

MINUTES OF MEETING
OF
SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION

September 8, 1988
10:30 a.m. - 1:00 p.m.

MEMBERS PRESENT

- Mrs. Nelle H. Taylor, Chairperson
- Dr. D. Glenburn Askins, Jr.
- Mr. George L. Brightharp
- Mr. Walter E. Brooker
- Dr. Willa J. DeWitt
- Mr. Palmer Freeman, Sr.
- Mr. Roger E. Henderson
- Mr. Marvin C. Jones
- Mrs. Reba Ann Kinon
- Dr. Alba M. Lewis
- Mr. Howard G. Love
- Mr. Joseph J. Turner, Jr.
- Mr. Robert L. Utsey, Jr.
- Mrs. Mildred R. Williams
- Dr. Robert F. Williams

MEMBERS ABSENT

- Mr. Tom Moore Craig
- Mr. Vernon McGuire
- Mr. William J. Whitener

STAFF

- Dr. Jeffrey Bartkovich
- Mr. Michael L. Brown
- Ms. Sandra E. Carr
- Dr. Robert A. Day
- Dr. Jeanette A. Deas
- Dr. Frank E. Kinard
- Mr. Alan S. Krech
- Ms. Lynn W. Metcalf
- Dr. Gail M. Morrison
- Dr. James A. Paschal
- Mr. Robert K. Poch
- Ms. Sarah P. Reynolds
- Mr. Fred R. Sheheen
- Ms. Betty Simmons
- Mr. John E. Smalls
- Dr. Leonard P. Sternbach
- Dr. John C. Sutusky
- Ms. Gaylon Syrett
- Dr. Aileen C. Trainer
- Ms. Julia E. Wells

GUESTS

- Dr. James F. Barker
- Mr. Les Boles
- Ms. Kathy Coleman
- Mr. Wade Green
- Dr. Earl Higgins
- Dr. H. M. Holderfield
- Mr. Earl Holley
- Dr. Vermelle Johnson
- Mr. Henry W. Koelling, Jr.
- Mr. David Larson
- Lt. Col. B. W. Legare, Jr.
- Ms. Lynette Lown
- Dr. Albert M. Lyles
- Mr. M. Hurst Marshall
- Dr. W. David Maxwell
- Dr. Terry Peterson
- Dr. George M. Reeves
- Dr. Jay Smink
- Dr. Michael Smith
- Mr. Marion E. Woodbury

MEMBERS OF THE PRESS

- Mr. Chris Holly
- Ms. Jenny Munro
- Mr. Steve Smith

I. Report of the Executive Committee

In the absence of Mr. Whitener, Dr. Lewis reported on the following matter:

Consideration of Restructuring of Committees. At its meeting on Wednesday, September 7, the Executive Committee unanimously endorsed the staff recommendation for restructuring the Commission's standing committees as follows:

1. Committee on Academic Affairs (to include the former Committee on Health and Medical Education)
2. Committee on Business and Finance
3. Committee on Facilities
4. Committee on Access and Equity
5. Committee on Planning and Assessment

It is proposed that the restructuring of the committees become effective upon the appointment of new members of the Commission to replace those members whose terms expire in 1988 who are ineligible for reappointment.

The Executive Committee specified that, in accordance with the "Rules and Procedures" of the Commission, the Executive Committee be included in the new structure and "will be composed of the Chairperson of the Commission, who will act as the Committee's presiding officer; the Vice Chairperson; and the chairpersons of the standing committees of the Commission." Further, "the Executive Committee will have the power to act upon those matters delegated to it and will perform such duties as assigned by the full Commission. When appropriate, it will serve as the steering committee for such projects or programs not clearly within the purview of another standing committee."

The purpose of the proposed Committee on Planning and Assessment is described below:

The Committee on Planning and Assessment will serve the Commission by assisting in identifying future directions for higher education in the State and by recommending appropriate methods for meeting the resultant challenges. It will review the role and scope statements and major goals of each institution, and will ascertain their relationship to higher education in South Carolina. It will coordinate statewide planning among the various functional areas served by other standing committees of the Commission, and will consider recommendations and studies proposed or prepared by the Advisory Council on Planning.

