

COLLEGE *of* CHARLESTON

OFFICE OF THE PRESIDENT

President's Presentation
South Carolina Commission on Higher Education
1122 Lady Street, Suite 300
Columbia, SC
10 a.m., Thursday, August 15, 2013

Opening

Good morning.

For the College of Charleston, I am Brian McGee, Chief of Staff and Senior Vice President for Executive Administration.

President George Benson is ill and sends his regrets.

While I'm a last-minute substitution, I'm pleased to be here on his behalf.

I'm joined today by Steve Osborne, Executive Vice President for Business Affairs, and Shirley Hinson, Director of Government Relations.

I want to start by thanking all of you for your work on the commission. You serve a vital function in our public higher education system, and your efforts have a direct, positive impact on the people of South Carolina.

I also want to thank Richard Sutton for taking on and jumping right into his new role as Executive Director. Richard, the College is looking forward to working with you and the commission to continue strengthening public higher education in South Carolina.

Today, in addition to highlighting some of our current activities, initiatives, and plans at the College, I want to devote some time to discussing the challenges and opportunities we face in Charleston.

The College

Overall, the news from the College of Charleston is terrific!

- We successfully submitted our Fifth-Year Interim Report to the Southern Association of Colleges and Schools Commission on Colleges this year, with no requests for additional reports.
- Student applications are at an all-time high. For Fall 2013, we received over 14,000 applications. At our Convocation on Monday, we will officially welcome a highly diverse and academically talented freshman class of more than 2,000 students.
- Fundraising is at an all-time high (\$15.4M in FY 2013). In fact, we've set new fundraising records each of the past five years.
- Students studying abroad are at an all-time high. With respect to the total number of students studying abroad, among all the master's-level institutions in the U.S., we rank 10th.
- We are among the top producers of Fulbright Scholars. In the U.S., we are tied for second among all master's-level institutions. (3 Fulbright Scholars in 2012-13).
- The College is consistently recognized in national higher education rankings for quality and affordability. Most recently, Forbes Magazine named the College one of the Top 25 Best Value Colleges in the country. At number 7 in the Forbes rankings, the College is the highest-ranking public university in the country, with the exception of the U.S. military academies.
- As of July 1st, we have moved to the Colonial Athletic Association – which will offer us significantly more visibility, more academic support, and better athletic competition.
- We have modernized the campus and developed a Campus Master Plan to guide future growth.
- We've built a strong network of supporters, friends, parents, and 33 alumni chapters across the country and around the world, including active chapters in London and Beijing.
- The quality of our students is excellent, with average SAT scores of 1200 or above for each freshman class we've taken in over the past decade.
- And we have laid out both a Strategic Plan and a Diversity Strategic Plan that are leading the College toward becoming recognized as a national university.

Budget

Regarding state appropriations to the College for the current fiscal year, we want to thank CHE for its continued and effective advocacy on behalf of public higher education in South Carolina.

We are grateful to the General Assembly for supporting our efforts to invest in programs and initiatives that contribute to the economic development of our state.

The College received funding in support of the following important initiatives and programs, including line items related to STEM education:

- We received \$2 million toward the renovation of our Rita Hollings Science Center, which ultimately is expected to cost \$60 million. This project is critical to the future of science education in Charleston, and we are grateful for this support.
- In addition, we received a total of \$500,000 in recurring and non-recurring dollars to support the expansion of our academic programs in Computer Science.

We also want to thank CHE for its support of facilities leases for our new student fitness center, for swing space during the major renovation of the Hollings Science Center and our Simons Center for the Arts, and for our North Charleston Campus, which includes the Lowcountry Graduate Center.

For FY2015, we are in the process of developing a funding plan that would support new academic collaborations with MUSC as well as the development of targeted graduate programs aimed at meeting the economic needs of our state.

New Charleston

Fueled in large part by Boeing, Charleston is undergoing a rapid economic transformation that is having and will continue to have a direct effect on its public universities.

I'd like to talk for a few minutes about the role of the College and public higher education in this transformation of our city and region.

The College developed a new strategic plan in 2009 that calls for us to utilize and take advantage of Charleston's existing assets, but also take care of, nurture, and support those assets.

These assets include the Port, Historic Preservation, the ecology of the Lowcountry, the tourism industry, African American history, urban planning, and the arts.

But as Charleston's economy has expanded and evolved over the past few years, these traditional assets are no longer the only driving forces behind Charleston's economy and its quality of life.

The traditional assets are being joined by new and emerging assets in these three industries:

- Aerospace
- Digital Media and Technology
- Healthcare and Biosciences

We revised our strategic plan last fall and it now calls for us to take advantage of and support both Charleston's existing assets and its emerging assets.

Charleston is no longer just a Navy-tourist town, as it was for most of the 20th Century. Charleston is developing a complex, modern, diverse economy that President Benson calls "New Charleston."

Much of the growth stems from what has happened in our business community in just the last three-and-a-half years. And the catalyst is Boeing.

- Boeing is one of, if not *the*, strongest transformative economic force to ever hit Charleston!
- Boeing's Charleston workforce has grown from 0 to 6,200 in just over three years. And it's likely to move onward toward much larger numbers in the very near future.
- Interestingly, it's not "the #1 tourist destination in the world" that has Charleston on the national map and on people's lips around the country, it's Boeing!

In the Technology Sector:

- Charleston is becoming known as "Silicon Harbor."
- Charleston is one of the top 10 fastest-growing cities for software and Internet technology, according to the Charleston Regional Development Alliance.
- Charleston now has 250 small to medium-sized software firms. From Blackbaud, to Benefit Focus, to People Matter, to two people working in a home-office.

