

**Final Report of the
Governor's Task Force on Higher Education**

Presented to

The Honorable Mark Sanford

September 28, 2006

Task Force Members:

Chair: Lyles Glenn, Columbia, Principal, Keenan Development Associates, LLC

Colonel Claude J. Eichelberger, Ret. SCANG, Camden, Educator / Central Carolina Technical College

Alyson Goff, Summerville, Student, University of South Carolina / Program Assistant, SC Commission on Higher Education

Dr. Ray Greenberg, Charleston, President, Medical University of South Carolina

Bettie Rose Horne, Ph.D., Greenwood, Third District Commissioner, SC Commission on Higher Education

Scott Ludlow, Columbia, VP of Finance, SC State Board for Comprehensive and Technical Education

James "Jim" Sanders, Gaffney, Retired, Fifth District Commissioner, SC Commission on Higher Education

Mike Sisk, Columbia, VP of Finance / CFO, Ben Arnold-Sunbelt Beverage Company of SC

Robert J. "Tex" Small, Greenville, Owner, Avtex Commercial Properties / Member of the College of Charleston Board of Trustees

Final Report of the Higher Education Task Force

September 2006

Executive Summary

Through Executive Order 2006-01, Governor Mark Sanford launched a Higher Education Task Force (Task Force) on February 8, 2006, to work with the South Carolina Commission on Higher Education (CHE) to identify steps to reduce tuition, encourage more collaboration, and reduce duplication. The Governor charged the Task Force with examining ways to improve our system of higher education for South Carolina families to include, but not be limited to, the following: a) identifying concrete steps that can be undertaken to lower tuition at the state's public institutions of higher learning; b) reducing program duplication; c) improving business management practices; and d) improving and increasing statewide coordination and collaboration of higher education.

Convened in late spring 2006, the Task Force met throughout the summer and reviewed recent research and data and considered testimony from various state and national higher education officials, the Governor, and legislators.

The Task Force finds the evidence overwhelmingly supports that many of the issues surrounding higher education are symptoms of a pressing need to coordinate activities through a comprehensive statewide strategic plan for higher education. Further, this plan must be developed mindful of meeting the state's human, economic and educational needs, and with thoughtful alignment to the state's current plans for economic development, educational improvement, and desires for increased quality of life.

The Task Force believes a plan that best serves South Carolina will take into consideration the needs of the state in a logical and results-oriented manner; be externally driven with selfless input from the higher education, K-12, the governor, the legislature and the private sector, particularly the business community; be based in best academic and business practices with incentives for innovations in the effective and efficient delivery of higher education; and provide affordable educational options that can be exercised following market principles of consumer information and consumer choice aligned with the academic capabilities of all citizens desiring a higher education.

To seize upon opportunities for the intellectual development of the state's citizens, their improved quality of life, and realization of the state's economic development hopes and aspirations, the Task Force finds it is imperative that the governor and legislature collaboratively take the steps necessary to cause the development of this plan.

In light of these beliefs, the Task Force recommends

- That the governor and legislature, at their most immediate opportunity, together, convene a committee ("Committee") of limited duration that is appropriately funded and staffed, and comprised of a representative collection of knowledgeable members of the higher education, public education (K-12), and business communities, (and others as deemed necessary by the governor and legislature);

- That the Committee be charged to develop and recommend an evolving, multi-year, Statewide Strategic Plan (“Plan”) for higher education in South Carolina to meet the needs of the state as can be addressed by higher education; and
- That following the development of the Plan, the governor and legislature, together, continue to provide appropriate support necessary for successful implementation and fulfillment of the recommended Plan.

Further, it is recommended that this Committee consider a series of suggestions of elements for that Plan as detailed in this report and develop measures necessary for effective implementation, oversight maintenance, and administration of that Plan.

As summarized here, the Task Force addresses in this report principal considerations for the successful development of the Plan. First, the Task Force finds it is essential to provide a strong foundation for the Plan by giving due consideration to the current higher education mission and goals as articulated by the legislature. Second, as the Plan is shaped from this foundation, the Task Force asks that five key aspects be considered as these features have proven productive in states which now enjoy effective strategic plans. Critical elements for which the Task Force has outlined suggested recommendations for consideration in the development of the Plan focus on: institutional missions and academic program and planning; enrollment; funding and institutional cost; buildings, facilities, and information technology; and organization and plan implementation.

As to each of these five broad categories of consideration, the Task Force presents approximately fifty questions the Committee should explore and suggestions it could consider in the thoughtful development of the Plan. Examples of suggested considerations across the areas include: 1) institutional missions, such that missions when considered individually and collectively, are aligned with the state’s Plan, and academic offerings are in support of the missions; 2) a statewide, multi-year enrollment plan with enrollment plans required of each institution such that each plan is specifically aligned with the state’s enrollment plan and needs; 3) a method of establishing institutional cost, which when coupled with expected levels of public funding, gives rise to an acceptable range of tuition increases; 4) determinations that buildings, facilities, and information technology are adequate and used in a compatible manner with the Plan; and 5) measures to ensure authority and oversight are appropriately vested for accountability and effective implementation of the Plan.

