

CHE
01/08/2009
Agenda Item 7.01A

January 8, 2009

MEMORANDUM

To: Members of the Commission on Higher Education

From: Mr. Ken Wingate, Chairman, and Members, CHE Executive Committee

**Revision to 2008-2009 Operating Budget
for the S.C. Centers of Economic Excellence Program**

Background

At the September 8, 2008, CoEE Review Board meeting, President Greenberg of MUSC shared with the Review Board that the CoEE Program had grown to a point where the institutions were in dire need of financial assistance for administrative support. All of the institutions now receive routine requests for program information, which results in administrative burden. Unfortunately, all CoEE state funds must be applied directly to the center itself, leaving nothing for general program administration. President Barker echoed President Greenberg's statement and said that he had shared the same information with the Washington Advisory Group evaluation team, which is currently conducting a comprehensive evaluation of the CoEE Program. Chair Harper Bethea asked for the presidents to bring forward a proposal at the next meeting.

On October 14, 2008, the three senior research institution presidents remitted a joint, one-page letter [follows] to the CoEE Review Board, requesting \$100,000 per annum per senior research institution to cover the cost of "staffing" and "financial and programmatic reporting": "We hope that this letter provides sufficient information for the Board to consider our request to fund the administrative management of the CoEE program."

At the November 17, 2008, CoEE Review Board meeting, the Review Board unanimously acted to provide each of the three senior research institutions \$100,000 per year to offset ongoing program administrative costs.

By statute (S.C. 2-75-70), the Commission on Higher Education must approve the operating budget for the CoEE Program. The 2008-2009 CoEE operating budget of \$866,665 was approved by the Commission on October 2, 2008. This amount does not include the \$300,000 in institutional administrative costs approved by the CoEE Review Board at the November 2009 meeting. A revised budget must go before the Commission for approval in January 2009 before these newly approved funds can be released to the institutions. If fully approved by the Commission, the revised total for the 2008-2009 CoEE Program operating budget would be \$1,166,665.

Recommendation

The Executive Committee commends favorably to the Commission approval of a revised 2008-2009 CoEE Program operating budget in the amount of \$1,166,665, which incorporates \$300,000 in funds for institutional administrative costs at the three senior research institutions approved by the CoEE Review Board at its November 2008 meeting, to be dispersed immediately following approval by the Commission.