

## MEMORANDUM

**TO:** Mr. Dan Ravenel, Chairman, and Members of the Higher Education Study Committee

**FROM:** Mr. Bobby Marlowe, Chairman, Organization and Plan Implementation Advisory Group; Col. Claude Eichelberger and Dr. Dori Helms, Vice Chairs; and Members, Dr. Bob Becker, Dr. Amy Blue, Dr. Ronnie Booth, Dr. Dave DeCenzo, Dr. Tony DiGiorgio, Mr. George Fletcher, Dr. Skip Godow, and Mr. Jim McNab

**DATE:** January 15, 2008

**RE:** Report of the Organization and Plan Implementation Advisory Group of the Higher Education Study Committee

The Organization and Plan Implementation Advisory Group was charged with consideration of the governance structure of higher education in South Carolina, its appropriateness in ensuring the successful implementation and administration of a statewide higher education plan, and strategies for implementing a plan. In carrying out its charge, the Advisory Group met on two occasions. The first meeting was held on November 29, 2007, and the second on January 4, 2008. Both meetings were held in Charleston, South Carolina, at the Lowcountry Graduate Center. Members who could not be present participated by conference call. A listing of the Advisory Group members and copies of the meeting minutes are attached (*Attachments 1, 2, and 3*). CHE staff and College of Charleston staff assisted the Advisory Group in its work.

As part of its deliberations, the Advisory Group focused on the set of questions advanced in the final report of the Governor's Task Force relating to "Organization and Plan Implementation" and an additional question posed by a group member relating to the authority of the South Carolina Commission on Higher Education (CHE) and changes necessary to CHE in implementing a plan. A listing of the questions that were considered is found in Attachment 4.

The following represents the collective recommendations of the Advisory Group in responding to its charge.

*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?*

Central to the Advisory Group's discussions was the question of the type of structure that should exist to enable identified statewide goals to be accomplished. The Advisory Group discussed governing and coordinating boards of higher education. Information was shared about the structure in Georgia which is a strong governing board, and members knowledgeable about structural differences in other states also shared information. **Members strongly agreed that a centralized Board of Regents governance structure is not warranted in South Carolina, but that a central body should exist.** In responding to the aforementioned question posed by the Governor's Task Force, it was agreed that a coordinating entity, like CHE, should continue to exist and the authority should be appropriate to enable the entity to coordinate activities to accomplish goals set forth, including plan implementation.

*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)?*

The consensus of the Advisory Group in answering this subsequent question of the Governor's Task Force was that there should be an entity charged with coordinating practices to ensure the interests are met collectively. The Advisory Group advances the following response to this question:

Better communication among sectors could be facilitated by a well-respected body that convened leadership around common issues and/or emerging statewide needs and helped coordinate action plans among sectors –with institutions having the flexibility and freedom to act on those plans within their own regional contexts.

Likewise, a coordinating body could continue to fulfill an important role in: (1) assessing and documenting projected need for proposed new service initiatives -- such as new campuses, centers, programs, etc. – and how they would fit into the action plan for their respective sector; (2) providing cost/benefit analyses regarding such proposals, including the fiscal impact on existing providers/programs, and (3) serving as ultimate approval authority for such new initiatives, including proprietary enterprises that are or may seek public-sector funding without taking on public service responsibilities.

Therefore, the Advisory Group does not recommend a change in structure but rather a re-tooling and strengthening of CHE. There was considerable discussion about areas over which a central entity like CHE should have control. Generally, it was agreed that CHE should not have centralized control over institutional administration in areas such as admissions, enrollment, tuition, or budget. It was also the general sense that the current legislated authority was sufficient but that a need existed to improve the ability of CHE to implement its authority. After much deliberation of these issues and consideration of other questions of the Governor's Task Force that this Advisory Group was tasked to address, it was agreed that the determination of necessary authorities should be considered in light of the needs of a plan. Additionally, there was considerable sentiment that plan implementation would need to be well underway before the need for additional authority, if any, became clear. **For these reasons and because a plan has not yet been developed, the Advisory Group submits the following question for consideration of the Higher Education Study Committee for resolution along with the statewide plan:**

*Should CHE authority be modified to enhance the implementation of a statewide plan or goals for higher education? If so, where?*

Finally, the Committee advances two additional recommendations for the Higher Education Study Committee's consideration in improving the existing structure of CHE and facilitating the development and success of a plan.

**First, it is recommended that the composition of the CHE in regard to the selection of its members should be amended.** At present, all members of the CHE are appointed by the Governor. These appointments include 6 congressional districts representatives nominated by legislative delegations, 3 statewide at-large members, 1 statewide at-large member appointed as chair, 3 members from among institutional boards of trustees representing each of the three

public sectors of higher education, and 1 member from among the private college presidents. With the exception of the congressional district appointees, all receive Senate confirmation. Much deliberation occurred relating to the merits of the election of members by the General Assembly versus the appointment of members. It was generally agreed that the method for selection should result in strengthening CHE's ties with the General Assembly in order to improve CHE's success in advocating for the accomplishment of the plan and securing related needs of higher education in doing so. The following changes in the make-up of CHE are proposed for consideration:

- 6 members, each with district residency requirements, elected by the General Assembly
- 2 members appointed by the Governor
- 1 should be appointed by the President Pro Tempore of the Senate
- 1 member appointed by the Speaker of the House
- 3 members from the various sectors of public higher education as is the case currently
- 1 member (non-voting) to represent the private institutions as is currently the case