Like other states across the nation, South Carolina is at a crossroads. We must prepare greater numbers of our citizens for life and work in the 21st century if we are to remain competitive in the knowledge-based global economy. With an improving economy, we have an opportunity to invest in our state’s future through higher education and in doing so, enhance our possibility for success. Many exciting initiatives are underway in South Carolina, such as the Research Centers of Economic Excellence program and the implementation of the 2005 Education and Economic Development Act, which are strengthening our state’s ability to compete. Now, more than ever, it is necessary to our success that we must all work together better and our institutions must be more efficient and productive not only individually, but in collaboration with each other. The rapidly changing environment demands it if we are to position our state for future economic success and well-being.

Introduction

Through Executive Order 2006-01, Governor Mark Sanford launched a Higher Education Task Force (Task Force) on February 8, 2006, to work with the South Carolina Commission on Higher Education (CHE) to identify steps to reduce tuition, encourage more collaboration, and reduce duplication. The Governor charged the Task Force with examining ways to improve our system of higher education for South Carolina families to include, but not be limited to, the following: a) identifying concrete steps that can be undertaken to lower tuition at the state's public institutions of higher learning; b) reducing program duplication; c) improving business management practices; and d) improving and increasing statewide coordination and collaboration of higher education.

The Governor appointed Mr. Lyles Glenn, a Columbia attorney, as Chair, and eight other members including: Col. Claude Eichelberger, SCANG (Ret.), Educator, Central Carolina Technical College; Ms. Alyson Goff, Student, University of South Carolina; Dr. Ray Greenberg, President, Medical University of South Carolina; Dr. Bettie Rose Horne, Third District Representative, CHE; Mr. Scott Ludlow, Vice President of Finance, State Board for Comprehensive and Technical Education; Mr. Jim Sanders, Fifth District Representative, CHE; Mr. Mike Sisk, Vice President of Finance/CFO, Ben Arnold-Sunbelt Company; and Mr. Robert Small, Owner, Avtex Commercial Properties, Member of College of Charleston Board of Trustees.

The Task Force met first on May 5, 2006, and met on at least five other occasions throughout the summer to consider the system of higher education in South Carolina as well as other systems of higher education in the United States. To inform the process, members heard from the Governor, legislators, representatives of the public and private sectors of higher education, a national higher education leader, the Director of the Strom Thurmond Institute at Clemson University, and the Executive Director of CHE. Additionally, the Task Force reviewed numerous reports and studies regarding higher education in South Carolina and nationally. (*See Appendix A for a listing of meetings and presentations and Appendix B for a Reference Listing.*)

South Carolina enjoys a robust system of higher education. The state is home to 33 public institutions including 3 research universities, 10 four-year comprehensive teaching institutions, 4 two-year regional campuses of the University of South Carolina, 16 technical colleges, and 28 independent institutions including 24 senior independent institutions, a law school, and 3 two-year independent institutions. In addition to the public and independent institutions, the CHE licenses other not-for-profit and for-profit institutions to operate in the state. At least 16 other institutions are licensed to offer degree programs in South Carolina. The licensing process ensures legitimate higher educational offerings are provided.

Higher education enrollment in the public and independent institutions in fall 2005 was 212,701 and has shown steady growth with a 14% increase over the past five years. Among the public institutions, enrollment has increased the greatest at the technical colleges. In addition to enrollment growth, an increase in the numbers of degrees awarded and in improvement of retention and graduation of students is also evident in the public institutions.

While the numbers of students enrolled continues to grow, growth in South Carolina's 18-24 population is projected to be lower than Southern Regional Education Board (SREB) states or nationally (SREB Fact Book, 2005). Future years will bring greater needs for increasing the numbers of South Carolinians who benefit from higher education and from those who are graduating in fields critical to the state. Increasing the numbers will mean getting more students successfully through high school and into college. A recent report, *Foundations for the Future: Higher Education in South Carolina*, 2003, indicated that if South Carolina could increase its high school completion rate from 51% to the national average of 67% and maintain its high college going rate of 66%, there would be an estimated 6,600 additional freshmen per year – a 29% increase in total undergraduates. The state not only faces future challenges of getting more of its citizens successfully through the education pipeline, but also in ensuring South Carolinians of all ages have the literacy skills, education, and preparation necessary to meet the challenges of the new knowledge-based economy.

In South Carolina, a significant downturn in general operating funding in recent years has impacted the institutions making them look at ways to improve efficiencies while maintaining quality educational opportunities. Despite these efforts, tuition rates have increased with some institutions having imposed dramatic tuition and fee increases. South Carolina's funding pattern is similar to that nationally whereby declines in operating funding are associated with rising tuition. Considering recent SREB data, South Carolina ranks 15th among the 16 SREB states in appropriations per full-time equivalent student (FTE), whereas, South Carolina ranks 3rd in regard to tuition and fees per FTE. This pattern is reversed in regard to neighboring states, North Carolina and Georgia. North Carolina and Georgia rank 1st and 4th, respectively, in appropriations per FTE, and 13th and 14th, respectively, in tuition and fee revenues per FTE. Considering appropriations and tuition per FTE, South Carolina ranks 6th, North Carolina ranks 3rd and Georgia 9th. A national higher education finance survey indicates that South Carolina has lower higher education support per capita than the national average and its neighbors, Georgia, Kentucky, and North Carolina. In South Carolina, generous aid programs provided by the General Assembly have helped make tuition more affordable for those who qualify.

