

**Presentation
Commission on Higher Education
Main Conference Room
Columbia, S.C.
Thursday, Aug. 6, 2009
10:30 a.m.**

1. Introduction

Good morning. I appreciate the opportunity to tell you a little about the College of Charleston.

But before I do that, I would like to make a couple of comments about our public higher education in South Carolina.

From a financial perspective, this past year was extremely difficult for nearly everyone in public higher education across the U.S. But here in South Carolina, we may have suffered the most. It wasn't just the nearly 25 percent appropriation cuts we experienced. It was the fact that these cuts were made to budgets that were already seriously underfunded. Our state has for years undervalued and underfunded its higher education system.

The only really good news over the past year – and the only real hope that we have – is the vision for change laid out in the Action Plan from the Higher Education Study Committee. It has given us a framework from which to begin a more open and collaborative dialogue about improving our public higher education system and overcoming our “undervalued and underfunded” status.

I applaud and thank the Commission and the study committee's members for their hard work on the Action Plan. We owe it to our universities, and our state to push for the implementation of these recommendations.

It is my hope that this plan will encourage all of our presidents to focus more on our system of higher education and somewhat less on our individual institutions. We should initiate an open forum for the presidents and the Commission to discuss collective strategies aimed at achieving the Action Plan's goals. I'm still new to the state, but I have yet to see all of the presidents in the same room at the same time ... let alone all the presidents and the Commission! We have a lot of dry powder that is not being used.

Our overriding goal should be to convince our legislators and all South Carolinians that their futures and the quality of life in South Carolina are dependent on significant investments in higher education. That's a drumbeat that must start now and never stop.

2. Budget Cuts

The College of Charleston lost nearly \$9 million in funding over the last 13 months, almost one quarter of its state appropriation.

We weathered the multiple rounds of budget reductions through cuts to our reserve and operating budgets, and by giving back open faculty and staff lines. So far, we have eliminated a total of 56 vacant positions: 39 staff and 17 faculty.

Financially speaking, the College is practically a private institution, receiving only 12 percent of its budget from the state. The cuts left us no choice but to turn to tuition increases. It is the only mechanism we have to generate the revenue necessary to meet our obligations to our students, their families, and our dedicated faculty and staff.

Of course, we also have an obligation to keep tuition rates affordable. Each year our trustees struggle to strike a balance between setting tuition rates that allow us to maintain the value of the degrees we award while not pricing students and their families out of a college education. This balancing act prevents us from adequately investing in the improvements necessary to keep pace with universities in other states. So we fall further and further behind our counterparts in North Carolina, Georgia, Virginia, and elsewhere.

If we continue to fail to make these important long-term investments, South Carolina's young people will seek advanced education in states that do. We also risk losing our best faculty, who will leave the state in search of better opportunities. As students and faculty leave South Carolina, our universities would be forced to lower admission standards to keep students and money coming in the door. The resulting decline in quality will cause even more students to shift to out-of-state universities. In response, admissions standards would be lowered again. Before long, our higher education system would be in free fall – a downward spiral toward mediocrity.

3. Stimulus money

The infusion of federal stimulus money was a godsend. There's absolutely no question that this money helped the College of Charleston's Board of Trustees to hold down its tuition increase.

We owe a debt of gratitude to you and the executive director for your leadership during the debate over South Carolina's acceptance of the stimulus money. You made a strong case for the stimulus money, and, thankfully, common sense prevailed. It is providing a badly needed funding bridge to help us through this difficult economy.

We intend to use our share of stimulus money – \$ 4.6 million each year for two years – for important non-recurring academic and infrastructure needs. For example,

deferred maintenance is a huge problem for us, in part because we are located in the most expensive city in the state.

Not only must we contend with state regulations, but we are subject to Charleston's strict zoning, building and renovation rules for historic buildings. The College has 74 buildings over 100 years old and several that are over 200 years old. The College's estimated deferred maintenance exceeds \$100 million.

The College also plans to use a portion of its stimulus funding to move forward on developing academic programs at Dixie Plantation. Located 17 miles south of Charleston, along the Atlantic Intercoastal Waterway, Dixie Plantation consists of 862 acres of saltwater marsh, tidal flats, hardwood forests, wetlands, and grassland savannahs. This ecological gem was bequeathed to the College of Charleston Foundation in 1995 by the late conservationist, ornithologist, and artist John Henry Dick.

The College's vision for this spectacular property revolves around environmental, scientific, and multidisciplinary educational opportunities that showcase and promote environmental sciences and sustainability.