The Committee will be responsible for making recommendations pertaining to the development, maintenance, and monitoring of institutional and statewide assessment activities, and will develop procedures to disseminate the results of such activities to appropriate constituencies within the State. It will ensure that data pertaining to the effectiveness of colleges, universities, the Commission, or the higher education system as a whole are used to initiate appropriate programmatic or policy changes.

It was moved (Lewis) seconded (Freeman), and voted that the recommendations of the Executive Committee be adopted.

II. Report of Committee on Business and Finance

Dr. Williams, chairperson of the Committee on Business and Finance, reported on the following matters:

Consideration of Recommendations Concerning 1989-90 Appropriation Requests of the Public Colleges and Universities and SBTCE. On August 30 the Committee on Business and Finance reviewed the 1989-90 appropriation requests of the public colleges and universities and of the State Board for Technical and Comprehensive Education (SBTCE) for the purpose of making recommendations for consideration by the full Commission. The Committee based its review and recommendations for all institutions on requests computed through the 1989-90 appropriation formula. Careful attention was given to the oral presentations made to the Commission on August 29 and 30 by the presidents of the colleges and universities and the executive director of SBTCE.

The Committee took note of the fact that several institutions again requested funds for computer and other instructional equipment and deferred maintenance. The Committee believes that these requests should be given separate consideration but not as a part of the 1989-90 appropriations, since these requests are primarily for one-time expenditures rather than for on-going programs. The Committee, therefore, adopted the following general policy on data processing equipment requests, other equipment requests, and requests for deferred maintenance:

Proposed General Policy on Data Processing Requests, Other Equipment Requests, and Deferred Maintenance. Over the last few years higher education has received less than full formula funding. Institutions have maintained that in such an environment new equipment purchases and maintenance tend to suffer the most. The Committee believes that a coordinated effort should be made to redress the effects of this lack of funding. Several approaches are recommended.

Dr. Williams noted that Commission staff will recommend formula changes for 1990-91 in the area of instructional support, including departmental equipment needs, will attempt to reflect computer needs more accurately in the formula, and will review other methodologies of funding equipment and deferred maintenance.

Because of the existing backlog of equipment needs, the Committee on Business and Finance recommends that the Commission make a supplemental request to the Legislature for equipment and deferred maintenance for the institutions. It should be noted that any recommended funding of information technology equipment by the Commission must also be reviewed and approved by the Division of Information Technology Planning and Management of the Budget and Control Board. It was moved (R. Williams), seconded (Lewis), and voted that the recommendation of the Committee be adopted.

The Committee further recommends that no equipment or computer requests be approved in Step 12 for 1989-90. The Committee notes that the recommendation above will apply to following requests:

USC-Coastal	Equipment for boat	\$ 60,000
USC-Salkehatchie	Physics lab equipment	21,000
	Chemistry lab equipment	50,000
USC-Columbia	Engineering equipment	2,000,000
	Computer equipment	7,782,973
Clemson University	Equipment	1,276,866
	Computer equipment	1,338,400
	Engineering equipment	2,000,000
	Engineering computer plan	1,827,900
	Total	\$16,357,139

It was moved (R. Williams) and seconded (Turner) that the recommendation of the Committee be adopted. The motion was amended (Jones) and seconded (Lewis) to note that the requests listed above are not exclusive; all institutions will have the opportunity to make other supplemental needs known. The motion as amended was adopted.

The recommendations of the Committee on Business and Finance, and Commission action with respect to the appropriation requests, are set forth below:

The Citadel. The Committee recommends \$14,161,978, including the following amounts in Unique Costs:

\$601,876 (military college costs). It was moved (R. Williams), seconded (M. Williams), and voted that the recommendation of the Committee be adopted.

\$125,000 (library automation). It was moved (R. Williams), seconded (Jones) and voted that the recommendations of the Committee be adopted.

South Carolina State College. The Committee recommends \$20,829,342, including the following amounts in Unique Costs:

\$389,600 (Felton Laboratory School). It was moved (R. Williams), seconded (DeWitt), and voted that the recommendation of the Committee be adopted.

