

STATEMENT
by
R. Cathcart Smith, Chairman
South Carolina Commission on Higher Education

March 4, 1976

Ladies and Gentlemen of the Commission:

Recently you received a memorandum written by Mitchell Johnson, Chairman of the State College Board. My original reaction to this was to draft a memorandum of my own to accompany his, but in view of the fact that other letters and communications from other members of the Commission and the Presidents will undoubtedly be received prior to our adoption of revised Formula for the next year, I abandoned this idea. I would like, however, to make it clear that this Commission and its staff from the beginning worked diligently in arriving at recommendations for fiscal year 1976-77 for what we considered to be a reasonable minimum needed by the colleges and universities to carry out their functions for that year. We were quite aware at the time that this was done that the financial resources of this State, with its present tax structure, would be unable to fully fund all of its perceived social and economic needs.

When we were instructed to reduce our recommendation from \$182 million to \$147 million, we did so with the full realization that this would cause resentment and harm to all of the institutions. You will remember that at the December 21 special meeting the Commission decided by a narrow margin to apply the 1976-77 Formula, using the actual Fall 1975 enrollment, as a means of determining how the \$147 million should be allocated to the institutions. We were then voting on a principle rather than actual dollars. When these calculations were completed, they were sent to the Commission, and along with this a letter suggesting that we wanted you, the members of the Commission, to look at these new figures along with the figures actually appropriated for fiscal year 1975-76. The purpose of this was to allow you to see clearly the impact that the December decision would have on the various institutions.

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I called a meeting of the Executive Committee and the Budget Committee just prior to the January 8 Commission meeting for us to have an opportunity to go over these figures and, if possible, make an alternative recommendation to the full Commission. I think that it is significant and interesting that as an apparent result of a review of this new information some members of the Commission who were against the principle adopted so narrowly in December were found to be in favor of it in January. It was this observation that made it clear to me at least that Paul McAlister's belief that ex officio members were likely to vote for their own parochial interests rather than the State's interests as a whole was probably correct.

We are now informed through the press that, in an attempt to find approximately \$11 million to provide salary increases for all State employees, including public school teachers, there is a possibility that we will be asked to further reduce the \$147 million by approximately \$10 million. I think this Commission should state clearly and emphasize that, if the colleges and universities are to do what the State expects of them, we still believe the \$182 million, as originally recommended, was a reasonable figure. The reduction to \$147 million has already resulted in severe restrictions on those institutions in their efforts to carry out their assigned functions. The further reduction by another \$10 million will, in my opinion, necessitate the imposition by the institutions of reduced levels of enrollment. The Legislature's action in accepting a four-year college, Lander, into the State-supported system against the advice of the Commission, and the Legislature's allowing two-year branches of the University of South Carolina to become three- and four-year institutions against the advice of the Commission, squarely places the responsibility for maintaining adequate funding for those institutions on the Legislature. The uncontrolled expansion of higher education institutions in this State without due regard to the financial impact that such would have is now apparent to all.