

STATEMENT OF THE COMMISSION ON HIGHER EDUCATION
FOR INSTITUTIONAL FUNDING FOR FISCAL YEAR 1991-92

The Commission on Higher Education recognizes the external factors, beyond the control of the State, which have resulted in severely restricted appropriations recommendations for fiscal year 1991-92.

However, we would be remiss in our responsibility if we did not bring to the attention of the governing authorities and the General Assembly the potentially harmful effects of diminished funding for higher education, which has occurred over the past several years, and the effect of less than adequate funding for the next fiscal year.

While we understand that tough decisions must be made, we want the public to be aware of the potentially adverse effects on the quality of the academic programs in the colleges and universities, and the decline in educational opportunity for young people and adults which will inevitably ensue if funding deficiencies are not remedied as soon as possible, as a priority item for the State of South Carolina.

We ask the public and the General Assembly to consider these facts:

(1) South Carolina institutions, in the face of declining formula funding, have increasingly turned to tuition and fees to make up the shortfall. Our State now has the second highest tuition and fees in the SREB region, below only Virginia (See table 5).

(2) The percentage of the recommended appropriation, geared to Southeastern averages, has steadily declined during the last three years, despite an average annual increase of 5 per cent per year in student enrollment (See table 1 for decline in per student appropriation).

(3) The percentage of the recommended appropriation (formula funding) for the forthcoming fiscal year, based on initial estimates, is 80 per cent, the lowest percentage in more than a decade (See attached table 2).

(4) The appropriation for higher education in 1990-91, adjusted for mandatory costs which must be met (e.g., annualized pay raises) is \$599.9-million. The currently pending recommendation is \$593.7 million for 1991-92, despite the aforementioned five per cent projected enrollment growth.

(5) Funding appears to be absent not only for the purpose of meeting salary increases pursuant to the Southeastern averages, but even to meet such simple increases as rises in utilities and other costs beyond the control of the institutions.

(6) Funding is far away from keeping pace with the Consumer Price Index inflationary measures, not to mention the Higher Education Price Index, commonly thought to measure inflation in higher education more accurately (See table 3).

(7) Comparisons with other Southern Regional Education Board States (SREB) show that in the decade of the 80's, South Carolina increased its appropriations by 91.2 per cent compared to an SREB average of 113.9 per cent and a national average of 105.9 per cent (See table 4).

(8) Funding for higher education as a percentage of the state budget has declined from 17.2 per cent in 1985-86 (high point of the decade) to 15.7 per cent in 1990-91 (Each percentage point represents \$36 million in state funds. See table 6).

(9) One of the serious results of inadequate levels of state funding is a mounting problem of deferred maintenance throughout the system. Institutions, in order to meet fixed and mandatory expenses, delay upkeep of physical plant as long as possible. Accumulated deferred maintenance in the system now amounts to \$414 million (See table 7).

This policy statement represents an urgent request from the Commission on behalf of higher education to remedy the inadequate levels of funding at the earliest possible moment, before serious damage is done to educational opportunity for the people of South Carolina and to their higher educational institutions.