access and equity has yet to be completed, and have integrated programs designed to achieve those goals into their systems of higher learning.

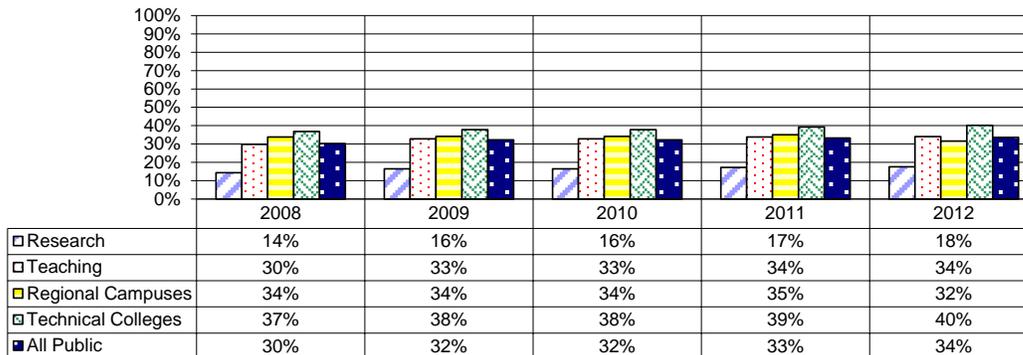
The contributions of South Carolina's minority citizens are essential in order to avoid future compromises in the quality of life and lower standards of living for South Carolinians and other Americans. Effective higher education efforts to achieve full participation of minorities in the life and prosperity of our society are critical to support economic progress, technological advancements, and other improvements in society that are necessary for future growth and success of our state and nation.

Graph 7.1-5a, Minority Enrollment in S.C. Public Colleges by Sector by Level, Fall 2008 – Fall 2012. The data in the three graphs that follow show trends for minority headcount enrollment including all students, undergraduate and graduate/first professionals. As a point of reference, SC's minority population based on the decennial census was 34% in 2000, 36% in 2010, and 36% annual July 2012 estimate.

Minority Enrollment - All Students

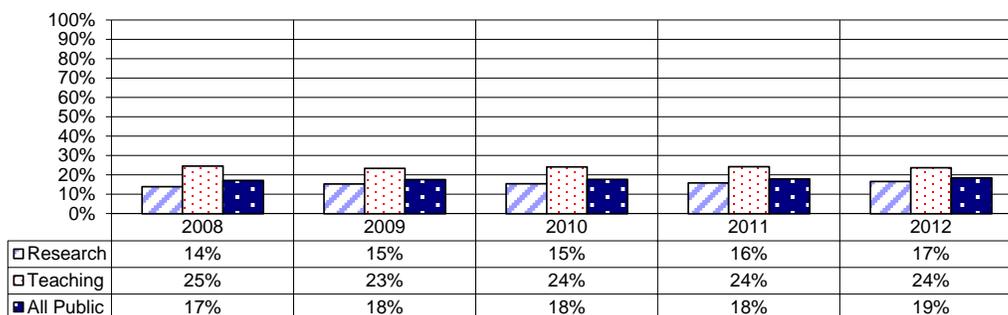


Minority Headcount Enrollment - Undergraduates



Fall Semester

Minority Headcount Enrollment - Graduate and First Professional Students

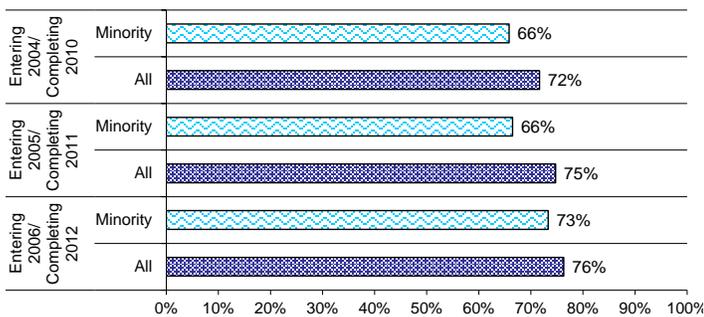


Fall Semester

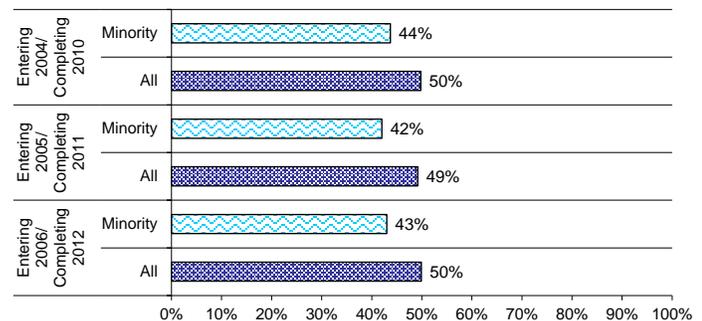
Graph 7.1-5b, Graduation Rates of Minority Students Compared to All Students by Cohort, S.C. Public Institutions by Sector

The charts below illustrate the graduation rate of minority students compared to all students at the state's four-year institutions (research institutions, excluding MUSC, and comprehensive teaching institutions) and two-year institutions (two-year regional campuses of USC and technical colleges). USC Beaufort which transitioned from a two-year regional campus of USC to a four-year regional campus of USC is included as of the 2004 entering cohort. Graduation rates are measured consistent with federal definitions by considering an incoming cohort of students and measuring the percent who graduate within 150% of their normal program time which is six years for baccalaureate degree programs and three years for associate degree programs. The data below are from IPEDS Graduation Rate Survey information and include rates for the three most recent cohorts for S.C. Public Colleges and Universities.