Consideration of demographics and educational trends in South Carolina illustrate the crucial role of education to the state's success in overcoming economic disparities. Recent research of the Strom Thurmond Institute has shown that educational attainment is a primary factor contributing to the difference between South Carolina's average per capita income and the United State's average per capita income.

For the state's future economic prosperity, South Carolina's higher education system must continue to improve the quality of its services while affording more citizens accessible postsecondary opportunities. Institutional presentations to the Task Force made apparent our public institutions, particularly the Research Institutions, are working more closely together. Our institutions are working on initiatives with K-12 to improve the numbers of students moving through the educational pipeline including the recently passed Education and Economic Development Act that is intended to engage students in high school by increasing the relevance of education to future careers. The state's two-year colleges are providing a pathway for bachelor degrees, and in addition, the technical colleges continue to work closely with business to provide workforce training and are working to ensure their programs are aligned with research areas being developed by the Research Institutions. Despite recent downturns in funding, our

institutions have been working to provide accessible, quality higher education offerings to the state's citizens.

CHE's function is as a coordinating board with varying degrees of legislatively-delegated authority in regard to academic programs, facilities, finance, student services, and access and equity. CHE's role is largely supervisory in nature except for selected approval authority over missions, programs, and facilities. CHE has used its approval processes in these areas to work diligently to prevent needless duplication which is oftentimes difficult given the legislative nature of the state. Legislation passed in 1996 defined institutional missions. CHE's role in approving missions has also assisted in keeping expansion of missions at a minimum.

South Carolina has a strong history of higher education planning, but no comprehensive plan exists currently that has been developed with broad-based input. In 2003, the CHE attempted to renew planning efforts and commissioned an important study, *Foundations for the Future: Higher Education in South Carolina*, to focus on the needs of the state and higher education's role in addressing those needs. The report laid the ground work for identifying challenges and critical needs in South Carolina and suggested the focus of a plan for higher education. The report enumerated challenges for South Carolina including low education attainment, significant disparities in education attainment and performance, and a lag in the shift from low-skill, "old economy" to a high skill, "new economy." It was suggested that South Carolina should focus on addressing five key questions: 1) Are more students ready for higher education?; 2) Are more enrolling?; 3) Are we preparing South Carolinians of all ages for life and work?; 4) Are the citizens and economy benefiting?; and 5) Are our colleges and universities being more efficient and productive both individually and working in collaboration with each other?

To answer these questions, it is necessary to review the structure of decision making in higher education in South Carolina. With regard to education governance in the United States, various models of coordinating and governing boards exist with levels of authority dependent upon a number of factors including differences in legislated authority and actual power. There are instances of effective coordinating boards and effective governing boards. Nationally, there has been a trend toward states moving to create a better balance between statewide policy capacity and institutional discretion to achieve it. For example, in Virginia, institutions have been given freedoms not held in the past in return for performance contracts with the state that define the role and expectations of institutions. Other states such as Kentucky and Oklahoma appear to be effective in aligning higher education efforts with a focus on statewide needs. Maine, North Carolina, and South Dakota appear to have effective systems, including policy councils enabling constituencies to meet on a regular basis to focus on strategies and priorities to be addressed.

As evident from the Foundations report and state and national trends, the State is at a critical juncture with regard to its need to advance its human and economic development. In order for South Carolina to be positioned to compete successfully in the new knowledge-based, global economy, higher education will be the key and must be made a priority for the state.

Despite the progress made to date, significant issues face higher education and its component parts including comprehensive needs assessment and strategic planning, organization and administration, and affordability and funding. These matters must be addressed immediately and thoughtfully. Progress toward a better prepared, more competitive South Carolina will only

occur through a focused and sustained commitment to excellence and quality in higher education.

Considerations and decisions regarding higher education's current condition and future must be approached with the highest degree of selfless leadership and cooperation among the governor, legislature, higher education community, and private sector.

Based upon consideration of material and perspectives that have been offered, including study of systems and organization of higher education in other states, the Task Force has determined that

- a) States that are making significant progress with and for higher education are those states with a cogent, comprehensive strategic plan that is supported by the state's governor, legislature, higher education community, and private sector (particularly the business community);
- b) These states' higher education strategic plans are aligned with the respective states' economic strategic plans and have in common key substantive elements;
- c) Beyond the substantive considerations, significant cooperation and broad-minded leadership among the governor, legislature, and higher education community have proven key to the development, implementation, and administration of these plans; and
- d) These leaders have placed with coordinating or governing boards the exclusive or principal responsibility for implementation and administration of these plans. Regardless of their characterization, depiction, or method of composition, each is organized to hold and discharge the degree of delegated authority sufficient to ensure accountability and effective, timely implementation of the plans.

In view of the foregoing, the Task Force offers the following recommendations as steps that must be taken for the immediate and long-term improvement of South Carolina's system of higher education.

Initial Considerations

The mission and goals for higher education in South Carolina, as articulated by the South Carolina General Assembly, are as follows:

To be a global leader in providing a coordinated, comprehensive system of excellence in education by providing instruction, research, and life-long learning opportunities which are focused on economic development and benefit the State of South Carolina.