Second, the Advisory Group finds that it is important for CHE to have a knowledgeable advisory board to assist in the development a plan and consultation on issues as they may arise. It was determined that the Council of Public College Presidents, which is currently provided for in statute, should be re-convened by the CHE to serve in this capacity. **The Advisory Group recommends that the Council of Presidents should meet as often as needed and not less than twice annually in advising CHE on issues relating to the implementation and accomplishment of the plan and in the coordination and improvement of higher education.**

Summary of Recommendations:

- 1) South Carolina does not need to adopt a Board of Regents structure, but should maintain a central authority to serve in a capacity that facilitates the accomplishment of a plan and aids in the resolution of higher education issues.
- 2) The authority of CHE as that entity should be strengthened to enhance its ability to coordinate the accomplishment of the plan, and specific authorities should be considered and re-defined as appropriate to enable the successful accomplishment of the plan. For reasons mentioned above and because a plan has not yet been developed, the Committee is asked to consider the question: *Should CHE authority be modified to enhance the implementation of a statewide plan or goals for higher education? If so, where?*
- 3) The composition of CHE should be revised to include membership that is elected by the General Assembly as a whole and membership that is appointed by the Governor, the President Pro Tempore of the Senate and Speaker of the House.
- 4) The Council of Presidents should be re-convened by CHE and should meet at least twice annually.

The Organization and Plan Implementation Advisory Group respectfully submits the above recommendations for consideration of the Higher Education Study Committee. The Advisory Group expresses its sincere appreciation for this opportunity and is pleased to offer any additional assistance that might be requested by the Committee.

rev. 11/28/07

**Higher Education Study Committee  
Organization and Plan Implementation Advisory Group  
Participant List**

**Study Committee Members serving as Chair and Vice Chairs**

Mr. Bobby Marlowe, Advisory Group Chair  
President, Marlowe-Chandler General Contractors  
Chairman, College of Charleston Board of Trustees  
Mt. Pleasant, South Carolina

Col. Claude Eichelberger, Advisory Group Vice Chair  
SC National Guard, Retired  
Faculty Member, Central Carolina Tech. College  
Camden, SC 29021

Dr. Dori Helms, Advisory Group Vice Chair  
Provost & Vice President for Academic Affairs  
Clemson University  
Clemson, South Carolina

**Advisory Group Participants**

Dr. Bob Becker  
Director, Strom Thurmond Institute  
Clemson, South Carolina

Dr. Tony DiGiorgio  
President, Winthrop University  
Rock Hill, South Carolina

Dr. Amy Blue  
Assistant Provost for Education  
Medical University of SC  
Charleston, South Carolina

Mr. George Fletcher  
Executive Director, New Carolina  
Columbia, South Carolina

Dr. Ronnie Booth  
President, Tri-County Technical College  
Pendleton, South Carolina

Dr. Skip Godow  
Executive Director, Lowcountry Graduate Center  
North Charleston, South Carolina

Dr. David DeCenzo  
President, Coastal Carolina University  
Conway, South Carolina

Mr. Jim McNab  
Executive Chairman, Argolyn BioScience, Inc.  
North Charleston, South Carolina

**CHE and Other Staff Support**

Dr. Garrison Walters  
Executive Director  
SC Commission on Higher Education  
Columbia, South Carolina

Ms. Elizabeth Kassebaum  
Secretary to the Board of Trustees  
Office of the President  
College of Charleston  
Charleston, South Carolina

Ms. Julie Carullo  
Director, Gov't Affairs & Special Projects  
SC Commission on Higher Education  
Columbia, South Carolina

Ms. Betty Craig  
Office of the President  
College of Charleston  
Charleston, South Carolina

ORGANIZATION AND PLAN IMPLEMENTATION ADVISORY GROUP

Thursday, November 29, 2007

1:00 p.m.

Lowcountry Graduate Center

Members in attendance:

Bobby Marlowe, chair; Dr. Amy Blue; Col. Claude Eichelberger, Advisory Group Vice Chair; Dr. Skip Godow; Mr. Jim McNab; and CHE staff members Mr. Dan Ravenel, Dr. Gary Walters, and Ms. Julie Carullo. Others attending the meeting: Elizabeth Kassebaum, Secretary to the Board of Trustees; and Betty Craig, recorder.

Members participating by conference call:

Dr. Ronnie Booth; Dr. Tony DiGiorgio; and Dr. Dori Helm, Advisory Group Vice Chair

Members absent:

Dr. Bob Becker

Dr. David DeCenzo

Mr. George Fletcher

Chairman Marlowe called the first meeting of the advisory group to order at 1:00 p.m. He asked everyone to introduce themselves and then welcomed everyone. He noted that he thinks the committee has an enormous opportunity to affect higher education in the State of South Carolina. Overall, the committee is going to look at a lot of different issues. He believes that in order for anything to be implemented in the state one must have an entity to do that. Without a governance system to affect higher education, nothing will get done. He noted that he will begin by sharing a conversation he had yesterday. Then Col. Eichelberger will talk about his experience with governance on the Task Force.

