

**Minutes of  
HIGHER EDUCATION TASK FORCE**

**June 1, 2006 (Second Meeting)**

**1:00 p.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. Ray Greenberg  
Dr. Bettie Rose Horne  
Mr. Scott Ludlow  
Mr. Jim Sanders  
Mr. Mike Sisk  
Mr. Tex Small

**Task Force Members Absent**

none

**Office of the Governor**

Mr. Chris Austin

**CHE Commissioners & Staff**

Dr. Conrad Festa, Executive Director  
Ms. Camille Brown  
Ms. Julie Carullo  
Mr. Gary Glenn  
Dr. Lynn Kelley  
Ms. Lynn Metcalf  
Ms. Cyndi Mosteller, Commissioner  
Ms. Beth Rogers  
Ms. Karen Wham  
Dr. Karen Woodfaulk

**Other Guests**

Dr. Bob Becker, *Strom Thurmond  
Institute of Government & Public Affairs*  
Ms. Priscilla Burbage, *College of  
Charleston*  
Mr. Charlie FitzSimons, *S. C.  
Independent Colleges & Universities*  
Col. Curt Holland, *The Citadel*  
Mr. Sam Jones, *College of Charleston*  
Mr. Wayne Landrith, *S. C. Independent  
Colleges & Universities*  
Ms. Beth McGinnis, *Clemson University*  
Mr. J. P. McKee, *Winthrop University*  
Ms. Amanda Magshoud, *Winthrop  
University*  
Mr. Phil Moore, *U.S.C. - Columbia*  
Ms. Rose Pellatt, *Spartanburg Technical  
College*  
Mr. Eddie Shannon, *Tuition Grants  
Commission*  
Mr. Bryce Wilson, *S.C. Budget &  
Control Board*

**Media Representatives**

none

Meeting called to order at 1:25 p.m.

## **1. Opening Remarks: Lyles Glenn**

Mr. Lyles Glenn opened the meeting and had members of the Task Force and guests introduce themselves. He offered a special thanks to Ms. Julie Carullo and Mr. Gerrick Hampton for their assistance in getting ready for the meeting and congratulatory remarks to Dr. Conrad Festa on his appointment as interim president of the College of Charleston.

## **2. Approval of Minutes from May 5, 2006**

Mr. Glenn noted that although there were not any issues with the draft May 5 meeting minutes, he would like them resubmitted and approved at the next meeting along with the present meeting minutes. He requested that the minutes be more detailed in nature for the benefit of the work of the Task Force.

## **3. Presentation: Dr. Bob Becker from the Strom Thurmond Institute**

Dr. Bob Becker, Director of the Strom Thurmond Institute of Government and Public Affairs at Clemson University delivered a presentation on demographics and trends in South Carolina and their implications with regard to higher education. *(A copy of the presentation, "The SC - US Income Gap with Some Migration Trends" will be filed with the minutes for reference and is available upon request.)*

A few of the key points include:

Only about 33% of high school graduates relative to a population in South Carolina go on to college. The national average is between 40 - 60%. Our colleges in SC, however, graduate students at a higher level than the national average – 54% graduate compared to the national average of 50%. There appears to be a problem with the K-12 education pipeline and getting students through high school.

The smaller the gap between the income of a South Carolina county and the U. S. average income is directly related to a significantly larger portion of its population who have attained a bachelor's degree or higher. The percent of county population over 25 with at least a baccalaureate degree and the percent of county population over 25 without a high school diploma can explain almost 79% of difference between the ratio of SC per capita income to US per capita income.

On the level of degree attainment, SC was close to or at the national average of income for students with a high school diploma or less. However, for individuals with a degree beyond the bachelor's level, there was a significant difference in the income level of South Carolinians as compared to the national average.

While per capita income is an important indicator, the significance of the level of individual wealth is also an important indicator to consider with regard to the state's economic well-being. Dr. Becker noted that SC has out-migration of single young people

with bachelors degrees but in-migration of young married couples with bachelors degrees.