Hospitality and Tourism

- Nearly 1,500 new hotel rooms are being built or are in the planning stages on peninsular Charleston. That's an increase of nearly 42 percent over the current 3,554 rooms in the downtown area.

Other Significant Economic Activities

- Charleston International Airport served over 1.3 million departing passengers in the last fiscal year -- an increase of nearly 200,000 over the previous year.
- In the education arena, the quality of Charleston's workforce is finally being systematically addressed through the Anita Zucker-inspired "Cradle to Career" Program. By the way, their administrative offices will initially be located at the College.

All of these activities are clear signs that Charleston's economy is undergoing a massive transformation!

The College of "New" Charleston

Now, let's place the College in this environment. For 228 years the College has focused on turning out 21 and 22-year-olds with college degrees. That's pretty much been our singular mission.

Yes, we have some graduate programs, but not enough.

Quite frankly, what the College is doing and has done for the last two to three decades is not enough to support and nurture New Charleston.

We had a sense of this when we built our Strategic Plan four years ago. And the plan aimed us in the right direction.

Besides enhancing and strengthening our arts and sciences core, it calls for more research, more graduate programs -- even exploring the possibility of targeted doctoral programs in support of economic development. Our plan also calls for more executive education, more adult education, more online coursework, and more economic development initiatives to support existing businesses and to help launch new businesses. Our plan is expressly intended to support both Charleston's historic strengths and its emerging industries.

And these emerging industries in particular are beginning to demand more from our higher education community and from the College in particular. For example, several CEO's from the digital media industry approached the College about expanding its computer science offerings. They said they currently need to hire 200 new computer science graduates per year and they'd rather get them from the College than from Georgia Tech or Virginia Tech or Carnegie-Mellon. In 2012-2013, we graduated only 41!

We're working on a plan to expand our Computer Science Department and its graduates that would be partially funded by the digital media industries in Charleston. And we are seeking more space to house our growing Computer Science Department.

We're seeing stronger demand in Charleston and the Lowcountry for adult and online education, executive education, and for graduate programs... including doctoral programs.

The College is moving in all these directions, but our funding -- our budget -- remains a challenge.

Of course, other higher education institutions also are investing in New Charleston.

The Competition

- Not including cosmetology and massage schools, 21 for-profit and non-profit private universities and institutes have operations in Charleston, including: Strayer, Virginia College, Webster University, St. Leo University, ITT Technical Institute, Southern Wesleyan University, and ECPI College of Technology.
- Clemson has 27 acres in North Charleston that house their Restoration Institute (wind turbine testing and The Hunley Project) and engineering programs. Their architectural center is about to be built on Meeting Street, across the street from College of Charleston buildings.

- Meanwhile, USC has added in-person classes. Their MBA Program facility is two blocks from the College of Charleston's School of Business, while their store on King Street is a very short walk from President Benson's office.

So, we've got 21 for-profit universities; plus Clemson; USC; CofC; MUSC; The Citadel; Trident Tech; and Charleston Southern ... that's 28 universities and institutes with footprints in Charleston.

What does this mean for the College?

New Charleston needs higher education assets, and many of these 28 institutions will have an important role in meeting the needs of our city and region. Ultimately, though, we recognize that the state already has three four-year universities based in Charleston, with strong faculties and large physical plants.

We won't need to build new universities or branch campuses to meet the changing needs of the state, and Charleston in particular. We will need our Charleston-based universities to change, to reinvent themselves to meet the needs of the community.

New Charleston wants more from the College of Charleston and needs more from the College. I think we should deliver it.

Possible Actions

How can we invest in the College and in New Charleston while also doing what's best for higher education in Charleston, and by extension, the State of South Carolina?

As one important example, the College and MUSC are engaged in ongoing discussions regarding increased academic collaboration between our universities.

Collaboration, even to the point of merging these two universities, is not a new idea. There have been several past attempts to promote collaboration, dating back to the 1960s. The most recent attempt occurred in the late 1990s and ultimately led to the formation of the Lowcountry Graduate Center.

Last fall, as part of an expanded version of this same presentation about New Charleston, President Benson called for renewed discussion about CofC/MUSC collaboration.

Since that time, the idea has gained traction within Charleston's business community. Charleston Mayor Joe Riley even cited a merger as one of his top priorities for his final term as mayor.

A joint CofC/MUSC committee was formed this past spring to study the feasibility of greater collaboration between the universities. Each institution is represented on the committee by members of their boards of trustees along with the provosts and CFOs from each university, including Steve Osborne.

Representatives from the Charleston Metro Chamber of Commerce were later added to the committee, and those business leaders have been very clear about their need for an expansion of research and graduate programs in the region.

Earlier this month, we announced the formation of a review committee that includes faculty from each institution. This group is tasked with examining and evaluating examples of similar mergers and collaborative structures from the recent past.

CSOL and Closing

And finally, on one specific point, I want to address recent public comments and news accounts concerning a proposed merger of the College of Charleston and the Charleston School of Law.

To be clear, the College has not engaged in negotiations with any parties about any proposed sale of the Charleston School of Law.

As is always the case, the College remains interested in discussing partnerships and collaborations that seek to advance our academic mission and that are consistent with our public purpose.

We are aware of the conditions that CHE placed on the license granted to the Charleston School of Law in September 2003, and we respect those conditions.

I appreciate your attention, and I thank you again for the critical leadership provided by the CHE.

Steve Osborne, Shirley Hinson, and I would now be happy to answer any questions.