“I had a conversation yesterday (EWK handed out structure bylaws for Board of Regents from University of Georgia) with Pat Pittiard, a member of the Board of Regents in Georgia. I believe I could impose upon him to speak to us at a later date if necessary. In Georgia, there is a governing body for the Higher Education system – Board of Regents, not a Board of Trustees. There are 18 members appointed for ten year terms by the Governor of Georgia who can be re-appointed by another governor. Mr. Pittiard stated that they are generally free from political influence and are accountable to no one except the State of Georgia. There is one chancellor for the entire University of Georgia system. When a vacancy occurs at four-year colleges, the Board of Regents makes a recommendation to the chancellor who hires the president. The Board of Regents controls all of the funding that goes to each of the institutions. They receive approximately \$2 billion funding annually from the state and another \$4 billion from tuition, grants, etc. It is a very bureaucratic operation. It was established 75 years ago. The benefit is the collaboration in higher education that can exist, e.g., a Board of Regents can require institutions to collaborate on projects in other areas of the state. Mr. Pittiard does not recommend a Board of Regents system for South Carolina. His recommendation would be that the Boards of Trustees of institutions continue to exist, retain control of their power and authority by the Legislature, and each Board of Trustees to seed some authority to some central entity.”

Chairman Marlowe added, not the budgetary issues, appropriations or tuition, but the programmatic issues that affect institutions statewide to allow more collaboration. Some people have said that our higher education system requires a Board of Regents. Nationwide, there are

three categories of higher education systems: Board of Regents – no Board of Trustees; Board of Trustees – with no strong central authority; and a hybrid between the two.

South Carolina falls into the category of ‘Board of Trustees.’ Georgia falls into the category of ‘Strong Board of Regents.’ North Carolina is the hybrid.

Col. Eichelberger discussed his experience as a member of the Governor’s Task Force. Higher Education in South Carolina is not a simple issue. South Carolina has been talking about changing higher education since 1995. Several studies came up with suggestions. In South Carolina, the Legislature has control. In order to change education in South Carolina, the Legislature has to give some and the institutions have to give some. If you look at the questions in the report, there are no direct statements, just suggestions. Maybe the Advisory Group should just make suggestions. Currently, all higher education institutions have Boards of Trustees, and they are doing a good job. Try to scrap the current system and things may become unmanageable. However, a new system will require institutions to give up some of their authority not to the Legislature but to a CHE-type organization.

Dr. Walters stated that our institutions are very well managed and very successful. The state is experiencing some significant changes within higher education - educating more people (including adult education), ramping up research, etc. South Carolina higher education institutions need to work together more than they have done in the past. They can do that on a voluntary basis with an action plan. If there is a three or four-year action plan, the governance issue should be at the end of that. Everyone must work together to make some changes.

Dr. Booth stated that all the questions seem to be focused on should we have a Board of Regents? The question is “what are the problems we are trying to solve?”

Dr. DiGiorgio stated that the set of questions has to do with power and authority and these are trailing issues and not leading edge issues, for example, economic development. None of the critical issues facing our state. This is his 19<sup>th</sup> year as president and where higher education has suffered the most is the lack of a plan for the institutions to come together to solve the complex issues. In his 19 years, there has never been a plan. There has been a series of efforts, but no plan. He is very interested in moving in that direction. In addition, there hasn’t been sufficient resources to do everything necessary for each institution to accomplish its goals.

Dr. Helms asked that we look back to three goals discussed by the study committee (See Attachment 3 distributed with meeting materials):

- (1) To have South Carolina ranked in the top xx% of states in education.  
South Carolina’s higher education institutions are not graduating enough students. What are the priorities for technical degrees? What about business clusters?
- (2) To increase the state’s research and other measures of innovation.  
Higher Education should be looking at our goals to move the state forward.
- (3) To increase work force training and education services by xx% over y years.  
The Higher Education Committee has to decide how we will share in that responsibility to move students up the pipeline to receive higher education. How do the institutions work together to accomplish these goals?

Mr. Marlowe thanked everyone for their input thus far, but added the Advisory Group must do what the Legislature asked and focus on the questions of this subcommittee and answer those.

He certainly agreed that a plan for higher education is good. Without a plan, you can't get anywhere. He doesn't disagree that we do need to focus on a plan and then we need to discuss what the organization will do to implement it. We need to answer that question so it doesn't keep returning. He doesn't recommend a Board of Regents. He recommends strengthening CHE. All 18 questions deal with governance so they can't be ignored. But Chairman Marlowe wants to make it clear that everyone will deal with the plan, then deal with the governance issue.

Dr. Walters stated that this should be an action plan rather than a strategic plan with a three to four year time frame. Plan on aggressive goals after that. All of these will cost money. The state really needs these things so we have to get together to decide how to invest to get there. It won't happen right away.

Dr. Godow agreed with the plan. Suppose we have this plan, are individual institutions going to support the plan or go for resources? We have high tuitions because the state's investment is higher in other states. Until somebody can rally around, he thinks it is a governance issue.

Dr. DiGiorgio stated that if we are successful in moving toward setting goals, organizing ourselves around them, and creating the hope that people can get an affordable quality education, positive public opinion is still a requirement. We must work together to get that done. He doesn't think we need to be told how to work together to get that done. The higher education community has never experienced the new attitude that Dr. Walters has encouraged coming from CHE.

Col. Eichelberger has been involved in the National Guard and noted that you have to be very careful. There was a task force that had several questions. Do you think the task force may have had these same discussions? Yes, they did. After six months, this is what they came up with. It is so complicated that you almost need to put something in place with a long-term responsibility to take a closer look to decide these issues. This is where these 18 questions came from. The Legislature required what came out of that task force.

Dr. Walters: "Before we go through the 18 questions, let me suggest 'a' or 'b' framework. I think there is an agreement that CHE needs to be more assertive. The other question is should the Commission be managing the implementation of a plan? The perception of duplication is an issue in South Carolina, and we need to address that. We shouldn't go to the central management solution first."

Mr. Marlowe: "Does anyone believe that we should have a Board of Regents and not a Board of Trustees?" Everyone stated "no."

Mr. Marlowe: "Does anyone believe we should not change with the structure of higher education in the state?"