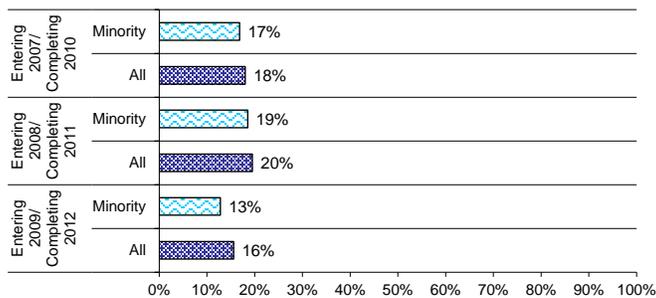
**Graduation Rate in 150% of Normal Program Time
Research Institutions (USC Columbia and Clemson)**



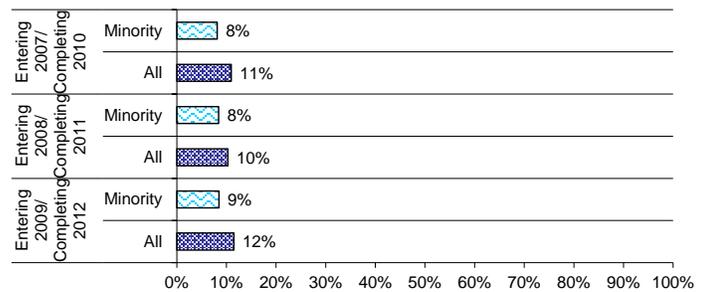
**Graduation Rate in 150% of Normal Program Time
Comprehensive Teaching Institutions**



**Graduation Rate in 150% of Normal Program Time
Two-Year Regional Campuses of USC**

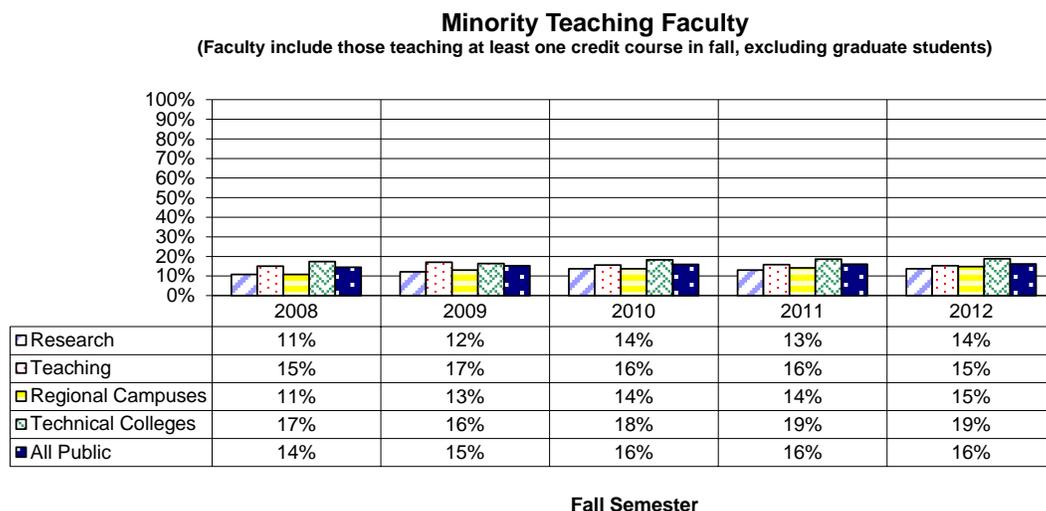


**Graduation Rate in 150% of Normal Program Time
Technical Colleges**



Graph 7.1-5c, Percent of Minority Faculty Teaching in S.C.’s Public Institutions, Fall 2008 - Fall 2012

The data in the chart below show the percent of those teaching in the fall who are minority. Data exclude graduate student teachers. Minority includes African American, American Indian/Alaskan Native, Asian/Pacific Islander and Hispanic. *(Data definition consistent with Performance Funding Indicator 8C4, Percent of Minority Teaching Faculty.)*



7.1-6, VETERANS EDUCATION AND TRAINING PROGRAMS

The Veterans Education and Training section functions as the **State Approving Agency (SAA)** for the state of S.C. The SAA is a part of the National Association of State Approving Agencies (NASAA), which is comprised of state agencies that have responsibility for the approval and training available through the GI Bill. The SAA acts on behalf of the Federal Government to evaluate educational/vocational institutions and training establishments. The SAA approves programs where veterans and those eligible for VA education benefits (under Title 38, US Code, Chapters 30, 32, 33, 35, 36, and Title 10 US Code, Chapter 1606 and 1607) can achieve quality training in either an educational, professional, or vocational objective. The focus of the SAA is the review, evaluation, and approval of quality programs under both the state and federal criteria. Coordinators are assigned to various areas throughout the state and are responsible for a variety of duties. The area coordinators visit institutions and training establishments seeking initial approval to evaluate the appropriateness of the programs being offered and to ensure that these programs meet the standards of state and federal guidelines. Area coordinators also evaluate curricula, training outlines, student training records, physical facilities, and equipment used in training programs. The coordinators, in evaluating institutions and programs, meet with faculty/trainers, administrators, and agency directors seeking a willingness to establish training approval for GI Bill recipients. Approval may be granted for the following:

- 1) Private for profit degree-granting institutions (Colleges and Universities);
- 2) Professional/Vocational certificate or diploma granting institutions (Non-College Degree);
- 3) On-Job-Training (OJT) establishments (6 to 24 months training programs);
- 4) Non- registered apprenticeship establishments (more than 24 months and annual related training); and
- 5) Flight Training Schools (for pilot licenses and aviation employment).