The goals to be achieved through this mission are: a) high academic quality; b) affordable and accessible education; c) instructional excellence; d) coordination and cooperation with public education; e) cooperation among the General Assembly, Commission on Higher Education, Council of Presidents of State Institutions, institutions of higher learning, and the business community; f) economic growth; and g) clearly defined missions. (§59-103-15, et seq., SC Code of Laws, as amended)

The State is currently enjoying unprecedented cooperation among many of its institutions of higher education who seek to fulfill this mission. This degree of cooperation is to be celebrated and encouraged. However, cooperation alone is not a plan; rather, it is a vital feature of a plan and must be present in the pursuit of the plan's execution. Fulfillment of the legislatively-declared mission depends upon the development of a comprehensive, statewide plan; a plan which does not currently exist.

Therefore, we recommend

- **That the governor and legislature, at their most immediate opportunity, together, convene a committee (“Committee”) of limited duration that is appropriately funded and staffed and comprised of a representative collection of knowledgeable members of the higher education, public education (K-12), and business communities, (and others as deemed necessary by the governor and legislature);**
- **That the Committee be charged to develop and recommend an evolving, multi-year Statewide Strategic Plan (“Plan”) for higher education in South Carolina to meet the needs of the state as can be addressed by higher education; and**
- **That following the development of the Plan, the governor and legislature, together, continue to provide appropriate support necessary for successful implementation and fulfillment of the recommended Plan.**

We further recommend that this Committee consider the following series of non-exclusive suggestions of elements for that Plan, as well as measures necessary for effective implementation, oversight maintenance, and administration of that Plan.

**Suggestions Pertaining to the Development of
A Strategic Plan for Higher Education in South Carolina**

The Plan's Foundation

To establish a sound foundation for the development of a thoughtful, purposeful, and useful Plan, we recommend that as one of the Committee's principal considerations and starting points, the Committee should review the current higher education mission and goals as articulated by the legislature (e.g., §59-103-15, *et seq*, See Appendix C). In doing so, the Committee should consider probing the following:

1. What are the state's needs and expectations of the higher education entities and system? Is the mission and are the goals current in terms of the state's condition, aspirations and needs, particularly as such apply to the educational needs of the state's citizens; the state's economy; economic plans, growth, and workforce needs to effectively compete nationally and internationally; degree production, research and development growth plans; postsecondary readiness and high school graduation rates and trends; state population growth and demographic developments; and other pertinent factors?

2. If this mission and these goals are not current, what specific changes should the legislature consider?

Principal Considerations for the Plan

Based upon conclusions reached following this review, a new or affirmed foundation will exist upon which the Plan can be thoughtfully developed. As the Plan is shaped, we recommend focus upon the following five aspects of higher education, as thoughtful consideration of these features has also proven productive in states which now enjoy effective strategic plans:

1. Institutional Missions and Academic Programs and Planning: The Plan will outline a strategic direction for the state's system of higher education. As an important foundation for this direction and to ensure orderly and efficient delivery of academic offerings to meet statewide needs, institutional missions must be in line with the state's desired strategic direction. To facilitate this essential alignment, we recommend the Committee review each institution's mission to ensure that these missions – individually and considered together with all other institutions – are in alignment with the state's Plan for higher education.

To ensure that the academic offerings are established and maintained by each institution in support of each mission and the state's Plan, we recommend the Committee examine the following:

- i. Academic offerings, academic quality, and the existence and future likelihood of adequate resources to support and ensure the provision of high quality academic offerings.
 - ii. Access (distance and cost).
 - iii. Institutional diversity.
 - iv. Clarity of purpose in undergraduate and graduate program offerings and the purpose of program location throughout the state.
 - v. The obsolescence or continuing vitality of existing programs.
 - vi. Realistic facility use and campus growth opportunities to support these programs and offerings.
 - vii. Programs not currently offered but which should be offered to effectively implement the Plan.
 - viii. Alternatives for delivery of core educational needs in a cost effective and efficient manner.
2. Enrollment: Enrollment (as the term includes all features of enrollment such as headcount, diversity, in-state/out-of-state ratio, accessibility, etc.) is an integral element of a comprehensive strategic plan. Unless enrollment growth and disbursement are carefully considered when developing the Plan, the Plan will be determined by each institution's individual enrollment pattern – whether planned or unplanned and potentially inconsistent with the goal of addressing the state's needs.

For those reasons, we recommend the Plan include a statewide, multi-year enrollment plan with the enrollment plans required of each institution to be specifically aligned

with the state's enrollment plan and needs. We also recommend the enrollment plan be based upon statewide and institutional enrollment projections supported by credible demographic information to foster understanding of the state's future needs or demands for higher education.

Additionally, we recommend that in the development of the Plan, the Committee examine the following:

- i. Available private higher education offerings in SC; student market factors (cost and projected cost to the student); economic market factors (employment and economic demand); the state's current and future high school graduation rates.
- ii. K-12 plans for improvement of high school graduation rates.
- iii. In-state/out-of-state student ratios per sector and whether these ratios should be approved by the legislature and governor.
- iv. Classroom utilization; adequate use of summer school; the need for new classrooms/classroom buildings; resource allocation to support the enrollment plan.
- v. Standards to ensure the effective and efficient involvement of the state's teaching faculty.

3. Funding and Institutional Cost: Funding and institutional cost are vital considerations for the Plan's development as these factors directly affect the existence and quality of academic programs as well as enrollment. Any plan that does not consider the presence of existing fiscal and physical resources and the likelihood and promise of future resources to be provided throughout the Plan's span of implementation is a plan founded solely upon hope, with instantly uncertain reliability.