Dr. Helms stated, "I don't know if it is structure or if it is strength. We already have structure in place."

Mr. Marlowe asked if anything should be changed from what it is right now in terms of authority?

Dr. DiGiorgio stated that he would not recommend offering any legislation to accomplish what needs to be accomplished.

Mr. Ravenel: “With my experience, I have seen a lot of end-runs. For the most part, end-runs would be destructive. That is the kind of thing that you have a find a solution around. It is strictly a question of practicality.”

Dr. DiGiorgio: “I don’t think any legislation will prohibit the Legislature from doing what they are doing. I think CHE does have the authority to handle that kind of issue.”

Mr. Marlowe: “USC became a four-year institution. USC did not want it to be a four-year institution. What Dan is talking about here is there was no authority on the part of CHE other than to make a recommendation. USC didn’t want it to be a four-year institution, but the Legislature included it into the research bond bill and it was going to be a four-year institution. It was vetoed and that part of the bill was not sustained.”

Mr. Marlowe stated that we must discuss what we want to accomplish in the way of a plan for Higher Education. Then we can talk about a structure that can best have that plan implemented. We don’t need a central authority deciding how much tuition to charge, but I can tell you if we don’t do some of these things, especially on tuition and out-of-state and in-state tuition, I am afraid the Legislature will step in and do it for us. Should there be a second law school? Should a two-year campus be made a four-year campus? Even ranking facility needs? Are we moving towards identifying the plan, looking at a structure to implement the plan, and tweaking CHE to give them more authority of general issues of higher education in the state?

Dr. Helms stated that she hopes that the Commission will be able to look at enrollment of all institutions. Institutions must enroll x number of students. How do you reach a common goal and yet maintain diversity? We need access to low income students, bright students, and resources to match the programmatic decisions of the plan.

Mr. Marlowe stated that we are moving in the right direction. First, there will be no recommendation from this group for central authority. That was one of my goals to get that question out of the way. We have successfully done that. We need to move our discussion toward the plan. Once we identify the plan, then we can talk in more direct terms of how that plan can best be implemented.

Dr. DiGiorgio noted that USC-Sumter is a big loophole.

Mr. Marlowe asked that we discuss the various responsibilities of the Board of Trustees at various institutions – from programmatic to who they hire. Group them – contractual, budget issues, and hiring and firing. Beyond the scope of just the Board of Trustees, those would have to be programmatic issues.

Mr. Marlowe asked if a central entity should be involved in establishing a mission for any institution? Everyone stated “no.”

Mr. Marlowe: “Should a central entity be involved in the hiring of a president?” Everyone stated “no.”

Mr. Marlowe: “Should a central entity be involved in administering operational matters, contracts, etc.?” Everyone stated “no.”

Mr. Marlowe: “Should a central entity be involved in campus politics related to student services?” Everyone stated “no.”

Mr. Marlowe: “Should a central entity be involved in facilities?”

Dr. Helms stated that it is very difficult for an entity to prioritize, but she thinks it would be wise to have an entity to organize needs. She has yet to see them recommend one building over another facility.

Dr. Godow asked if we want the central entity to decide for any particular building?

Mr. Marlowe: “Francis Marion University decides they want a Fine Arts Center. That is up to Francis Marion to decide. Should a central entity say they don’t need that?”

Mr. Ravenel: “What Bobby is talking about is CPIP. (1) State-wide ranking; (2) satisfied need of each institution. It is a question about how the information is used.”

Mr. Marlowe continued with the question, “Should a central entity be involved in enrollment?” Everyone stated “no.”

Mr. Ravenel stated that it has been handled through funding.

Dr. Helms: The general understanding is that the In-state and out-of-state enrollment ratio is 65/35. That comes to the goal of access for all students. It is also a resource problem. If underfunded, you look at any type of dollars to keep the program afloat.

Mr. Marlowe asked if there should there be a central authority to determine that? Or should it be the Board of Trustees to make a case and have a self-imposed limit as agreed upon? He would be open to a central authority coming in and establishing an overall limit, e.g., The Citadel is an institution that probably accepts as many academically qualified in-state students as they would like to attend The Citadel. Enrollment at The Citadel is 50% out-of-state. “ I favor no central authority controls for The Citadel but have their Board of Trustees establish limits to which they can abide.”

Mr. Marlowe asked if a central entity should control tuition? Everyone stated “no.”

Should a central entity control academic programs, approval, funding, or dismantling an academic program?

Ms. Carullo noted that CHE is the entity. Higher education institutions are currently required to seek licensing through CHE. Public institutions must have programs approved by CHE.

Mr. Ravenel stated that we are blessed with good leadership in the state across-the-board and that gives us more reason to do it right this time.

Dr. Helms: Should we ask for three responses to each of these questions? I would like to read the voices of those on the Advisory Group. At the next meeting we could hone in on some of the issues.

Dr. Godow: "The two questions we have looked at have different interpretations so I think what Bobby is doing is terrific. I don't understand the duplication issue at all. In higher education, why is there some magical formulation that the market can't take care of? There may be too many community programs in South Carolina. The market should take care of the duplications in those areas."

Dr. Walters stated that he thought the key point was that there was a perception of duplication, and we must do something about that. The public and the Legislature don't support increased resources for higher education because the perception is that it is fundamentally inefficient.

Mr. McNab stated that for five years there was no new money. Shouldn't CHE be the entity to go to the Legislature to get money?

Mr. Ravenel: "CHE doesn't currently have a lobbying effort. That is what implementation of the plan the Study Committee developed is about. How do we get the schools to come to some agreement? February 1 is the deadline."