Upon approval, the SAA provides continuous oversight by conducting on-site compliance survey visits. Technical assistance visits are conducted when deemed necessary by the SAA or at the request of Veterans Affairs or the facility certifying official. The SAA also conducts outreach activities to foster usage of the GI Bill (7.1-6, Veterans Education and Training Programs, continued).

Related Activity	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12*	FY 2012-13*
Number of Program Approvals for degree(s), diploma(s), and certificate(s) at each school approved for veterans benefits	3,632	3,793	4,101	900	679
On-the-Job Apprenticeships and Training:					
Number of Business/Organizations across S.C. involved	157	135	74	47	47
Number of Veterans enrolled in Career Training Programs	373	375	153	119	94
Number of Approved Career Training Objectives (i.e., types of available jobs)	235	276	231	176	171
Number of the Types of Career Training Objectives in which Veterans Participated	89	32	27	32	15

**Note: Beginning in 2010-11, the program and facility approvals are significantly lower than previous years. PL 111-377, section 203, (Post-9/11 Veterans Educational Assistance Improvements Act of 2010) changed the day-to-day operation for the State Approving Agencies (SAA) across the nation. The SAA continues to conduct compliance surveys at all proprietary schools for profit, non-registered apprenticeship and on-the-job training facilities.*

7.1-7, PROGRAMS FOR PROMOTING EARLY AWARENESS OF HIGHER EDUCATION AND PREPARATION FOR PARTICIPATION IN HIGHER EDUCATION

7.1-7a, Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)

In September, 2011, CHE was officially notified that the US Department of Education awarded CHE a third federal GEAR UP grant for \$3.4 million over six years and \$1.9 million for a seventh year for a total of \$22.3 million. GEAR UP is a national program to support early college preparation and awareness activities for rural and low-income students.

S.C. GEAR UP began serving 3,689 7th grade students in 24 middle schools along the I-95 corridor providing services in a cohort approach through the students' freshman year at a post-secondary education institution. SC GEAR UP is providing direct services to students and their families in both rural and low-income schools to give students the skills and support they need to prepare for, enter, and succeed academically in postsecondary education. Year two of the grant, FY 2012-13, saw the S.C. GEAR UP students complete their second year of middle school in the 8th grade. The students continued receiving services with the goal of preparing them for high school and postsecondary education.

The Director of Business Relations at the S.C. Chamber of Commerce coordinated the business and community involvement portion of the S.C. GEAR UP program. Charged with improving academic achievement by partnering businesses with the twenty-four S.C. GEAR UP schools, the S.C. Chamber worked in year 2 to secure business partnerships for the schools. Each business partnership provided unique services to the schools and established a mutually beneficial relationship with the students, parents and educators. College and university partners provided in-class, school-wide and evening workshops at all S.C. GEAR UP schools to students and

parents on college admissions, applications and financial and economic literacy. S. C. Governor’s School for Science and Mathematics (SCGSSM) implemented professional development seminars for S.C. GEAR UP teachers and school districts through the use of a SC GEAR UP STEM coordinator, who serves the grant in a full-time capacity through the SCGSSM.

As part of GEAR UP program evaluation, an Annual Performance Report (APR) is prepared to show S.C. GEAR UP’s success and progress for the US Department of Education. The APR is used by the US Department of Education to determine whether substantial progress has been made toward meeting the goals and objectives for the program and used to collect data addressing the performance of S.C. GEAR UP. Below in GEAR UP Table 2 are data from the S.C. GEAR UP statistical sample provided in the APR that demonstrate the intensity of services provided to S.C. GEAR UP students, parents, and educators for the 2012-2013 school year, Year 2 of the grant period. Subsequent reports will show the full impact of the implementation of the S.C. GEAR UP program.

Table 1. GEAR UP Services Provided during 2012-13 School Year

Type of Service Provided to STUDENTS	Number of Students Who Received Service	Average Hours of Service Per Student Receiving the Service Per Year
Tutoring / academic enrichment	2,385	36.5
Rigorous academic curricula	1,505	135.0
Comprehensive Mentoring	3,441	12.0
Advising/academic and career planning	3,243	14.3
College visit/college student shadowing	1,898	8.2
Job site visit/job shadowing	496	3.9
Summer programs	184	50.7
Educational field trips	1,101	11.0
Workshops	678	5.7
Family events/Cultural events	1,401	5.7
Financial Aid Counseling	1,144	6.3
Type of Service Provided to PARENTS	Number of Parents Who Received Service	Average Hours of Service Per Participant Receiving the Service Per Year
Workshops on college prep/financial aid	704	21.6
Counseling/advising	7,468	1.7
College visits	8	7.4
Family events	1,553	11.6

Number of TEACHERS who taught S.C. GEAR UP during the reporting period	Average hours of professional development per participating teacher
240	10.0

7.1-7b, College Goal South Carolina

In 2012, CHE was granted and received a one-year award from USA Funds to implement College Goal Sunday on February 23, 2013. This program, which aims to increase the number of college-bound students completing the “Free Application for Federal Student Aid” (FAFSA), was piloted along the I-95 corridor. College Goal SC has evolved into a true statewide effort. In 2012, College Goal SC events were hosted in 17 areas across the state. Nearly 1,290 students and their families were served at College Goal SC events. CHE staff will continue expanding the program to the whole month of February and will apply for a College Goal SC Grant in 2013 for the 2014 event year. For the seventh consecutive year, College Goal SC programs were hosted by various

institutions throughout South Carolina. On Saturday, February 23, 2013, the following 22 institutions participated in this event: Aiken Technical College, Bob Jones University, Central Carolina Technical College, Claflin University, Columbia International University, Florence-Darlington Technical College, Francis Marion University, Horry-Georgetown Technical College/Conway Campus, Midlands Technical College/Airport Campus, Piedmont Technical College/Lex-Walters Campus and Newberry Campus, Richland County Library, Spartanburg Community College, Technical College of the Lowcountry, Tri-County Technical College, Trident Technical College, USC Lancaster, USC Salkehatchie/East Campus, USC Union, USC Upstate, Williamsburg Technical College, and York Technical College where 307 volunteers participated, 974 families were served and 463 FAFSAs were completed.