To address these issues, we recommend that in the development of the Plan the Committee examine the following:

- i. What is the meaning of "affordability," and who could and should define the term and criteria for its consideration so that the meaning is accepted by the legislature, governor, higher education institutions, and the state's citizens?
- ii. Should the determination of "affordability" include consideration of student debt, all sources of a student's financial and other support, and the availability of scholarships?
- iii. As the legislature has articulated the state's higher education mission, should the legislature also declare its support for the Plan and the vitality of the planning process by expressing the degree to which it is prepared to support the institutions, as its vehicles of implementation, through declaration of an amount (percent of cost) it deems as necessary and appropriate?
- iv. Should the legislature's declaration of support serve as the baseline for tuition increase determinations, and should this declaration of support include or exclude lottery funds currently distributed through scholarships?

- v. What is the legislature’s intention regarding lottery scholarships? Are lottery funds considered as institutional operating funds, augmenting state appropriations to the institutions, or are these funds considered as tuition discounts, directly benefiting the student?
 - vi. Should a universal method or formula of tuition determination be established as based upon a criteria of consideration, accepted by the governor, General Assembly and institutions?
 - vii. As “affordability” is also affected by an institution’s observation of “Best Practices” for effective business and academic activities, then should certain standard practices be expected and should greater private sector services and academic alternatives, such as distance education and improved articulation between sectors and K-12, be employed where savings and efficiencies can be achieved?
 - viii. Should incentives be established to encourage each institution’s exercise of effective business and academic practices so that elimination of unnecessary costs and practices are rewarded, and efficiencies and savings are realized?
 - ix. Should regulatory and required administrative practices be systematically reviewed to identify opportunities for “relief” from certain regulations and practices if such steps would aid in the determination of opportunities for greater affordability through heightened efficiencies and greater cost reductions (particularly for capital projects)?
4. Buildings, Facilities, and Information Technology: Buildings, facilities, and information technology resources (“physical resources”) are essential instruments of academic delivery in support of the Plan. As such, the Plan must include careful consideration of the current state of the higher education’s facilities and other physical assets as well as future needs as associated with the Plan.

For those reasons, we recommend that in the development of the Plan, the Committee examine the following:

- i. Does the state have facilities sufficient to support the Plan and is adequate and efficient use being made of these facilities?
- ii. Are the state’s higher education facilities (including coordination of duplicative administrative information systems) being shared adequately among the institutions to enhance affordability?
- ii. Should space utilization standards be a part of the Plan?
- iii. Should institutional requests for new or renovated buildings be compatible with the statewide Plan?

- iv. Should the Plan include recommendations for the improvement of the current capital resources (facilities) approval and delivery processes to ensure greater efficiency and cost effectiveness focused upon the reduction of institutional costs?
5. Organization and Plan Implementation: The development of this initial Plan will be a pivotal and signal event in the state's history. Considerable time, effort, and resources will have to be committed and devoted to its creation, resulting in unprecedented, comprehensive concurrence among the governor, General Assembly, higher education community, public education (K-12), and the state's private sector and business leadership. Steps must be taken to ensure the Plan will be appropriately implemented and administered.

Depending upon the ultimate elements of the Plan, some of the measures necessary to ensure implementation may be currently placed, in view of authority vested, with CHE. However, CHE, or such other entity as may be charged with Plan implementation and enforcement, may not hold the authority necessary to implement and enforce all aspects of the Plan.

Because accountability and effective implementation are essential elements of any plan's success, we recommend the Committee consider the following questions, as such apply to the implementation and administration of the adopted Plan:

- i. Should the system of higher education be organized such that there is a single, authoritative entity, responsible for the regular review, maintenance, implementation, and administration of the Plan in accordance with defined State needs?
- ii. Should the entity charged with Plan development, oversight, management, and administration hold authority sufficient to ensure that the missions, operations, and practices of each institution directly serve the Plan – particularly those operations and practices that most directly affect the Plan (enrollment, academic offerings, facilities, information technology services)?
- iii. Should the entity hold authority sufficient to enable it to ensure that each institution maintains admission criteria, enrollment headcount, a balance of in-state/out-of-state enrollment, growth plans, etc, that fit within and serve that Plan?
- iv. With regard to selection criteria and the method of selection, how should the entity be composed such that its membership is knowledgeable of the subject matter, sufficiently representative of higher education's offerings in South Carolina, and familiar with the state's needs of educational progression (i.e., K-12), private sector needs, and statewide economic development plans and goals?

