

**Minutes of
HIGHER EDUCATION TASK FORCE**

May 5, 2006 (First Meeting)

10:00 a.m.

SC Commission on Higher Education Offices

Columbia, South Carolina

In attendance:

Task Force Members Present

Mr. Lyles, Glenn, Chair
Col. Claude Eichelberger
Ms. Alyson Goff
Dr. Bettie Rose Horne
Mr. Scott Ludlow
Mr. Jim Sanders
Mr. Mike Sisk

Office of the Governor

Governor Mark Sanford
Ms. Rita Allison
Mr. Gerrick Hampton
Mr. Joel Sawyer

CHE Commissioners & Staff

Dr. Layton McCurdy, Chairman
Dr. Conrad Festa, Executive Director
Mr. Ken Wingate, Commissioner
Dr. James B. Atkins
Mr. Mike Brown
Ms. Sandra Carr
Ms. Julie Carullo
Mr. Gary Glenn
Dr. Lynn Kelley
Ms. Lynn Metcalf
Dr. Gail Morrison
Mr. Clint Mullins
Dr. Mike Raley
Ms. Stephanie Reynolds
Ms. Beth Rogers
Dr. Karen Woodfaulk

Task Force Members Absent

Dr. Ray Greenberg
Mr. Tex Small

Other Guests

Mr. Charlie FitzSimons, *S. C. Independent Colleges & Universities*
Col. Curt Holland, *The Citadel*
Ms. Karen Jones, *Winthrop University*
Ms. Angie Leidinger, *Clemson University*
Dr. Phil Moore, *University of South Carolina*
Mr. Bryce Wilson, *S.C. Budget and Control Board*

Media Representatives

Mr. Jim Hammond, *The State*
Mr. Robert Kittle, *WSPA-TV*
Ms. MacKenzie Matthews, *WSPA-TV*

Meeting Called to order at 10:10 a.m.

1. Introduction of Task Force Members

Mr. Glenn, Chairman, opened the first meeting of the Higher Education Task Force. He welcomed Governor Mark Sanford and asked the members to introduce themselves.

2. Charge to the Higher Education Task Force

Governor Sanford opened his remarks by welcoming everyone and thanking each of the members for their time and participation. The Governor then explained his charge to the members. He noted that we must look to increase access to colleges and universities while ensuring that quality remains high. He indicated that there is a large percentage of State funding that is going to higher education relative to other states and that the cost to families is high relative to income. Tuition has been rising and there is consideration needed as to whether we are out-pricing availability of higher education in SC. The Governor remarked that improved cooperation and collaboration within higher education is one way to address the issues. The Governor reviewed several charts he had brought regarding South Carolina tuition and fees and higher education expenditures relative to other states nationally and regionally. He indicated that we should search for possible management practices that could help. He asked the group to work to find solutions that can work politically, but that they should not feel constrained by politics and look at different choices. For example, if the answer to the group appears to be to put more money in institutions then the recommendation should address whether that money would come from. Upon delivering his charge to the task force, he again thanked the members and left the meeting.

3. Approval of Work Plan

Mr. Glenn requested that members indicate whether there was general consensus for the draft work plan proposed. There was general consensus around the plan and Mr. Glenn indicated that they would proceed accordingly and could make changes as appropriate as work progressed. Mr. Glenn then requested that the guests present introduce themselves.

4. Presentation by Dr. Conrad Festa, South Carolina Commission on Higher Education

Dr. Festa presented information on the higher education system in South Carolina. His presentation covered information including: the numbers and locations of higher education institutions, enrollment, SAT scores of incoming freshmen, retention and graduation rates, mission of higher education in SC, mission of sectors of institutions and funding. In regard to funding, data, information on appropriations, tuition and fees, non-educational and general items, capital projects and scholarships were reviewed. He closed his presentation with a review of primary sources of higher education funding data including SREB information and a national finance survey conducted by the State Higher Education Executive Officers (SHEEO). Dr. Festa compared these figures with the National Association of State Budget Offices which the Governor had referenced earlier. *See presentation handout for details. A copy is available upon request.*

Mr. Sanders requested additional information as to institutional support in SC compared to other states including GA, NC, and KY (p.30 of the presentation). Discussion ensued regarding p.31, and it was indicated that the information is a critical starting point. Mr. Sanders noted too that information on page 35 for GA, NC and KY would also be helpful.