College Goal SC Program, 2012-2013		
Site	Number of Families Attending	Number of Volunteers
Aiken Technical College	18	7
Bob Jones University	14	19
Central Carolina Technical College	30	20
Claflin University	15	13
Columbia International University	7	5
Florence-Darlington Technical College	64	13
Francis Marion University	10	0
Horry-Georgetown Technical College	81	16
Midlands Technical College	71	18
Piedmont Technical College/Lex Walters	8	8
Piedmont Technical College/Newberry	20	7
Spartanburg Community College	35	19
Technical College of the Lowcountry	19	9
Tri-County Technical College	62	18
Trident Technical College	158	35
USC Lancaster	30	6
USC Salkehatchie	14	7
USC Trio Programs	54	22
USC Union	61	8
USC Upstate	76	16
Williamsburg Technical College	72	22
York Technical College	55	19
Total College Goal South Carolina	974	307

7.1-7c, College Access Challenge Grant Program (CACG)

In August 2008, CHE was officially notified that the US Department of Education awarded S.C. the federal College Access Challenge Grant. Over the course of two years, S.C. received nearly \$2 million dollars to implement college awareness programs under the grant guidelines. The purpose of the CACG program is to foster partnerships among federal, state, and local governments and philanthropic organizations through matching challenge grants that are aimed at increasing the number of low-income students who are prepared to enter and succeed in postsecondary education. CACG is committed to providing a grassroots community-based program throughout the state based on the belief that college success is possible for students who prepare academically and graduate from high school. CHE staff has worked to implement a comprehensive array of services designed to increase South Carolinians' awareness of and success in postsecondary education. S.C.'s CACGP initiatives include:

S.C. CAN

The primary mission of the S.C. College Access Network (SC CAN) is to expand postsecondary educational awareness, access, and attainment throughout S.C., particularly among low-income, first generation, and underrepresented students and their families. In addition, SC CAN will: (a) develop an inventory of existing college awareness and access programs in S.C.; (b) promote local grassroots college awareness and access programs throughout the state; (c) showcase state and national best practices relating to college awareness and access; (d) provide counsel to communities seeking to start college awareness and access programs, and (e) act as a catalyst for change in advocacy and public policy initiatives relating to low-income, first generation, and underrepresented students and their families.

Higher Education Awareness Program (HEAP)

The Higher Education Awareness Program (HEAP) provides funding on a competitive level to middle schools which gives the students the opportunity to engage in college awareness and access programs within the state. HEAP replaced the Higher Education Awareness Readiness Transition (HEART) Award which was an annual recognition event that highlighted nine extraordinary guidance counselors in SC. The focus on the HEART Award was redirected to the HEAP incentive grants in order to increase the number of applications from middle schools who created and planned college access and awareness programs for their middle school students.

College Application Month

Modeled after North Carolina's national best practice model, College Application Month in S.C. was established to show all students that college is possible, if they prepare. The goal of College Application Month is to provide a forum for all S.C. seniors to complete and file college applications. While much of the focus of College Application Month is geared toward first-generation college students and students who may not otherwise apply to college, participating high schools are encouraged to include activities for all students, including freshmen, sophomores, juniors, and seniors who have already applied to college. In fall 2009, CHE piloted College Application Month events throughout the months of September and October. In the inaugural year, events were held at 10 high schools and over 1,000 seniors completed nearly 2,000 college applications. In 2010, the CHE and the S.C. Department of Education declared October as College Application Month. Throughout the month of October 2010, 57 S.C. high schools hosted individual College Application Day events where 15,000 students received assistance completing and filing college applications. On average, each student completed two applications and a total of over 30,000 applications were submitted to colleges throughout the state of S.C. In 2011, over 121 high schools participated in College Application Month and 15,000 students received assistance completing and filing college applications. On average, two applications were completed by each student that participated, and a total of over 40,000 applications were submitted to colleges throughout the state of South Carolina. Lastly, in 2012, 152 high schools participated in College Application Month and 32,178 students received assistance completing and filing college applications, and over 53,000 applications were submitted to colleges throughout the state of South Carolina.

In 2013, an anticipated 175 high schools and 40,000 students will participate in College Application Month. During the course of the program, over 69,000 students received assistance completing college applications and over 128,000 college applications were completed and submitted.

S.C. CAN GO Media Campaign

The S.C. CAN GO Media Campaign is an integrated marketing and advertising campaign designed to promote a college-going culture in S.C. and to raise needed college access awareness throughout the state. The primary goal of this campaign is to encourage S.C. students and families to take an active role in pursuing higher education. A productive partnership was formed with the South Carolina Regional Education Centers (RECs). During April 2012 – April 2013, the REC staff recruited 77 high profile individuals from the State of South Carolina, such as business leaders, athletes, entertainers, legislators, and community leaders, who have successfully completed (or are in the process of completing) postsecondary education to speak with and mentor low-income students across the state. These individuals provided on-site mentoring and continuous support for high school students throughout South Carolina. Each REC is issued an individual website under the home web address, <http://recs.sc.gov>. These websites provide personalized information regarding college awareness and access for each RECs region.