- v. Does the method of selection and selection criteria for those in authority at each institution (administration and boards/commissions) ensure that they are accountable to the governor and/or General Assembly to ensure the respective entity's faithful implementation of the Plan?
- vi. Should the entity be authorized to specifically approve a project/program/campus/institute before "below-the-line" or other allocation of state funding is made or may be received?
- vii. Should the entity hold authority to act unilaterally when such is necessary to ensure the Plan is appropriately implemented?
- viii. Should the entity enjoy state funding allocations such that the entity might stimulate Plan-driven action within sectors via incentives?
- ix. Should the entity hold authority to eliminate programs/academic offerings/institutes/campuses which no longer advance the Plan, or serve the mission, as well as seek or require the offering of new programs at institutions uniquely positioned to address state needs and the Plan?
- x. Should the entity hold exclusive authority to review, approve, or require all aspects of an institution's physical growth and provision of services to ensure the Plan is implemented as intended?
- xi. What measures should be considered to ensure the entity is sufficiently and knowledgeably composed and staffed, and adequately funded, so that it may effectively and appropriately determine and monitor the quality of academic program offerings in the state?
- xii. Should the entity hold authority to ensure that the state's enrollment needs are being served by each institution's enrollment plan and practices?
- xiii. Should the entity hold authority to assess classroom utilization, adequate use of summer school, need for new classrooms/classroom buildings, and/or resource allocation to support the enrollment plan?
- xiv. If the legislature adopts a baseline commitment of fiscal support for higher education and this commitment and the cost of each institution are considered in the determination of the institution's tuition, should this entity hold authority to disapprove tuition increases if the tuition would exceed the Plan's method of tuition increase determination?
- xv. Should the entity hold authority to monitor each institution's execution of effective business practices, including the authority to award incentives to encourage each institution's exercise of effective business practices?
- xvi. Should the entity hold authority to assess the physical resource needs per institution, with such assessment tied to the Plan and/or institutional plans,

thereby providing a baseline for the determination of the state's physical needs?

- xvii. Should the entity hold authority to approve/disapprove an institution's plans for physical resource development to ensure compatibility within the statewide Plan?
- xviii. Should the entity hold exclusive authority to advance to the legislature the arrangement and priority of the state's higher education physical resource capital needs and should the current method of physical funding and approvals be changed to ensure the vitality of the entity's recommendations?

Conclusion

It is no surprise that many of the concerns that led to the creation of this Task Force are of concern nationally. Given the increasing importance of higher education to our competitiveness as a nation in the new global economy, in September 2005, the United States Secretary of Education formed a commission, with broad-based representation, to begin a national dialogue on the future of higher education. A primary purpose of the federal Commission on the Future of Higher Education is to initiate the development of a comprehensive strategy for postsecondary education and address questions concerning how the nation can ensure postsecondary education remains affordable and accessible and to assess how well our institutions of higher education are preparing students to compete in the new global economy. Recently, the federal commission released its report which includes recommendations to expand access; address costs; and ensure accountability, continuous innovation and quality improvement, access to Americans throughout their lives, and capacity of universities to achieve global leadership in strategic areas such as science, engineering, medicine, and other knowledge-intensive professions. Their recommendations are informative for us and are complementary to the recommendations herein that South Carolina must move forward with a strategic plan for higher education and ensure appropriate mechanisms to bring the plan to fruition.

To seize upon opportunities for the intellectual development of the state's citizens, their improved quality of life, and realization of the state's economic development hopes and aspirations, it is imperative that the legislature and governor, collaboratively, take the steps necessary to cause the immediate development of a comprehensive, multi-year statewide plan for higher education.

Overwhelmingly, the evidence points to the fact that many of the issues surrounding higher education are symptoms of an overall need to coordinate activities through a Plan that

- takes into consideration the needs of the state in a logical and results-oriented manner;
- is externally driven with selfless input from the higher education, K-12, legislature and the private sector, particularly the business community;

- is based in best academic and business practices with incentives for innovations in the effective and efficient delivery of higher education; and
- provides affordable educational options that can be exercised following market principles of consumer information and consumer choice aligned with the academic capabilities of all citizens desiring a higher education.

Like other states across the nation, South Carolina is at a crossroads. We must prepare greater numbers of our citizens for life and work in the 21st century if we are to remain competitive in the knowledge-based global economy. With an improving economy, we have an opportunity to invest in our state's future through higher education and in doing so, enhance our possibility for success. Many exciting initiatives are underway in South Carolina, such as the Research Centers of Economic Excellence program and the implementation of the 2005 Education and Economic Development Act, which are strengthening our state's ability to compete. Now, more than ever, it is necessary to our success that we must all work together better and our institutions must be more efficient and productive not only individually, but in collaboration with each other. The rapidly changing environment demands it if we are to position our state for future economic success and well-being.

Appendix A. Meetings of the Task Force and Listing of Presentations

The Higher Education Task Force held meetings on May 5, June 1, June 8, July 24 and September 11. A general discussion session was held on August 1. All meetings were held at the offices of the Commission on Higher Education during 2006. Information on the Task Force including meeting minutes and presentations is available through the South Carolina Commission on Higher Education's website at <http://www.che.sc.gov/HETF/HigherEdTaskForceHm.htm>

May 5 Presentations:

Opening Remarks and Charge to the Higher Education Task Force, The Honorable Mark Sanford, Governor of South Carolina, May 5, 2006.

Higher Education in South Carolina, presented by Dr. Conrad Festa, Executive Director, SC Commission on Higher Education to the Higher Education Task Force, May 5, 2006.

June 1 Presentations:

The SC-US Income Gap with Some Migration Trends, presented by Dr. R.H. Becker, Director, Strom Thurmond Institute; to the Higher Education Task Force, June 1, 2006.

SC Commission on Higher Education, Role and Authority and Statewide Higher Education Planning, presented by Dr. Conrad Festa, Executive Director, SC Commission on Higher Education to the Higher Education Task Force, June 1, 2006.

June 8 Presentations:

Remarks, The Honorable John Courson, Chairman, South Carolina Senate Education Committee, June 8, 2006.

Remarks by Mr. James F. Barker, FAIA, President of Clemson University, representing South Carolina's Research Institutions to the Higher Education Task Force, June 8, 2006.