Mr. Marlowe: "Dr. Helms made a good suggestion. Given Skip's comments, the Advisory Group members should answer the questions and put in your words what you think the question is, then answer it. My interpretation might be different than everyone else's. I suggest each person rewrite the question as to their interpretation and give an answer. I have one more question – Clemson, USC and MUSC would benefit most from this, but with a Board of Regents system, there is a central authority that collaborates with institutions to apply for the nation's largest grants. Should South Carolina have such an entity?"

Dr. Helms stated that we have that with EPSCOR which sets aside money for states that are underfunded and writes multiple institution proposals. Each of the research universities identify matching funds to bring strengths together. If you look at MUSC, USC and Clemson, they are all different, but there are people working in that area to bring all universities together to write a grant – someone to identify matching funds requested from the Federal Government – not someone to dictate it but to oversee it.

Dr. Walters noted that he has experience in helping to build research grant collaboration with some success. He doesn't think it would be a good idea to create new structures to do this.

Dr. DiGiorgio suggested a question for the Advisory Group's consideration: "Where should CHE authority be modified to enhance the implementation of a statewide plan or goals for higher education?"

Dr. Helms asked if the Legislature expects these questions to be addressed one by one?

Col. Eichelberger stated that he isn't sure, but his sense is that because the study group exists, some change to the system is required. He doesn't know if higher education is going to come out of this without losing some of their authority.

Mr. Marlowe asked that the Advisory Group go back to the original question. Everyone answer the 18 questions. It might be a helpful exercise, but don't spend unnecessary time on it. Most questions have already been answered because they spin off of question #1. Mr. Marlowe will collect the answers and distribute a summary. Next, he asked, "What's our next step? Where should be go from here? Not necessarily today."

Dr. Godow asked that everyone answer Dr. DiGiorgio's question. If we get those we can reflect on them and decide where to go next.

Mr. Marlowe: "Everyone do the exercise on the 18 questions and answer Tony's (DiGiorgio) question. Additionally, in terms of various responsibilities of different Boards of Trustees, there is one question that wasn't answered, maybe two. How can CHE facilitate grant applications? I think we answered the question on academic program duplication. That is the one area that is a sticky point. There are some negative perceptions, and the state is open to some criticism. How do you handle the question when it comes up? When the issue of duplication comes up, who handles it? Currently, no one does."

Dr. Godow asked how can we put teeth into the Commission so that it does speak for higher education without making it a regulatory body?

Dr. Blue asked "Where would CHE like to have more authority or teeth?"

Dr. Walters pointed out that the Commission has not used all of the authority it has.

Dr. DiGiorgio responded that he hopes the CHE authority will include authority to speak for institutions about larger issues.

Dr. Walters agreed. CHE has to create a reputation of having been successful in getting institutions to work together on important issues. We have to agree on the plan, roles and responsibilities. We need more coherence in the state budget.

Mr. Marlowe noted that Elizabeth Kassebaum and Julie Carullo will coordinate the next meeting date in early January.

Mr. Marlowe will get back to everyone with dates as early in January as possible. He asked everyone to answer Dr. DiGiorgio's question and formulate their own interpretation of the 18 questions and answer those.

Elizabeth Kassebaum distributed the "Authority of CHE" document to everyone and will make sure copies are distributed to Dr. Helms, Dr. DiGiorgio, Dr. Booth, Dr. Becker, and Mr. Fletcher.

Meeting adjourned at 3:30 p.m.

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ORGANIZATION AND PLAN IMPLEMENTATION ADVISORY GROUP  
Friday, January 4, 2008  
1:00 p.m.  
Lowcountry Graduate Center

Members in attendance:

Mr. Bobby Marlowe, chair; Col. Claude Eichelberger, Advisory Group Vice Chair; Dr. Amy Blue; Dr. David DeCenzo; and Mr. Jim McNab

Members participating by conference call:

Dr. Dori Helms, Advisory Group Vice Chair; Dr. Bob Becker, Dr. Ronnie Booth, Dr. Tony DiGiorgio, and Mr. George Fletcher

Members absent:

Dr. Skip Godow

Others Present:

CHE staff, Dr. Garry Walters and Ms. Julie Carullo; College of Charleston staff, Ms. Elizabeth Kassebaum, Secretary to Board of Trustees; Daniel Dukes, College of Charleston Special Assistant to the President; and Betty Craig, recorder.

Chairman Marlowe called the second meeting of the advisory group to order at 1:00 p.m.

It was moved (Eichelberger), seconded (Blue) and voted favorably that the minutes of the November 29, 2007, meeting be approved.

Chairman Marlowe began the meeting by reviewing comparison information regarding the Georgia Board of Regents and the South Carolina Commission on Higher Education. He stated that there are approximately 40 employees at CHE compared to 350 employees at the GA Board of Regents. He also stated that CHE's administrative budget is about \$3 million while GA's is \$50 million. He concluded that a proposal for a Board of Regents system is a proposal for a rather large state agency bureaucracy that would cost higher education in South Carolina rather than save dollars. Dr. DiGiorgio noted the comparison is similar when considering North Carolina.

Chairman Marlowe asked the members to discuss the questions from the Governor's Task Force report beginning with the first question (Question #2, See Attachment.): "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?" Chairman Marlowe noted the variety of responses and stated he had not responded in writing but his notes follow the consensus of the majority.

Members concurred that the consensus of the group is that South Carolina should not have a Board of Regents but that a central body should exist. There was general discussion about providing CHE with more coordinating authority.