S.C. CAN GO Website (www.SCCANGO.org)

The Website, www.sccango.org, serves as a tool for anyone searching for information on how to prepare for a postsecondary education. The tone communicates that this site is a resource for helping students help themselves or for helping visitors help the students in their lives reach their goals of pursuing postsecondary education. The language is simple and direct, with a focus on calming fears and debunking common misperceptions regarding college access. It presents information that assists in decision-making and knocking down barriers of getting to college. The site is built using a Content Management System allowing for easy updates by designated CHE staff and uses Search Engine Optimization strategies to build and increase relevant site traffic. The site's main navigation routes visitors based on who they are, giving CHE the opportunity to deliver key messages to each audience quickly and effectively. Popular tools such as financial aid calculators and resource downloads are available on every page, enhancing the ease of finding what visitors need when they need it. In addition to offering each audience simple breakdowns of their role in preparing for postsecondary education and the tools they need to understand the process, unique pages for each audience (students, parents, community leaders, and educators) are available.

Go Alliance Collaborative Counselor Training Initiative

CHE collaborated with SREB's Go Alliance and the states of Alabama, Arkansas, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia to create and deliver the Collaborative Counselor Training Initiative. The course consists of 4 interactive modules, each consists of 4 week sessions and an additional week for orientation. These sessions are designed for school counselors to develop an understanding of their role in developing a college-going mission for all students, particularly students in poverty and those who are facing other barriers in postsecondary planning. Additionally, the sessions help counselors develop approaches for communicating and working with high-poverty students and diverse populations to remove barriers to high aspirations and achievement. Collaborative Counselor Training Initiative was offered in fall 2010 and spring of 2011 and was completed by a total of 82 high and middle school counselors. The fall 2012 and spring 2013 modules focused on the following: The Role of the Counselor in Promoting Career and Academic Planning, Engaging Students in Early Career Awareness and Planning, and Guiding Parents and Students through the Complexities of Financial Aid. In addition, during 2013, a new module was developed. This module focuses on students in the middle grades, including re-engaging at-risk middle students in education, developing early career awareness and planning, using data to guide academic planning, and transitioning students from elementary grades to the middle grades and from the middle grades to high school. In spring 2013, 33 school counselor professionals successfully completed Module 1 and in summer 2013, 35 school counselor professionals successfully completed Module 1. During fall 2012, Modules 1, 2, and 3 will be offered.

College Access Poll

Under the leadership of Dr. Scott H. Huffman and on behalf of the CHE, the Social & Behavioral Research Lab at Winthrop University conducted during 2010 a statewide statistical poll, The College Access Challenge Poll, to assess the parental perceptions of postsecondary education opportunities of S.C. high school students. The College Access Challenge Poll surveyed 806 S.C. parents with a student between the ages of 13 and 19 in public school. The sample provided a statistically significant margin of error of $\pm 3.4\%$. In addition, the poll oversampled households below the median household income that also had a student between the ages of 13 and 19 in public school. The survey used both sample-targeted and random digit dialing methodologies to ensure that no segment of the population was excluded. Regardless of which sample selection procedure was used to determine a selected household, all selected households were screened for students between the ages of 13 and 19 in public school. The results of the survey gleaned from preliminary data were that over 90% of parents surveyed have high hopes and expectations that their children will obtain a postsecondary degree. Students themselves also expect to attend college. Through the poll, it was learned that parents rely on schools for information and say that schools have been helpful, but that school personnel has to initiate the conversations. Most parents suggest that they are saving money for college, but they are relying on traditional savings accounts. This implies that parents need more comprehensive information regarding the numerous financial aid opportunities available to S.C. residents. A plurality sees two-year technical, community, and vocational schools as a cost-saving alternative. The data suggest that if low-income students are going to attend and complete college, then their parents will need significant help from educators, counselors and others. The poll results were further segmented and analyzed by income level, race and regions of the state. Conclusions drawn from the data suggest

that, even when accounting for these factors, S.C. parents still have high expectations for their children to attend college. While S.C. parents lean heavily on schools for information, most do not initiate conversations with school personnel about college requirements or financial aid. Most parents report that schools are helpful and say that they are saving money for college, though this is not likely with persons living below the median household income. Finally, it also seems that they would benefit from a “one stop shopping” site with information about the college process.

Counselor Resource Manual

The Counselor Resource Manual was designed to describe all resources, activities, courses, and other applicable support available to school counselors across the state. The manual is currently available online at www.sccango.org and a hard copy was disseminated to every middle and high school in the state. Because school counselors are often one of the influential sources of information for students, it is important that they have all of the information that they need to appropriately advise the students that they serve. The following content will be included: (a) financial assistance resources (types of financial aid, list of helpful Web sites); (b) scholarship-specific information (CHE, state scholarships, corporations who provide scholarship/grants, national grants/scholarships); (c) college admission requirements (differentiating between requirements for each type of institution); (d) college awareness lesson plans, and (e) state and national organizations promoting college awareness. In addition, sections specifically addressing the different types of conversations that middle school counselors have with students and parents versus high school counselors and their student/parent meetings are included.