There was discussion among members and Dr. Becker regarding whether jobs bring the degrees or degrees lead to jobs and as to the impact of age. It was pointed out that pools of talent draw interest but also create opportunity. It was indicated that different states have used different strategies – increasing pool within the state’s citizenry (TX, WA) versus increasing the pool by attracting people into the state.

#### **4. Presentation by Dr. Conrad Festa on the SC Commission on Higher Education and Its Authority and Statewide Planning**

Dr. Festa began his presentation by discussing with members a 1979 Master Plan for Higher Education in South Carolina. He pointed out that several recommendations and concerns made then are similar to those today. He then proceeded to provide history and background information regarding the CHE’s organization and function as well as its role and authority. Dr. Festa reviewed CHE’s function as a coordinating board, those it serves, the breakdown of the CHE to the standing committees, and CHE’s authority by functional area. Dr. Festa proceeded to review CHE’s areas of responsibility in regard to academic issues, finance, student services and access and equity. Following a general discussion regarding capital improvement projects, Mr. Glenn call for a five minute break. Following the break, Dr. Festa continued to review CHE’s legal authority in regard to planning and the actual process and planning that has taken place. *For details, see a copy of Dr. Festa’s presentation which is filed with these minutes and is available upon request.*

Upon completion of the presentation, Mr. Glenn called for a question and answer period with Dr. Festa to discuss further any concerns or questions. Mr. Glenn requested that Mr. Sisk distribute two reports of interest that he had shared with the Task Force members.

The following reflects the questions and discussion of Task Force members that ensued:

**Dr. Horne** made reference to several documents which had been previously developed regarding a plan for higher education in South Carolina and stated that what is now needed is follow-up to those documents rather than the creation of a new one.

**Dr. Festa** commented that the support of the Legislature would be absolutely necessary in order for the work of this Task Force to be successful.

**Mr. Ludlow** stated that he did not view the state of higher education in South Carolina to be in a crisis situation. He indicated that he sees a cost shifting and pondered whether there is an recognition that a shell game is being played where funding is taken from institutions, given to students and tuition is raised to balance the loss. He commented that for higher education significant costs include people and facilities. He said that, if there is an urgency to change things, is it time to stop tweaking around the edge or is it time to do something significantly different?

**Dr. Greenberg** stated that the real issue is positioning South Carolina for the future and getting into a 21<sup>st</sup> century mentality about higher education because it is going to affect us greatly in the future.

**Mr. Ludlow** made reference to the current higher education system in Ireland and suggested that it be used as a model for South Carolina.

**Mr. Sanders** stated that a starting point is needed. He expressed that he believes there is a crisis. He commented that he was not certain if tuition was too high or low but that first there is a need to address the question as to what higher education needs to look like over the next number of years and what it costs to provide the “quantity” and “quality” needed.

**Mr. Sisk** stated that in business, consideration begins with the revenue side of the equation rather the cost side. He suggested that the best approach might be to determine what the revenue stream is and how should available capital be allocated to operate most efficiently within that stream.

**Dr. Greenberg** commented that it’s a mistake to say that institutions haven’t been responsive to the dramatic reductions in funding over recent years. He commented that institutions have been effectively dealing with the losses and that increases in tuition have not completely offset the losses.

**Mr. Sisk** said that the question to ponder is what is the incentive for an institution to operate at maximum efficiency so that its appropriations are more adequate?

**Col. Eichelberger** asked whether educating the population of South Carolina is an expense or an investment and if it is an investment what is the return. Conversation about this question followed.

**Mr. Sanders** stated that if the goal is to make higher education available to anyone in South Carolina who has the desire to go to college, it would be necessary to project that number of students and determine what revenue will be generated. Conversation about this followed.

**Mr. Sisk** commented on some material he had recently studied which presented interesting statistical information about status of higher education in North Carolina. He noted that he found that NC had 16 state institutions and we have 13 and their population is double compared to ours. He stated that their costs are fixed and questioned how they are able to keep tuition low compared to SC.