Col. Eichelberger shared with the advisory group his perspective of the question as a member of the Governor's Task Force. He stated that when the questions were developed, a Board of Regents structure was not considered. He said that he believed the questions related to modifications or additions for consideration to CHE, as opposed to an entirely new entity.

Members asked whether the question that had been posed at the last meeting by Dr. DiGiorgio for consideration of the group (See Attachment, Question #1) should be answered. Chairman Marlowe stated that he would like to discuss that question last as he thought it could be better answered after reviewing the other questions.

Dr. Helms said if you review the four key words set forth in the question currently under consideration –authority, maintenance, implementation, and administration – and assume an entity like CHE, the role of the institutions in implementing the plan also needs to be given consideration. She stated that the problem is we do not yet have the plan. Dr. Walters agreed that implementation is with the institutions.

Chairman Marlowe asked the members to move to Question #3: “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)?” He stated his feeling that this question assumes the answer to the first question is “yes” and it is the responsibility of the group to determine what areas are left to the Boards of Trustees and what areas CHE should have authority over.

The members then discussed responses and discussed the role of the institutions in relation to mission and expectations. Dr. Helms noted that institutions have a mission and should be able to address their mission while a state plan takes into consideration overall what institutions are doing for the betterment of the state. Dr. Becker asked the group to think about the plan and the return on investments for the state and whether CHE or the market would “watch over” these issues.

Chairman Marlowe suggested that as the plan emerges, there needs to be a decision made as to what CHE has authority over that also enables continued flexibility as is the case now for institutions to pursue goals in their best interest.

Dr. Helms reminded the group of the three major goals that the committee has set forth – (1) increased educational level of people in South Carolina, (2) increased workforce development, and (3) increased attention to research and creative activities for improving economic development. Using enrollment as an example, she suggested that CHE's role would be to ensure management overall but that we would go to the institutions to determine their roles within the context of a plan. Dr. Walters agreed.

The consensus of the advisory group in answering this question was that there should be an entity charged with coordinating practices to ensure the interests are met collectively. It was then determined that Dr. DiGiorgio's response to the question, *Should CHE authority be modified to enhance the implementation of a statewide plan or goals for higher education, and if so, where?*, should be used as the basis for the response to the question under consideration. Members agreed. The referenced response follows:

Better communication among sectors could be facilitated by a well-respected body that convened leadership around common issues and/or emerging statewide needs and helped coordinate action plans among sectors –with institutions having the flexibility and freedom to act on those plans within their own regional contexts.

Likewise, a coordinating body could continue to fulfill an important role in: (1) assessing and documenting projected need for proposed new service initiatives -- such as new campuses, centers, programs, etc. – and how they would fit into the action plan for their respective sector; (2) providing cost/benefit analyses regarding such proposals, including the fiscal impact on existing providers/programs, and (3) serving as ultimate approval authority for such new initiatives, including proprietary enterprises that are or may seek public-sector funding without taking on public service responsibilities.

Chairman Marlowe proceeded to Question #4: “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?” Chairman Marlowe stated that his feeling was no and it should be left to each institution. He questioned whether the entity should have such authority as it would mean the entity could then override the individual institution’s established criteria.

Members discussed this issue noting that the entity should have authority coordinating the response to a goal of the plan but not for telling institutions exactly how they are to respond. Mr. McNab asked how funding, such as that which might come from a bond bill, should factor into the discussion. It was concluded that funding is a separate issue from the governance discussion. Dr. Walters stated his agreement with discussion that a plan needs to have practical goals that can be supported and with the issue of authority as discussed.

Col. Eichelberger advanced that he believed from the responses that the answer to each of the questions is “no” and questioned whether if that were the case if each needed to be considered separately. The group discussed the issue of authority as a factor contributing to the responses and agreed that the discussion should revert to the additional question posed relating to amending the authority of CHE.

Col. Eichelberger stated that folks have talked about changing higher education in South Carolina since 1985. He said he thinks that something needs to be done or we should stop talking about it (governance). He said that the state and citizens are caught in the middle and that it may be more helpful for a group like this to advance the idea of governance which is not a Board of Regents structure.

Chairman Marlowe stated that not all of the remaining questions can be answered “yes” or “no” and asked for consideration of Question #5: “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?”

The group then discussed the composition of CHE, selection of its members and whether modifications should be recommended. Mr. Ravenel explained the makeup of the Commission and statutory changes that had occurred in its composition. The Commission is made up of 13 voting members – 4 statewide gubernatorial appointments, 6 gubernatorial appointments nominated by legislative delegations by Congressional Districts, and 3 gubernatorial

appointments from each sector of public institutions – and 1 gubernatorial, non-voting appointment representing the private institutions. Unlike a majority of members of the boards of trustees across the institutions, none of the CHE members are elected by the General Assembly. It was explained that CHE members may serve up to two, four-year terms except for college representatives who serve a two-year term and that CHE meets on a monthly basis.

A discussion ensued about the inclusion of members representing the various sectors and also about the advantages and disadvantages of election of members by the General Assembly.

In regard to the sector representatives, the consensus of the group was that such membership is important. The group also discussed the importance of CHE members being knowledgeable about higher education. Several members noted it was essential that the CHE members know how higher education operates. It was suggested that if not, CHE's director would need a knowledgeable group to consult. The Council of Presidents was suggested as this entity. Dr. Helms suggested that there might be a body that is knowledgeable that could be used in evaluating the plan.