\$276,651 (psychometric services). It was moved (R. Williams), seconded (Lewis), and voted that the recommendation of the Committee be adopted.

\$119,000 (developmental education). It was moved (R. Williams), seconded (Lewis), and voted that the recommendation of the Committee be adopted.

\$250,469 (engineering technology program). It was moved (R. Williams), seconded (Kinson), and voted that the recommendation of the Committee be adopted.

\$137,860 (library automation). It was moved (R. Williams), seconded (Kinson) and voted that the recommendations of the Committee be adopted.

Winthrop College. The Committee recommends \$20,469,712, including the following amounts in Unique Costs:

\$360,000 (University Affiliated Facilities). It was moved (R. Williams), seconded (Kinson), and voted that the recommendation of the Committee be adopted.

\$123,553 (on-line library automation). It was moved (R. Williams), seconded (Love), and voted that the recommendation of the Committee be adopted.

College of Charleston. The Committee recommends \$21,045,541, including the following amounts in Unique Costs:

\$612,649 (campus security). It was moved (R. Williams), seconded (M. Williams), and voted that the recommendation of the Committee be adopted.

\$291,413 (Avery Research Center). It was moved (R. Williams), seconded (Kinon), and voted that the recommendation of the Committee be adopted.

\$286,075 (maintenance of historical buildings). It was moved (R. Williams), seconded (DeWitt), and voted that the recommendation of the Committee be adopted.

Francis Marion College. The Committee recommends \$12,897,620, including the following amounts in Unique Costs:

\$247,880 (Francis Marion/MUSC Joint Nursing Program). It was moved (R. Williams), seconded (Kinon), and voted that the recommendations of the Committee be adopted.

Lander College. The Committee requests \$8,387,928. It was moved (R. Williams), seconded (M. Williams), and voted that the recommendation of the Committee be adopted.

USC-Aiken. The Committee recommends \$6,822,971. It was moved (R. Williams), seconded (Jones), and voted that the recommendation of the Committee be adopted.

USC-Coastal. The Committee recommends \$9,894,050. It was moved (R. Williams), seconded (DeWitt), and voted that the recommendations of the Committee be adopted.

USC-Spartanburg. The Committee recommends \$9,160,892, including the following amount in Unique Costs:

\$280,368 (library books). It was moved (R. Williams), seconded (Kinon), and voted that the recommendation of the Committee be adopted.

USC-Beaufort. The Committee recommends \$1,659,381. It was moved (R. Williams), seconded (Turner), and voted that the recommendation of the Committee be adopted.

USC-Lancaster. The Committee recommends \$2,452,028. It was moved (R. Williams), seconded (M. Williams) and voted that the recommendation of the Committee be adopted.

USC-Salkehatchie. The Committee recommends \$1,492,978. It was moved (R. Williams), seconded (Jones), and voted that the recommendation of the Committee be adopted.

USC-Sumter. The Committee recommends \$3,205,381. It was moved (R. Williams), seconded (Lewis), and voted that the recommendation of the Committee be adopted.

USC-Union. The Committee recommends \$853,266. It was moved (R. Williams), seconded (Freeman), and voted that the recommendation of the Committee be adopted.

USC School of Medicine. The Committee recommends \$19,598,062, including the following amount in Unique Costs:

\$1,200,000 (unreimbursed teaching costs at Richland Memorial Hospital). Dr. Williams noted that in June 1988 the Commission committed to funding the USC School of Medicine for this purpose for a five-year period. It was moved (R. Williams), seconded (Askins) and voted that the recommendation of the Committee be adopted.

USC-Columbia. The Committee recommends \$122,844,44, including the following amounts in Unique Costs:

\$211,068 (Poison Control Center). It was moved (R. Williams), seconded (M. Williams), and voted that the recommendation of the Committee be adopted.

\$105,751 (school council assistance project). It was moved (R. Williams), seconded (M. Williams), and voted that the recommendation of the Committee be adopted.

\$558,840 (estimated) (Institute of Archeology and Anthropology). It was moved (R. Williams), seconded (M. Williams), and voted that the recommendation of the Committee be adopted.