**Mr. Small** stated that the Task Force should look at the facts and the myths and make sure that the myths are dispelled, so that something positive would result.

**Mr. Glenn** stated that the Task Force is starting with a blank slate and that the Governor and the Legislative leadership are looking for the something that comes from an entirely different approach. He also stated that the Task Force needs to establish a commonly accepted

credible baseline - how do you determine the need and cost? If the plan is to work, it has to receive the support of the Legislature. Mr. Glenn reminded the group that the Governor was not looking for every answer at its first stopping point.

**Mr. Glenn** then commented on the extent of the CHE's actual authority which he found supervisory in nature except for selected approval authority over mission and programs. Dr. Festa and Ms. Metcalf offered some additional information regarding approval authority of CHE as related to capital improvement projects.

**Col. Eichelberger** commented that it appeared that the CHE had very little authority. He asked what the demand for higher education is in South Carolina. Ms. Metcalf responded that enrollment projections had not been done. It was noted that although South Carolina has a low graduation rate from high school, SC students who graduate from high school go on to college at the rate of 60-65% which is high compared to the national average. If problems in the K-12 pipeline could be solved and SC improved the numbers graduating from high school, another approximately 7,000 students would be available for college if we kept our college-going rate steady.

**Dr. Festa** commented on current State initiatives which are working to resolve the problems of the K-12 pipeline, but that the resulting number of additional students who will attend college if the initiatives are successful cannot yet be determined.

**Col. Eichelberger** stated that he believed it was important to include in the Task Force's baseline average South Carolinians, the people who support the state's economy.

**Mr. Glenn** then asked Dr. Festa what he would define as the four or five principle determining issues which are so pervasive that they affect all of higher education dialogue.

**Dr. Festa** responded with the following information:

- 1) What does it mean to be a public institution? What support of the institutions will the public assume and what part will be left for the institutions to be responsible for?
- 2) Is there a Statewide plan? Do we really know what the state wants for its citizens?
- 3) Be aware that all education is economic development as well as personal development. We must recognize that and meet those demands.
- 4) As much autonomy that can be granted to institution is not a bad thing. However, with autonomy comes a great deal of responsibility. The only way to get that autonomy to really work well is to set funding that the institutions must live within.

**Mr. Small** stated that the College of Charleston is good model of efficiency in terms of the administration of its funding. He commented that he would like for members of the Legislature to be more specific in defining what they see as being broken in higher education.

**Dr. Horne** inquired about how programs were discontinued at the College of Charleston. Were the number of students enrolled and the amount of money being spent considered or were the programs already basically dead before they were eliminated? **Mr. Small responded** that costs and demands were considered. **Dr. Festa** stated that adjunct professors are usually the ones whose positions are eliminated when programs are cut.

**Dr. Greenberg** asked whether the issue of duplication is significant and can we be specific about where it exists? **Dr. Festa** responded that, though South Carolina has a relatively high number of institutions, it does not mean that they are not needed. He said that closing some institutions would not necessarily realize any economic advantage, but combining some would. He also stated that the CHE works diligently and has done a great job in preventing needless duplication. Conversation followed about there being room for more collaboration among the institutions.

**Dr. Greenberg** asked if Dr. Festa would be willing to put something in writing about the governance issue from his perspective. What are Dr. Festa's recommendations in terms of oversight in higher education? **Mr. Glenn** asked Dr. Festa if he would provide that information and Dr. Festa agreed. **Dr. Festa** then emphasized that he believes there is an absolute need for a higher education oversight agency.

**Mr. Glenn** stated that the next meeting of the Task Force would take place on Thursday, June 8, 2006, beginning at 10:00 a.m. He indicated several invited guests will make remarks and provide an opportunity for questions.

The second meeting of the Higher Education Task Force then adjourned at 4:30 p.m.