Comprehensive Teaching Universities in South Carolina, presented by Dr. Thomas L. Hallman, Chancellor, USC Aiken; to the Higher Education Task Force, June 8, 2006.

Remarks by Dr. Barry Russell, System President, South Carolina Technical College System to the Higher Education Task Force, June 8, 2006.

Overview of Independent Higher Education, presented by Mr. Charles FitzSimons, President, SC Independent Colleges and Universities Association, to the Higher Education Task Force, June 8, 2006.

South Carolina Higher Education Tuition Grants Commission , Giving South Carolina Students a Choice, presented by Mr. Eddie Shannon, Executive Director of SC Tuition Grants Commission to the Higher Education Task Force, June 8, 2006.

July 24 Presentations:

Remarks, The Honorable Ronald Townsend, Chairman, South Carolina House of Representatives Education and Public Works Committee, July 24, 2006.

Presentation on Public Higher Education and Governance Structures Nationally, Mr. Richard Novak, Association of Governing Boards of Universities and Colleges, July 24, 2006.

Appendix B. Reference Listing including Recent Studies of South Carolina Higher Education and Demographics and Other Higher Education Reports and Studies

Foundations for the Future: Higher Education in South Carolina, December 2003

A report prepared by the National Center for Higher Education Management Systems (NCHEMS) and Center for Public Trusteeship and Governance of the Association of Governing Boards of Universities and Colleges (AGB). Lead consultants, Dr. Aims McGuinness of NCHEMS and Mr. Richard Novak of AGB. An Executive Summary and full report is available online <http://www.che.sc.gov/InfoCenter/FoundationForTheFuture.htm>.

Additional data on higher education in South Carolina used in shaping the report is also available online through the link above. Please refer to the presentation entitled “*Shaping a Public Agenda for Higher Education*,” November 12, 2003.

SC Competitiveness Initiative, initial report December 8, 2003.

In December 2003, Dr. Michael Porter and The Monitor Group released a report on SC’s competitiveness entitled, *SC Competitiveness Initiative*. Since that time the SC Council on Competitiveness (a public and private partnership) has formed to focus on improving the economy and competitiveness of SC. The Council has released recently a strategic plan for the state. Information on Dr. Porter’s report and the strategic plan is available through the link <http://newcarolina.org/resources/>. Information on the SC Council on Competitiveness can be access from the Council’s web site at <http://newcarolina.org/>.

Miles to Go South Carolina, 2002

A report of the Southern Education Foundation in cooperation with South Carolina. The report provides a comprehensive set of findings and recommendations regarding the status of minorities in public higher education and is available online at <http://www.che.sc.gov/AccessEquity/A&E/Miles%20To%20Go-%20Final%20Book.pdf>.

Higher Education Strategic Plan, 2002

In January, 2002, the CHE approved a strategic plan for higher education. Implementation was begun, but due to other events, was never fully implemented. A copy of the 2002 strategic plan for higher education is available online from CHE’s web page at http://www.che.sc.gov/AcademicAffairs/IE/Introduction/StrategicPlanText_2002.doc.

Following the release of the *Foundations for the Future* report, CHE’s Executive Director with institutions began exploring revised goals and objectives for the purpose of statewide higher education accountability. The work is referenced as the *President’s Accountability Workgroup*. In December 2005, a working draft of *Higher Education Goals, Objectives, and Measures* was completed. A copy is available upon request.

General statistical data on higher education in South Carolina

The South Carolina Higher Education Statistical Abstract
<http://www.che.sc.gov/Finance/Stat.htm>.

A Closer Look at Public Higher Education: Institutional Effectiveness, Accountability and Performance (http://www.che.sc.gov/New_Web/Rep&Pubs/ACL.htm).

Presentations made to the Task Force that included general demographics and higher education statistics: Dr. Conrad Festa's May 5th presentation, *Higher Education in South Carolina*, http://www.che.sc.gov/hetf/Files/HETF_CHE_050506.pdf) and Dr. Robert Becker's June 1st presentation, *SC-US Income Gap with Some Migration Gaps*, http://www.che.sc.gov/hetf/Files/Becker_060106_CHE_SCIIncomeEdTrends.pdf.

SREB Fact Book on Higher Education, 2005, Joseph L. Marks, A publication of the Southern Regional Education Board.

Information about the South Carolina Commission on Higher Education (CHE)

Documents that describe the legislative authority of CHE and provide additional information about the CHE are referenced below. These documents were made available to the Higher Education Task Force.

- Staff review of CHE Legislated Authority. Document entitled SC Commission on Higher Education that outlines SC Code of Law citations as of the 2005 Session regarding the Commission and its legislated responsibilities and duties. A copy was provided to Task Force members for the May 5 meeting. The electronic file is "*CHE CodeRvw rev_093005 all rev*" and is available upon request.
- Brochure outlining the major responsibilities of the CHE. Available on-line at <http://www.che.sc.gov/ExecutiveDirector/CHEBrochure.pdf>.
- CHE Annual Agency Accountability Report, 2004-05, September 15, 2005. Report submitted annually to the Governor and General Assembly. A copy is available on-line at http://www.che.sc.gov/ExecutiveDirector/FY0405_AgencyAcctRpt.pdf.
- Presentation presented by Dr. Conrad Festa to the Task Force outlined the role and authority of the CHE. A copy is available online at http://www.che.sc.gov/hetf/Files/HETF_Jun1_FINAL.pdf.