\$400,000 (Bureau of Governmental Research and Service). It was moved (R. Williams), seconded (DeWitt), and voted that the recommendation of the Committee be adopted.

\$46,184 (National Center for the Study of the Freshman Year Experience). It was moved (R. Williams), seconded (Kinon), and voted that the recommendation of the Committee be adopted.

\$95,000 (S.C. annual law enforcement census). It was moved (R. Williams), seconded (Freeman), and voted that the recommendation of the Committee be adopted.

\$412,243 (on-line library catalog). It was moved (R. Williams), seconded (DeWitt), and voted that the recommendation of the Committee be adopted.

\$700,000, (Small Business Development Center), with the stipulation that monies recommended for the federal match (\$150,000) must be used for that purpose or returned to the general fund of the State. It was moved (R. Williams), seconded (Freeman), and voted that the recommendation of the Committee be adopted.

Clemson University. The Committee recommends \$75,252,063, including the following amounts in Unique Costs.

\$504,054 (fire department). It was moved (R. Williams), seconded (M. Williams), and voted that the recommendation of the Committee be adopted.

\$424,000 (clean room - fourth and final year of agreement). It was moved (R. Williams), seconded (Turner), and voted that the recommendation of the Committee be adopted.

\$150,000 (energy research center). It was moved (R. Williams), seconded (Jones), and voted that the recommendation of the Committee be adopted.

The Committee recommended not funding \$525,000 requested for the National Dropout Prevention Center. It was moved (R. Williams) and seconded (Kinon) that the recommendation of the Committee be adopted. After discussion, it was moved (Turner), seconded (Lewis), and voted that the motion be tabled and that the request be returned to the Committee on Academic Affairs for further study.

Medical University of South Carolina - (Academic Division). The Committee recommends \$81,813,504. It was moved (R. Williams), seconded (Lewis), and voted that the recommendation of the Committee be adopted.

MUSC - Medical Center. The Committee recommends \$17,855,748. It was moved (R. Williams), seconded (Kinon) and voted that the recommendation of the Committee be adopted.

South Carolina Area Health Education Center. The Committee recommends \$16,283,224. It was moved (R. Williams), seconded (Kinon), and voted that the recommendation of the Committee be adopted.

State Board for Technical and Comprehensive Education (Instructional Programs Only). The Committee recommends \$102,756,511, including the following amount in Unique Costs:

\$2,909,081 (formula recurring equipment and plant costs for Beaufort and Denmark). It was moved (R. Williams), seconded (DeWitt), and voted that the recommendation of the Committee be adopted.

It was moved (R. Williams), seconded (Jones), and voted that the recommendations of the Committee concerning 1989-90 appropriation requests of the public colleges and universities and SBTCE as amended be adopted. A summary of the Commission's recommendations is attached as Exhibit A.

Proposed Policy on Rentals/Leases. The Committee on Business and Finance recommends that this year, for the first time, all rental and lease payments for the colleges and universities be removed from Step 12 of the formula and requested in an additional section of the higher education portion of the appropriation bill. Dr. Williams reported that the reasons for this move are as follows:

1. Formula-generated funds should be available for operating purposes only, including such essential academic elements as faculty salaries and library support as well as other basic operational functions.

2. Rentals/leases are substitutes for capital funding, replacing more readily recognized capital funding mechanisms (i.e., proceeds of bonds). If rental/lease costs are included in the formula and the formula is not fully funded, institutions obtaining such funds drive their share of the formula higher, thereby diverting operational funds from the other colleges and universities.

3. In the absence of full formula funding, institutions must individually divert money from other vital budget categories, including faculty salaries, to fund leases which must be paid in full regardless of the level of formula funding.

4. Inclusion of capital costs in operating budgets generates erroneously high data on South Carolina per-student appropriations, worsening an already unfavorable data base when compared with other systems in the country. (The recent cost analysis contract funded by the institutions and the Commission should permit further progress in refining comparative data.)