7.1-8, ENSURING QUALITY ACADEMIC PROGRAMS

Table 7.1-8a, Academic Program Review

Ensuring academic program quality is one of the primary functions of CHE. Statewide academic program review involving objective outside consultants provides a means of providing assurances of quality to the state, but decreased state funding in recent years has virtually eliminated this quality control initiative and CHE has been unable to conduct its on-going process for the statewide review of academic programs. The last reviews completed as part of this process were completed in 2001-02. CHE has discontinued its participation as part of its responsibilities under the three-way partnership of the CHE, the State Department of Education, and NCATE (National Council for the Accreditation of Teacher Education) in the review of teacher education programs effective May 1, 2010 because of continued budget cuts. For non-teacher education programs, the CHE continues its biennial program productivity review process to monitor enrollment and degree production in existing academic programs. (Table deleted per explanation above.)

Table 7.1-8b, Academic Program Approval and Review Activity

CHE is responsible for the approval of new academic degree programs at the associate degree level and higher. Thorough analysis of new program requests ensures that programs are well developed, provide adequate resources, and are not unnecessarily duplicative. The following table summarizes activity in this area.

Related Activity	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Number of Program Planning Summaries Reviewed	40	22	18	23	31
Number of New Program Proposals Reviewed	19	23	16	13	35
Number of Existing Programs Terminated	22	45	26	49	38
Number of Program Modifications Reviewed	12	6	7	6	10
Number of Existing Centers Terminated	4	1	0	0	0
Number of Notification Changes	38	86	70	87	80

Table 7.1-8c, Academic Policy Development & Participation in Advisory Activities

The following table summarizes other important work of CHE in light of CHE's advisory role in regard to academic policies. As a note, members of CHE's division of Academic Affairs and Licensing served as liaison in FY 2012-13 to 35 statewide committees and organizations, national and regional organizations, and governmental agencies, all of which are stakeholders in higher education. This liaison activity involves not only attendance at meetings but on occasion participating in interviews, reading grant proposals, making presentations, and participating in other activities.

Related Activity	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Number of NEW Academic Policies Developed	1 Revised "Policies & Procedures for New Academic Program Approval Termination"	1 Policy on the Addition and Removal of Programs Eligible for LIFE/Palmetto Fellows Scholarship Enhancement	1 Revised "Policies & Procedures for New Academic Program Approval Termination"	-	1 Revised "Policies & Procedures for New Academic Program Approval Termination"
Number of NEW Grant Proposals or Guidelines Developed	-	1	-	-	1
Number of Reports, Articles, Presentations Prepared on Academic Issues	16	24	31	31	28
Participation in Interagency Taskforces & Committees: (#Taskforces/Committees)	43	43	40	32	32

Table 7.1-8d, Competitive Grant Programs for Public Institutions

As part of its responsibilities, CHE acts to foster an environment for research, teacher improvement and technology initiatives through the administration of several competitive grants programs. CHE administers a state-funded competitive grant program for four-year institutions that is intended to increase research activities of these institutions. Considerable energy and attention are also directed toward improving teacher education through several CHE-administered grant programs designed to provide enhanced professional development opportunities for pre-service and in-service teachers and through engaging in K-20 activities in collaboration with the State Department of Education. The following tables provide information regarding several of the competitive grant programs administered by CHE's Academic Affairs and Licensing Division.

Competitive Grant Program	FY 2008-09	FY 2009-10	FY 2010- 11	FY 2011-12	FY 2012-13
Improving Teacher Quality Program # of Submissions/# of Awards	8/9	15/11	19/10	16/10	9/8
Professor of the Year: # of Submissions	35	39	38	35	30
# of Finalists	10	10	10	10	10
# of Top Awards	2	2	3	2	2
Service Learning Competition # Submissions	24	16	20	16	15
# Awards	3	4	3	3	3
Centers of Teacher Excellence Program # Submissions	8	4	8	8	7
# Awards	6	4	4	4	4

Table 7.1-8e, Competitive Grant Program for Public Institutions – Dollars Awarded

The following table details the dollars awarded through the various competitive grants shown in 7.1-8d.

Program	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Improving Teacher Quality Program	\$806,116	\$968,364	\$983,303	\$760,563	\$742,100
Professor of the Year Program	Each of the two award winners receives a \$5,000 prize. Each finalist receives \$500. Awards were suspended in FY 2009-10 due to lack of state-provided funds. However, when the state funding was lost to budget cuts, the support of the S.C. Higher Education Foundation and other sponsors enabled the awards to be continued.				
EIA Centers of Teacher Excellence Program	\$679,111	\$495,000	\$487,500	\$489,555	\$489,000

Table 7.1-8f, Institutional Program Licensing Activity

A major area of responsibility for CHE is the licensing of degree-granting and non-degree institutions both for profit and not-for-profit, seeking to operate in the state. This process is designed to provide consumer protection by ensuring that minimum standards, which have been increasingly aligned to the standards of the regional accrediting body, the Southern Association of Colleges and Schools (SACS), are met.

Related Activity	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Agent Permits	219	293	380	296	337
Transcripts Requested	292	261	226	248	213
<i>New Licenses – Degree Granting:</i>					
Initial Licenses	3	2	0	3	3
Amendments to Licenses	9	9	2	5	2
Non-Degree Granting Licenses Issued	184	195	212	196	218
Licenses Relinquished, Deferred, Denied, or Revoked	4	3	2	4	4
Student Complaints	60	95	71	72	89

7.1-9, RESEARCH UNIVERSITY INFRASTRUCTURE ACT PROJECT CERTIFICATION

Under the SC Research University Infrastructure Act (RUIA) [Act 187 of 2004], \$220 million in bond funds became available to SC’s three senior research institutions (Clemson University, the University of South Carolina, and the Medical University of South Carolina) for research infrastructure projects. In order to access RUIA bond funds, each research institution must acquire non-state matching funds totaling at least 50% of the cost of each RUIA project. The SmartState Program Review Board certifies the required non-state match. CHE staff assists the SmartState Program Review Board in verifying the non-state match and preparing each project certification for subsequent approval by the Joint Bond Review Committee (JBRC) and the SC Budget & Control Board (B&CB). The table shows RUIA projects certified and proposed to date.