Chairman Marlowe reminded the group that South Carolina is a legislative state and that the governing entity needs to have a great deal of respect from the legislature. He suggested that since the legislature as a whole does not elect CHE members, CHE does not have as much clout as it could with the legislature. Chairman Marlowe said that the method of selection is critical to how much is accomplished in our legislative state and offered that the method we have now needs to be improved. Discussion of the selection method continued.

Dr. DiGiorgio stated these issues should be reviewed and others agreed. It was suggested that while the sector representation is appropriate that process issues could also be improved. Dr. DiGiorgio commented that a forum to bring the trustees together would be helpful in improving the understanding of the broader sector issues. Others agreed.

Dr. Walters agreed that the selection method should be changed if there is agreement that the current process results in CHE not having the appropriate clout it needed to be more effective with the legislature. However, he disagreed with what he thought had been suggested, which was that another body be created to oversee the plan implementation and evaluation. He commented that any additional entity over or alongside of CHE would only guarantee more chaos and uncertainty. While committed to building stronger roots for a good CHE, he could not support the creation of another entity to coordinate higher education, of which plan development is an integral part.

Dr. Helms suggested her comments may have been misinterpreted and said she was suggesting the need for strengthened staff experience in regard to higher education if CHE members continue to be appointed who do not have expertise in higher education. Dr. Walters agreed and said that he had several ideas about how we can get stronger participation from those with higher education backgrounds. Dr. Becker stated it would not hurt to have outsourced help. Dr. Walters agreed that advisory groups are beneficial but said that if they are independent of CHE, it creates overlap and confusion and begs the question as to whether you need CHE at all.

Dr. Becker explained the benefits of a group like the Southern Growth Policy Board noting that it did not have authority but was helpful to southern governors in reporting on trends.

Col. Eichelberger questioned the need for the legislature to elect CHE members since the legislature collectively elects the majority of trustees across the public institutions.

Chairman Marlowe said his opinion is that if we are to have a strong CHE that is more effective with the legislature then we need a board where the legislature elects the predominant number of members. Members continued to discuss issues regarding whether election of members would be beneficial. Advantages included a closer relationship with the legislature while disadvantages included reluctance of many qualified persons to get involved and creating a board mired in political issues. Different scenarios in regard to appointments were then discussed such as having a majority or minority of members elected or continuing with an appointed board but with a different configuration of appointments.

Mr. Ravenel reminded members that the advisory group is trying to come up with a system to implement the statewide plan and questioned whether it might be a question of how the members are ultimately instructed or informed. Discussion then followed about training programs for the CHE members. Dr. Helms suggested that one issue may be the people who serve need to be those who are respected and understand higher education. Col. Eichelberger questioned whether there were requirements in regard to knowledge of higher education for those elected to the Boards of Trustees. Chairman Marlowe stated there were not. Col. Eichelberger commented that a Board of Trustees has more impact on what happens to the individual institution than does the CHE. Chairman Marlowe then reviewed the relation of the board members to the president and knowledgeable institutional staff and commented on the importance of the diversity of the board member's experiences and related benefits that brings to the college's operations.

Chairman Marlowe stated the following should be considered for the CHE members: 6 members have residency requirements from Congressional Districts and be elected by the General Assembly; 2 members appointed, one by the President Pro Tempore of the Senate and the other by the Speaker of the House; 3 selected by sectors; and 2 appointed by the Governor. He then stated the chair should be elected by the body and there should be no term limits.

Chairman Marlowe acknowledged Dr. DiGiorgio's earlier comments on the sector appointments and stated that more effort needs to be put forth in regard to the sector appointments. Dr. DiGiorgio then explained that in the early 1990's, the Board chairs decided to meet periodically and elected a convener once a semester or a year and kept in touch. He said there was a sense that they knew each other but that in the late 1990's, this process went away.

Mr. Ravenel suggested that in selecting sector representation it should not necessarily be from members of the Board of Trustees of colleges involved and might be broadened to include others such as a past president. Mr. Ravenel also stated that he would like to see more business representation in the process but did not have a suggestion as to how that might be accomplished.

The group proceeded to discuss the importance of a knowledgeable CHE board members and staff in order to evaluate needs of institutions. Discussion about the appointment of an advisory group to assist in this process was explored. Mr. Ravenel noted that the Commission currently relies on advisory groups, for example, the Finance Officers, Academic Officers, etc. Dr. DiGiorgio commented that the presidents do not have a group and expressed hopes that there would be consideration of this in development of the plan and said additional opportunities for presidents to come together would benefit the process. Mr. Ravenel then noted the law provides for the Council of Presidents but that body had not met since Alex Sanders was chairman. Dr. DiGiorgio said he believed a plan could be an element to bring people together. Others agreed.

The group discussed what it would take to re-create the Council and process issues in regard to re-convening the Council. It was suggested that the plan might bring presidents together and improve the communication between presidents and others. It was suggested that the council might meet two times a year or more frequently depending on the plan and communication needed. The current statutory provisions were discussed and it was noted that the provisions would be confirmed regarding the current requirements. Dr Walters said he was aware of the problem described and that CHE has to build a much stronger lateral connections and focus less on regulation, except for a certain regulatory core, and move toward a more facilitative role.

Additional discussion focused on the statewide plan and the mission of each institution in reference to such a plan. Dr. Helms stated the advisory committee she was chairing would offer considerations in this area. The group discussed how the plan would get written. Mr. Ravenel reviewed with the advisory group where the study committee was in its process and the likelihood of completing work by February 1. He stated his plans to discuss this with the committee at their next meeting and to suggest an extension that would enable the report to be provided at later time during the session. He commented that this would provide the summer for discussion prior to the next legislative session. Mr. Ravenel stated that someone has to write the plan and Dr. Walters is probably a good choice to do the writing or the Thurmond Institute could possibly write a comprehensive plan. However, he noted that this advisory group is charged with plan implementation and that the study committee meets next on January 18 to discuss these issues and reports of the advisory groups.