4. Ongoing Activities/Achievements

We have a lot to be proud of at the College of Charleston. We continue to set records in the number of student applications.

We received more than 11,000 freshman applications for the coming fall semester. This is a nearly 12 percent jump over last year. We are on track to welcome our largest incoming class in the College's history – some 2,145 new freshman and 704 transfer students.

Just last month, The Princeton Review named the College of Charleston one of the nation's best institutions for undergraduate education. I'm not a big fan of college rankings, but this particular one is based on statements and input from currently enrolled students. That makes it a little more important than most rankings.

We are continually working to improve the College and raise its national profile. To that end, we are in the final stage of developing a strategic plan that will guide the College through the next decade.

In drafting this blueprint, we sought to gain input from every on-campus and off-campus constituency – everyone with a stake in the College's future. This bottom-up approach was time-consuming, but I'm happy to report that we have drafted overarching goals and specific strategies that truly represent a shared vision for the College. We plan to bring the final plan to our Board of Trustees for approval this fall. And I look forward to sharing it with you.

Once approved, the strategic plan will guide everything we do at the College. I've developed similar plans for the business schools at Minnesota, Rutgers, and the University of Georgia. In each case, those plans led to a significant elevation in resources of the institution. I'm confident we'll achieve similar results at the College.

I want to briefly update you on our building projects. We opened the new Carolina First Arena in November. This 5,100-seat facility is home to our men's basketball team and women's basketball and volleyball teams.

Later this month, we will hold our opening convocation in the arena for the first time. And in January, our men's basketball team will host the defending National Champion North Carolina Tar Heels ... and the tickets are going fast!

We are also nearing completion of two new buildings that literally define our core academic mission: arts and sciences. The Marion and Wayland H. Cato Jr. Center for the Arts is on pace to open by spring semester. Our existing arts building, the Albert Simons Center, was built in the 1970s when the College had fewer than 800 students enrolled in arts programs.

Today, in any given semester more than 4,800 students are enrolled in courses at the School of the Arts. The new building will feature an art gallery, music rehearsal studios, dance studios, lighting studios, painting studios, and photography studios – some of them with breathtaking views of Charleston.

And our new Science Center is slated to open by the end of this calendar year. This 126,000 square-foot facility will house state-of-the-art research and teaching laboratories for our Department of Chemistry and Biochemistry and eventually the Department of Biology.

These two buildings alone represent an \$85 million investment in the College and demonstrate our ability to balance growing needs at the College against the limitations of an urban and historic setting. It can be challenging!

By the way, the Science Center will open for use with only the first and third floors completed. The second floor is mostly a shell and will be completed in a second phase as more resources become available. For this reason and for major renovation needs that exist in our current science building, the College strongly encourages passage of a bond bill for capital projects.

5. CHE Action Plan

The need for a bond bill is one of many important recommendations set forth in the Action Plan that you released in April.

As I implied earlier, the Action Plan is thoughtful, detailed and ambitious. But in order for it to affect any real change, state lawmakers must read it and take it

seriously. I would start by drawing their attention to a sentence in the report's conclusion that appears under the heading "Investing More in Higher Education."

It reads: "South Carolina must become one of the most educated states, increase research and innovation, and increase workforce development and educational services if it wants to avoid becoming the equivalent of a third world country inside the United States."

That's strong! I can't think of a more sobering warning. As a relative newcomer to the state, it is astonishing to me that South Carolina continues to undervalue its higher education system given what's at stake.

I have publicly stated my support for the Action Plan a number of times. In March, prior to the release of the full report, I called attention to the Committee's preliminary findings in a speech to more than 500 Charleston area business leaders. (I believe copies of that speech were distributed to you). Following the release of the final report in April, I was quoted in The State newspaper endorsing the plan's goals.

It's encouraging that virtually every university president in this state is united behind one of the plan's key recommendations – regulatory relief for higher education. This long overdue reform would eliminate some of the administrative hurdles and redundancies we contend with in areas such as procurement, hiring, and facilities construction. A state struggling to make ends meet can't afford to cling to outmoded ways of doing business.

6. Conclusion

In conclusion, the Action Plan provides a clear strategy for improving higher education. I believe it is our job – this Commission and all of the presidents – to see that the Action Plan becomes a top state priority.

I would respectfully ask this Commission to consider creating a forum (annual or semi-annual) that engages all the presidents in open and candid discussion about the realities we face and our common interests in improving public higher education. Working together over the long haul, we may be able to finally end the era of undervalued and underfunded higher education in South Carolina.

Thank you for inviting me to speak. I will be happy to answer any questions you may have.