Mr. Glenn then asked specific questions about required fees and whether they are becoming more pervasive. Ms. Goff noted that from her perspective as a student she believed they had. Mr. Ludlow explained required fees and differential fees. Discussion of this followed. Dr. Horne requested additional information on the Academic Common Market with regard to waivers. Mr. Sanders requested additional information on bonds, and Ms. Metcalf said she would try to put it together.

Following Dr. Festa's presentation and brief discussion, Mr. Glenn called for a five minute break. After the break, Dr. Festa identified and thanked CHE staff including Dr. Gail Morrison, Ms. Lynn Metcalf, Dr. Karen Woodfaulk, Ms. Julie Carullo, and Ms. Rita Allison and urged Task Force members to use the staff and him as resources. Mr. Glenn then requested that each member take about five minutes to provide questions for further consideration or comments. Summary information regarding the questions posed and comments made by each member are reflected below.

Question (Q), Answer (A), and Comment (C) session from each Task Force Member:

Dr. Bettie Horne

Q: Is it correct that we went from 80%-20% student-to-state support funding formula to a formula based on 50-50?

A: Dr. Festa responded that that was correct, and it was a recent change in the formula used by CHE and institutions to determine the State share of funding.

C: If possible, I'd like to get the total lottery breakout for higher education Higher Education from the lottery.

Mike Sisk

C: "It'd be helpful to see comparisons of the institutions expenditures back to the year 2000."

Q: "Is there anyway we can look at capacity and excess for each institution?" "Is there anyway to determine the excess capacity so we can identify what is or isn't utilized"? We would need to take a holistic approach and include consideration of capacity in instruction and in facilities.

A: Ms. Metcalf indicated that staff could work on something. There was a brief discussion as to identifying gross versus utilized space.

Jim Sanders

C: Higher education is at a critical point in regard to cost, tuition, and lottery funding. Costs for higher education and the needs for higher education in South Carolina are of concern. Early indications are that we are competitive, but higher education is more than just the financial.

C: Somehow, we need to look at this from not only a money perspective, but a quality perspective as well. Once we see the needs and determine the costs then we need to figure out how we pay for it.

C: Not all states are at the same levels in terms of what they can afford. We need to find out how much the State can afford to put into higher education as well. There is a concern if South Carolina cannot or will not pay for higher education.

C: I believe there is a train wreck coming if South Carolina cannot or will not pay for what we need in higher education.

Mr. Glenn then commented that he wants to look at the trends in the supply and demand side in regard to numbers getting through K-12 and graduating from high school. Dr. Horne requested that, if possible, home school students be included in the numbers.

Scott Ludlow

Q: "Can we find out how much of the student debt level issued from institutions is used to pay educational and general expenses?"

C: Thought institutions might be shifting more debts to students because of the lack of bond funds. Ms. Metcalf indicated that there hasn't been a significant change since 2001.

Q: "Are we keeping our students in the State after graduation, or are they leaving?"

Alyson Goff

C: It would appear that private institutions receive more need-based aid than public institutions.

Q: "Do we know what we are getting from the independent institutions which have students who receive State scholarships and need-based aid? Is there accountability?"

Mr. FitzSimons, President SCICU, indicated that he would, at the pleasure of the chair, prepare a presentation regarding the independents.

Col. Claude Eichelberger

C: "I'd like to see the organization of higher education in South Carolina vs. other states"

Q: "Are the schools audited every year?" A: Yes

Q: "Can we get some statistics on cohorts and FTEs?"

(Copies of CHE documents "SC Higher Education Statistical Abstract" and "A Closer Look at Public Higher Education in South Carolina" were handed out to the members at this time. Copies of institutional mission statements were also distributed.)

Lyles Glenn

C: "I'd like to see some history on the treatment of mission statements and chronology and how "mission creep" occurred."

C: "I would like to see some statistics on scholarships"

Q: "What material attempts have there been to change Act 359?"

Mr. Glenn announced that the next meeting will be on Thursday, June 1, 2006 from 1:00 pm - 4:30 pm. It was determined that an agenda item would be added for a future meeting regarding student loans and debt and that meeting times would be increased 30 minutes for each meeting.

The meeting was adjourned at 1:00 p.m.