The Committee also examined other rentals/leases in the State system not funded from external sources, which traditionally have not received Step 12 funding, and made recommendations on whether additional items should be included for funding in the proposed separate section on rentals/leases in next year's higher education budget.

Dr. Williams noted that this revision in budget reporting has been approved individually by the institutional presidents in consultation with the Commissioner and collectively by the Council of Presidents at its August 22 meeting.

It was moved (R. Williams) and seconded (Utsey) that the recommendations of the Committee concerning rentals/leases be adopted. The motion was amended (Jones) and seconded (Lewis) to note that the staffs of the colleges and universities may modify individual amounts within the Committee recommendations concerning rental/lease requests, if needed. The motion as amended was adopted. A summary listing of State-funded leases is attached as Exhibit B.

IV. Report of Committee on Facilities

Mr. Brighttharp, chairperson of the Committee on Facilities, reported on the following matter:

Proposed Lease of Architectural Teaching Facility in Genoa, Italy -- Clemson University. In 1973 the Clemson University Architectural Foundation purchased property in Genoa, Italy, called the Villa "Chichizola," including a three-story building and 3.3 acres of land, and established a Center for Building Research and Urban Study, since renamed the Charles E. Daniel Center. The purpose of the Center is to provide Clemson's graduate students in architecture an opportunity to study in Italy.

A full-time tenured faculty member, an Italian citizen, serves as Center director, assisted by one faculty member from the College of Architecture at Clemson, selected on an annual rotation basis. Approximately 18-20 students participate in the one-semester program of study.

Clemson University proposes to enter into a 10-year lease, with two five-year renewal options, with the Architectural Foundation for the 4,363 square feet of academic space in the Villa at an annual cost of \$6,600 as a Step 12 item. Additionally, the University requests approximately \$26,000 annually through the operations and maintenance step of the formula to cover maintenance and utilities costs.

The Committee recommends that this request be viewed as a question of State policy and not as a question relevant only to Clemson University. Mr. Brightharp cited the Commission policy that all credit hours earned outside the geographic boundaries of the State are excluded from formula calculations. While architectural study experiences in foreign countries sponsored by U.S. architectural schools are common practice, most state-supported schools of architecture with foreign country study programs do not own or maintain facilities in those countries. The Committee believes that if Clemson desires to own and maintain a facility in Italy it should do so entirely through the Foundation. The Committee believes also that an opinion should be obtained from the State Attorney General as to the legality of the proposal. The Committee cited a number of other operations in foreign countries by South Carolina colleges and universities and expressed concern that approval of Clemson's proposal would set a negative precedent.

The Committee recommends that the proposal be denied. It was moved (Brightharp) and seconded (Utsey) that the recommendation of the Committee be adopted.

Mr. Jones, Dr. Lewis, and Mr. Turner expressed support for the proposal. It was moved (Love) and seconded (Lewis) that the motion be tabled and that the proposal be considered further. The motion to table was disapproved. The motion to approve the recommendation of the Committee was disapproved.

It was moved (R. Williams), seconded (Lewis), and voted that the request be included in the section of the appropriation bill containing rental/lease requests for funding in 1989-90.

V. Report of the Commissioner

Mr. Sheheen reported on the following matters:

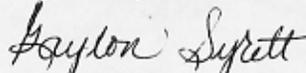
a. Cutting Edge Analysis. Mr. Sheheen noted that Commission members were provided copies of a recently published analysis of The Cutting Edge legislation, written by Stephen L. Elliott, staff counsel for the House Committee on Education and Public Works, with an introduction by Commission staff. The document will be distributed widely.

b. Appropriation Hearing. Mr. Sheheen noted that the Commission is scheduled to make its recommendations concerning 1989-90 appropriations to the Budget and Control Board, the House Ways and Means Committee, and the Senate Finance Committee on Friday, September 9, beginning with a panel discussion at 8:55 a.m. He urged all Commission members to attend.

c. Next Meeting of the Commission. The October 6 meeting of the Commission will be held at USC-Coastal Carolina near Conway, beginning at 9:30 a.m.

The meeting was adjourned at 1:00 p.m.

Respectfully submitted,



Gaylon Syrett
Recording Secretary