



STATE COLLEGE BOARD OF TRUSTEES
COLLEGE OF CHARLESTON • FRANCIS MARION COLLEGE • LANDER COLLEGE

4 June 1976

MEMORANDUM RE: RECOMMENDED APPROPRIATION FORMULA FOR 1977-78

The 1977-78 Appropriation Formula, like all of its predecessors, states in its first sentence, "For equitable sharing of state taxpayer support for South Carolina's public colleges and universities." The most important thing to remember concerning the Formula is that it is designed as an instrument for a "fair and equitable" division of monies allocated by the General Assembly. Dollars are actually a unit of measurement to arrive at a fair percentage between the institutions.

Altering the Formula for the primary purpose of reducing the total money requested from the Legislature could be self-defeating and destructive to the integrity of the Formula. It is far better to receive a lesser percentage than 100%, as long as the division is fair. There is nothing sacred about a 100% funding of the Commission's dollar request. It seems that all of the suggested changes are designed to reduce the final request from the institutions to the Budget and Control Board. Some of the suggested changes appear to place some institutions in an unfair relationship

to others. Many of the enclosures concentrate on a final dollar amount that closely approximates the funds allocated by the Legislature in this legislative year. This can also be accomplished by a lesser than 100% funding, if it provides a more equitable division of funds.

In reference to the graduate credit hours that should be assigned to Masters and Doctoral disciplines, I am in full agreement that the Doctoral level should have been changed from 6 to 9 as it was done last year. I agree that the Master's level should be changed from 9 to 12 hours. However, I think this change, coming right on top of a very severe change last year, is too harsh to be accomplished in one year. Graduate students are taught by a much higher percentage of professors who have achieved tenure. It is much more difficult to change the status of the tenured faculty member and therefore I would recommend that the institutions be allowed to make this change over a period of 3 years - 10-1; 11-2; 12-1.

The Commission has had a detailed comparison of the credit hours undergraduate at the Master and Doctoral level in the 15 surrounding south-southeastern states, but I do not recall being provided with the

"prevailing practice" in those states for Formula student/faculty ratios. It appears that the Presidential enclosures, under enclosure "A", were written months before these sweeping recommendations were made by the Budget & Finance Committee, and that they have had no opportunity for direct input.

Masters Programs at many of the State colleges are now growing in acceptance, which certainly is an indication that they are needed and are performing a service for the people of South Carolina. I would strongly suggest that Step 5 be altered so that the colleges in their Masters Programs should receive teaching faculty support of 40%, as it is now done at the universities. A Master's Degree at S. C. State, Francis Marion and the College of Charleston is just as expensive to produce as a Master's Degree at the universities and it would not be at all difficult to segregate the Masters FTE at the colleges and provide for that segment an added 40% instead of the customary 35.

We have waited for two years for the Council of Presidents to provide the Commission with their recommendations for Step 10. On April 30, under the signature of Larry A. Jackson, President of the Council of Presidents, there was a unanimous recommendation by all of the Presidents. This appears to have been totally ignored in the suggested changes in the 1977-78 Formula. These men understand the Tuition and Fee System and how it must vary from institution to institution. Many of the fees have been assigned for many years and it would be impractical to drastically revise this procedure. Furthermore, after a number of conferences with legislators and members of the Budget and Control Board, it appears that they will look to these fees and unpledged tuition as one of the major sources for capital expenditures in a tight economy. I cannot believe that the Budget and Formula Committee understands the full impact of their suggested changes on the monetary situation at S. C. State. State does not have a Clemson IPTAY; a Carolina Gamecock Club or a Citadel Brigadier Club. Those organizations with more affluent alumni raise many thousands of dollars each year to finance their athletic programs. S. C. State has to rely primarily on student fees for their athletic programs and it is essential for the prestige of that institution

that those programs be maintained. The suggested changes in Step 10 will leave President Nance with two alternatives - to disband his athletic programs or to raise student fees by approximately \$125 per FTE. While this suggested change results in the greatest harm to S. C. State, other institutions will be adversely affected. Based on the 1976-77 Formula and using the suggested changes, USC's main campus would lose \$447,000; Clemson - \$524,000; Citadel - \$141,000; S. C. State - \$549,000; College of Charleston - \$250,000 and Francis Marion - \$206,000.

If these losses of income cannot be replenished under very adverse budgetary conditions, student fees will have to be raised in order to meet an arbitrary suggestion by the Committee and Staff. In practice, the Commission is setting fee schedules which is the sole responsibility of the Board of Trustees of the institutions.

I strongly recommend that the Commission approve of the unanimous recommendation of the Presidents and work closely with each institution and their Board of Trustees in using the unpledged tuition and the unassigned fees in a manner that will be most helpful to the university or college. Tuition bonds, plant improvement bonds and revenue bonds issued by the individual institutions are going to be the only practical way in which they can meet their capital requirements in the immediate future.

F. Mitchell Johnson