Other information, studies, and reports considered by the Task Force

- *A Nation at Risk: The Imperative for Educational Reform*, A report to the nation and the Secretary of Education United States Department of Education by The National Commission on Excellence in Education, April 1983.
- *American Higher Education: How Does It Measure Up for The 21st Century*, James B. Hunt, Jr., and Thomas J. Tierney, The National Center for Public Policy and Higher Education, May 2006.
- *A Vision for Higher Education in South Carolina*, Working Document of the South Carolina Public Colleges and Universities, as of December , 2005, South Carolina Commission on Higher Education.
- *College Tuition Promise Stokes Housing in Kalamazoo, Michigan*, Neal E. Boudette, Wall Street Journal Online, March 13, 2006.

- *Draft Report of the Federal Commission on the Future of Higher Education*, adopted August 10, 2006. Commission initiated by the U.S. Secretary of Education, Margaret Spellings. The draft report and a listing of issue papers and reports to the Commission are available <http://www.ed.gov/about/bdscomm/list/hiedfuture/reports.html>.
- Governor's Executive Order, February 8, 2006, creating the Higher Education Task Force.
- Governor's Press Release, February 8, 2006, announcing the formation of the Task Force.
- Governor's 2005 Christmas Letter shared as part of the announcement of the Task Force.
- Governor's Press Release, April 11, 2006, announcing the Task Force Members.
- Governor's Budget Result Team for Higher Education and Cultural Resources 2005.
- *Holding Colleges & Universities Accountable for Meeting State Needs*, 2006, The Challenge to Lead Series. A report of the Southern Regional Education Board.
- *How Merit Can Guide Public Trustee Appointments*, Governor Mark Warner, May/June 2005 edition of Association of Governing Board's Trusteeship.
- Memorandum, Suggestions from participants of the Governor's Budget Result Team 2005 for Higher Education and Cultural Resources, October 4, 2005.
- *North Carolina State Budget, 2003-2005, Summary of Recommendations*, prepared by the Office of State Budget and Management, www.osbm.state.nc.us , March 2003.
- *Reflections on Higher Education Governance Issues for South Carolina*, Dr. Conrad D. Festa, Executive Director of the SC Commission on Higher Education. Memorandum, June 30, 2006, submitted at the request of the Task Force.
- *State Capacity for Higher Education Policy, The Need for State Policy Leadership*, July 2005, National Center for Public Policy and Higher Education.
- Seeking Solutions: A gathering at the Summit, An Initiative of Lumina Foundation for Education, www.collegecosts.info , March 2006.
- State Higher Education Finance Report, FY2005, A publication of State Higher Education Executive Officers (SHEEO).
- The Coming Job Boom, Forget Those Grim Unemployment Numbers. Demographic Forces are about to put a squeeze on the labor supply that will make it feel like 1999 all over again. Paul Kaihla, Business 2.0 Magazine, September 1, 2003.
- The University of North Carolina Board of Governors, Long Range Plan 2004-2009.

Appendix C. Legislated Mission of Higher Education in South Carolina and for Each Type Institution

SECTION 59-103-15. Higher education mission and goals.

(A)(1) The General Assembly has determined that the mission for higher education in South Carolina is **to be a global leader in providing a coordinated, comprehensive system of excellence in education by providing instruction, research, and life-long learning opportunities which are focused on economic development and benefit the State of South Carolina.**

- (2) The goals to be achieved through this mission are:
- a) high academic quality;
 - b) affordable and accessible education;
 - c) instructional excellence;
 - d) coordination and cooperation with public education;
 - e) cooperation among the General Assembly, Commission on Higher Education, Council of Presidents of State Institutions, institutions of higher learning, and the business community;
 - f) economic growth;
 - g) clearly defined missions.

(Sector Specific Missions as outlined in 59-103-15)

(B) The General Assembly has determined that the primary mission or focus for each type of institution of higher learning or other post-secondary school in this State is as follows:

- (1) Research institutions
 - a) college-level baccalaureate education, master's, professional, and doctor of philosophy degrees which lead to continued education or employment;
 - b) research through the use of government, corporate, nonprofit-organization grants, or state resources, or both;
 - c) public service to the State and the local community;
- (2) Four-year colleges and universities
 - a) college-level baccalaureate education and selected master's degrees which lead to employment or continued education, or both, except for doctoral degrees currently being offered;
 - b) limited and specialized research;
 - c) public service to the State and the local community;
- (3) Two-year institutions - branches of the University of South Carolina
 - a) college-level pre-baccalaureate education necessary to confer associates' degrees which lead to continued education at a four-year or research institution;
 - b) public service to the State and the local community;
- (4) State technical and comprehensive education system
 - a) all post-secondary vocational, technical, and occupational diploma and associate degree programs leading directly to employment or maintenance of employment and associate degree programs which enable students to gain access to other post-secondary education;
 - b) up-to-date and appropriate occupational and technical training for adults;
 - c) special school programs that provide training for prospective employees for prospective and existing industry in order to enhance the economic development of South Carolina;
 - d) public service to the State and the local community;
 - e) continue to remain technical, vocational, or occupational colleges with a mission as stated in item (4) and primarily focused on technical education and the economic development of the State.