Research Institution	Phase I	Phase II	Phase III	Total
Clemson	\$41,700,000*	\$12,643,974*	\$5,000,000* \$7,000,000* \$5,000,001**	\$71,343,975
USC	\$58,000,000*	\$13,333,333**	N/A	\$71,333,333
MUSC	[SEE NOTE]	\$77,322,692*	N/A	\$77,322,692
Totals	\$99,700,000	\$103,299,999	\$17,000,001	\$220,000,000

Projects listed were proposed or approved between 2005 and 2009. Phases I, II, and III include infrastructure construction or upgrades at multiple facilities. The figures reflect bonds *authorized* to be issued by the Office of the State Treasurer— not bonds actually issued.

* Proposals which have been certified by the SmartState Program Review Board and approved by JBRC and B&CB.

** Proposals awaiting formal certification by the SmartState Program Review Board; figures provided are an estimated total.

NOTE ON MUSC PHASE I: Phases I and II for MUSC were combined via recertification by the SmartState Program Review Board on December 12, 2007. The original Phase I certification was \$36.071 million.

7.1-10, SMARTSTATE PROGRAM (FORMERLY KNOWN AS S.C. CENTERS OF ECONOMIC EXCELLENCE)

In 2002, the South Carolina General Assembly passed the Research Centers of Economic Excellence Act in order to promote growth of the knowledge-based economy in South Carolina. Oversight of the SmartState Program is provided by the SmartState Program Review Board. The South Carolina Commission on Higher Education approves the budget for the SmartState Program Review Board's operations and also provides staff support for the program's day-to-day operations. South Carolina Education Lottery funds in the amount of \$180 million have been appropriated for the program since the 2002-2003 Fiscal Year. Since Fiscal Year 2002-2003, 52 research proposals totaling \$197.6 million have been approved for funding. South Carolina's three research institutions are required to raise dollar-for-dollar, non-state matching funds in order to access state funding.

The most current information on the SmartState Program is available at www.smartstatesc.org. A list of funded proposals as of fiscal yearend 2012-13 follows:

Funding Year 2002-2003			
Institution (fiscal institution first)	Proposal Title	Endowed Chairs	Proposal Amount
Clemson	Automotive Systems Integration	1	\$5 million
Clemson	Automotive Manufacturing	1	\$5 million
USC	Nanostructures	1	\$4 million
USC/MUSC	Brain Imaging	3*	\$5 million
MUSC	Proteomics	2	\$4 million
MUSC	Neuroscience	3	\$3 million
MUSC/USC/CoC	Marine Genomics	3**	\$4 million
Total Awarded in 2002-2003		14	\$30 million
Funding Year 2003-2004			
Institution (fiscal institution first)	Proposal Title	Endowed Chairs	Proposal Amount
Clemson	Automotive Design & Development	1	\$5 million
Clemson	Electronic Systems Integration	1	\$3 million
Clemson	Optical Materials	1	\$5 million
USC	Polymer Nanocomposites	1	\$3.5 million
USC	Hydrogen Economy ***	2	\$2.5 million
MUSC/Clemson/USC	Regenerative Medicine	3	\$5 million
MUSC/USC	Translational Cancer Therapeutics	2	\$5 million
Total Awarded in 2003-2004		11	\$29 million

* Revised to three chairs by act of the SmartState Program Review Board on January 12, 2009.

** Revised to three chairs by act of the SmartState Program Review Board on February 23, 2010.

*** The Hydrogen Economy Center of Economic Excellence was approved during 2003-2004. Funding for one half of this Center was provided in 2003-04, the other half in 2004-2005.

SC Centers of Economic Excellence Funded Proposals (continued)

Funding Year 2004-2005			
Institution (fiscal institution first)	Proposal Title	Endowed Chairs	Proposal Amount
Clemson	Restoration [WITHDRAWN]	—	[\$3 million]
Clemson	Electron Imaging [WITHDRAWN]	—	[\$5 million]
USC	Catalysis for Renewable Fuels	1	\$3 million
USC	Hydrogen Economy II*	[See 03-04.]	\$2.5 million
USC/Coastal Carolina	Tourism & Economic Development	1	\$2 million
MUSC	Gastrointestinal Cancer Diagnostics	2**	\$5 million
MUSC/USC	Cancer Drug Discovery	4	\$5 million
MUSC/USC	Vision Science	3	\$4.5 million
Total Awarded in 2004-2005		11	\$22 million
Funding Year 2005-2006			
Institution (fiscal institution first)	Proposal Title	Endowed Chairs	Proposal Amount
Clemson	Supply Chain Optimization & Logistics	1	\$2 million
Clemson	Urban Ecology and Restoration	1	\$2 million
Clemson	Advanced Fiber-Based Materials	1	\$4 million
Clemson	Molecular Nutrition [WITHDRAWN]	—	[\$2 million]
USC	Solid Oxide Fuel Cells	1	\$3 million
USC/MUSC	Childhood Neurotherapeutics	3	\$5 million
MUSC	Molecular Proteomics in Cardiovascular Disease & Prevention	2	\$5 million
MUSC/USC	Clinical Effectiveness & Patient Safety†	3	\$5 million
Total Awarded in 2005-2006		12	\$26 million
Funding Year 2006-2007			
Institution (fiscal institution first)	Proposal Title	Endowed Chairs	Proposal Amount
Clemson/MUSC	Health Facilities Design & Testing ††	2	\$2 million
USC	Rehabilitation and Reconstruction Science	1	\$5 million
USC	Strategic Approaches to the Generation of Electricity	1	\$5 million
USC/MUSC/Clemson	Healthcare Quality	2	\$5 million
USC/Clemson	Senior SMART™ Center ‡	3	\$5 million
MUSC	Tobacco-Related Malignancy	2	\$5 million
MUSC/USC	Stroke	3	\$5 million
Total Awarded in 2006-2007		14	\$32 million