Chairman Marlowe stated that different groups from the various institutions meet, e.g., business officers, provosts, Council of Presidents, Human Resources, research officers, Financial Aid officers, etc. If not already, it should be mandated that the Council of Presidents meet, at a minimum, two times a year and that CHE ensure it happens.

Chairman Marlowe then asked if there were additional questions or comments on the remaining questions being considered from the Governor's Task Force Report. Hearing none, he proceeded to a discussion of the additional question that had been suggested by Dr. DiGiorgio (Question #1, see Attachment): “Should CHE authority be modified to enhance the implementation of a statewide plan or goals for higher education? If so, where?”

Mr. Ravenel suggested CHE would be charged with the responsibility of monitoring the plan as the Higher Education Study Committee would ultimately go away and there would need to be an on-going process of evaluation. There was discussion as to whether or not the plan should be set forth in law and discussion regarding CHE as the entity with the authority to coordinate and implement to plan. Dr. Walters said that CHE should be responsible for coordinating development and implementation of the plan and that there would be no need to go to additional legislated authority before trying to accomplish this under current provisions. Reservations were expressed about having the General Assembly approve the plan in legislation. The importance generally of legislative support for the plan was discussed.

Chairman Marlowe surmised that the plan will be submitted, or not submitted, by the Study Committee and that the plan implementation should rest with the commissioners and CHE. He then turned consideration back to the question under discussion. He stated that his interpretation of the question is what authority/responsibility of CHE should be tweaked (improved). He stated that the group has agreed that CHE should not have authority over admissions standards, enrollment management including the mix of in-state to out-of-state student enrollment, tuition,

or budget and has discussed CHE authority on academic programs and facilities. He raised the question as to whether CHE needs some authority over approval of programs. It was stated that CHE has no authority to eliminate programs and that there is some input from CHE regarding facilities.

Col. Eichelberger questioned what needs to be in place to allow the CHE to ensure the plan will be implemented. Members agreed that it would be difficult to answer that question in the absence of a plan. It was noted that the body that implements the plan needs to be flexible and if you ensure that the body has whatever is needed to implement anything that is put into place, it will be implemented.

Dr. Walters stated that we need to get colleges and universities together under coordination of the Commission and try to solve them. He said he believed that you look for the authority only when you are not able to achieve things. He stated the need to focus first on getting people together to solve these issues and then consider if a change in authority is required—and that he was confident of success and skeptical that it would be necessary to seek more authority in the future. The Committee discussed CHE as acting as a facilitative body in convening the groups necessary to implement a plan and resolve issues as needed to do so.

Dr. DeCenzo commented that everything is fine if strong cooperation and collaboration exists in trying to implement the plan, but that we have to consider the degree of authority if this is not the case. Col Eichelberger suggested the need for something to be place in the event that it does not work noting that the Task Force and Study Committee are a result of that. Discussion of resolving any potential issues in regard to authority in advance continued.

Chairman Marlowe stated that the group had decided to answer this question and questioned if he was correct in assuming now that the group has determined it would not answer this question. There was consensus that the advisory group would submit this question (“Should CHE authority be modified to enhance the implementation of a statewide plan or goals for higher education? If so, where?”) to the study committee for resolution along with the plan. It was reiterated that the question could not be answered without first seeing the plan or knowing the problem that needed to be resolved.

Chairman Marlowe recommended that the advisory group write up a report to submit to the next study committee meeting on January 18<sup>th</sup>. The Study Committee could then review the work of this group and advise the group as to whether it will need to reconvene to answer any further questions. The members agreed. It was stated that a report would be drafted and that the members would receive a copy to review.

Chairman Marlowe then thanked the members for their work. He stated that he knew the issues discussed by this group were going to be very difficult for everyone and that he appreciated the thought, effort, energy, and time everyone has put into this advisory group. He said that he thought a lot of work was accomplished and asked members to accept his sincere appreciation for everyone’s input. Col. Eichelberger seconded his remarks. Dr. Walters then expressed his appreciation for the Chairman’s work stating that he had done a great job in leading through an exceptionally complex set of issues, and other members seconded the remarks.

There being no further business, it was moved (McNab), seconded (Blue) and voted favorably that the meeting adjourn at 3:15 p.m.

## Questions for Consideration of the Organization & Plan Implementation Advisory Group

1. Where should CHE authority be modified to enhance the implementation of a statewide plan or goals for higher education?

### **Governor's Task Force Final Report – Questions for Consideration**

The following questions are excerpted from pages 11-12 of the September 2006 final report of the Governor's Task Force on Higher Education. A copy of the full report is available at <http://www.che.sc.gov/HETF/HigherEdTaskForceHm.htm>.

2. 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?
3. 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)?
4. 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?
5. 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?
6. 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?
7. 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?
8. Should the entity hold authority to act unilaterally when such is necessary to ensure the Plan is appropriately implemented?
9. Should the entity enjoy state funding allocations such that the entity might stimulate Plan-driven action within sectors via incentives?
10. 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?

11. 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?
12. 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?
13. Should the entity hold authority to ensure that the state's enrollment needs are being served by each institution's enrollment plan and practices?
14. 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?
15. 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?
16. 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?
17. 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?
18. Should the entity hold authority to approve/disapprove an institution's plans for physical resource development to ensure compatibility within the statewide Plan?
19. 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?