* The Hydrogen Economy Center of Economic Excellence was approved during 2003-2004. Funding for one half of this Center was provided in 2003-04, the other half in 2004-2005.

** Increased from one to two by act of the SmartState Program Review Board on September 8, 2008.

† On September 9, 2008, the SmartState Program Review Board approved a revision to this proposal which relinquished Clemson University as a collaborative partner and transferred the Chair at Clemson to MUSC.

†† The state award total for this Center was revised from \$5 million to \$2 million by the SmartState Program Review Board on June 11, 2012.

‡ The SeniorSMART Center of Economic Excellence was approved in 2007-2008. Funding was provided from 2006-2007 dollars.

SC Centers of Economic Excellence Funded Proposals (continued)

Funding Year 2007-2008			
Institution (fiscal institution first)	Proposal Title	Endowed Chairs	Proposal Amount
Clemson	Optoelectronics	1	\$2 million
Clemson	CyberInstitute	1	\$2 million
USC	Environmental Nanoscience and Risk	1	\$3 million
USC	Nuclear Science and Energy	1	\$3 million
MUSC	Renal Disease Biomarker	2	\$5 million
MUSC/Clemson	Cancer Stem Cell Biology & Therapy	2	\$5 million
MUSC/USC/Clemson	Advanced Tissue Biofabrication	3	\$5 million
MUSC/USC/SCSU	Cancer Disparities*	3	\$3.6 million
MUSC/USC	Medication Safety & Efficacy*	1	\$2 million
Total Awarded in 2007-2008		15	\$30.6 million
Funding Year 2008-2009			
Institution (fiscal institution first)	Proposal Title	Endowed Chairs	Proposal Amount
Clemson	Tissue Systems Characterization [WITHDRAWN]	—	[\$3 million]
USC	General Atomics Center for Development of Transformational Nuclear Technologies	1	\$3 million
USC/MUSC	Healthful Lifestyles**	2	\$3 million
MUSC	Lipidomics, Pathobiology and Therapy	2	\$5 million
Total Awarded in 2008-2009		5	\$11 million
Funding Year 2009-2010			
Institution (fiscal institution first)	Proposal Title	Endowed Chairs	Proposal Amount
Clemson	Sustainable Development	1	\$4 million
USC	Data Analysis	1	\$2 million
MUSC	Inflammation and Fibrosis Research	2	\$5 million
Total Awarded in 2009-2010		4	\$11 million
Funding Year 2010-11			
No new proposals were funded			
Funding Year 2011-12			
No new proposals were funded.			

* The Cancer Disparities Center of Economic Excellence and the Medication Safety & Efficacy Center of Economic Excellence were approved in 2008-2009. Funding was provided from 2007-2008 dollars.

** The Healthful Lifestyles Center of Economic Excellence was approved in 2009-2010 with funding from 2008-2009 dollars.

Funding Year 2012-13			
Institution (fiscal institution first)	Proposal Title	Endowed Chairs	Proposal Amount
Clemson	Smart Grid Technology	1	\$2 million
USC	Multiphysics of Heterogeneous Engineered Functional Materials and Structures	1	\$2 million
MUSC/Clemson/USC	Translational Biomedical Informatics	1	\$2 million
Total Awarded in 2012-13		3	\$ 6 million

Program Totals ¹	
TOTAL LOTTERY APPROPRIATIONS (2003-2008)	\$180 million
ACCRUED PROGRAM INTEREST USED FOR ADDITIONAL AWARDS * <i>* As permitted by S.C. 2-75-30(A).</i>	\$17.6 million
TOTAL FUNDS AWARDED (2003-2013)	\$197.6 million

Research Institution Totals ¹				
Institution	Centers Awarded	Chairs Created	Chairs Appointed / (Remaining to be Appointed)	State Funds Drawn
Clemson University	13	16	6 / (10)	\$41,000,000
University of South Carolina	19	31	18 / (13)	\$58,830,553
Medical University of South Carolina	20	42	20 / (22)	\$79,843,600
TOTALS	52	89	44 / (45)	\$179,674,153

¹Program totals are as of June 30, 2013. For Research Institution Totals, Centers Awarded and State Funds Drawn for each institution are tallied based on the fiscal agent in cases of joint proposals. Chairs are tallied based on the assigned institution. For updated information on Centers and program totals, contact CHE or see www.smartstategsc.org



PROGRAM MISSION STATEMENT

The SC Centers of Economic Excellence Program serves the public interest by creating incentives for the state's research universities, in cooperation with other institutions of higher education in the state, to raise capital from non-state sources to fund endowments for specialized research professorships. These professorships in turn serve as the nucleus for unique, university-based research centers which cultivate critical, public-private industrial partnerships, expand the state's knowledge base, create well-paying jobs, and enhance economic opportunities and improve the quality of life for the people of South Carolina.

