

SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION  
1333 Main Street, Suite 200  
Columbia, S.C. 29201

***Minutes of the Meeting\*\*\*\****

**May 6, 2010**

**10:30 a.m.**

**Commission Members Attending**

Dr. Bettie Rose Horne, Vice Chair  
Dr. Doug Forbes  
Mr. Ken Jackson  
Mr. Jim Sanders  
Mr. Bill Scarborough  
Mr. Chuck Talbert  
Mr. Hood Temple  
Mr. Neal Workman  
Dr. Mick Zais

**Commission Members Absent**

Dr. Raghu Korrapati  
Ms. Cynthia Mosteller  
Mr. Guy Tarrant  
Dr. Charles Thomas  
Mr. Ken Wingate, Chairman

**Staff Present**

Dr. Garrison Walters, Executive Director  
Dr. Argentini Anderson  
Ms. Laura Belcher  
Ms. Courtney Blake  
Ms. Julie Carullo  
Mr. Derrah Cassidy  
Ms. Lorinda Copeland  
Ms. Sjanna Coriarty  
Ms. Lucy Fort  
Mr. Gary Glenn  
Ms. Lane Goodwin  
Dr. Paula Gregg  
Ms. Trena Houpp  
Ms. Erin Konkle  
Ms. Rae McPherson  
Ms. Lorna Manglona-Williams  
Dr. Gail Morrison  
Mr. Clint Mullins  
Ms. Yolanda Myers  
Dr. Mike Raley

**Guests**

Dr. Michael Amiridis, USC Columbia  
Mr. Jeff Bauer, Lander University  
Dr. Joyce Blackwell, SC State University  
Ms. Mary Ann Byrnes, USC Columbia  
Mr. Brian Clark, Andrews Elementary School  
Mr. Tom Covar, Lander University  
Dr. Anthony Coyne, USC Sumter  
Ms. Jacqui DiMaggio, Greenville Technical College  
Dr. Helen Doerpinghaus, USC Columbia  
Dr. Bert Ely, USC Columbia  
Dr. Kris Finnigan, USC Columbia  
Dr. Simon Hudson, USC Columbia  
Dr. Debra Jackson, Clemson University (phone)  
Dr. Mary Anne Fitzpatrick, USC Columbia  
Ms. Nicole Ford-Jennings, SC Budget & Control Board  
Dr. George Hynd, College of Charleston  
Dr. Sheryl Kline, USC Columbia  
Mr. Dave LeGrand, York Technical College  
Mr. Mike LeFever, SC Independent Colleges & Universities  
Ms. Beth McInnis, Clemson University  
Dr. Brian Mihilak, USC Columbia  
Lt. Col. Tara McNealy, The Citadel  
Dr. Rhonda Mack, College of Charleston  
Mr. John Malmrose, Medical University of SC  
Mr. Tom Nelson, Lander University  
Mr. Steve Osborne, College of Charleston  
Ms. Jennifer Pearce, Medical University of SC  
Mr. Scott Poelker, Trident Technical College  
Ms. Jen Phelps, SC Association of Technical College Commissioners  
Ms. Sandra Powers, College of Charleston  
Mr. Steve Osborne, College of Charleston  
Mr. Dan Ravenel, College of Charleston  
Ms. Hope Rivers, State Technical College System  
Dr. Alan Shao, College of Charleston  
Ms. Christine Smalls Brown, Medical University of SC  
Dr. Calvin Williams, Clemson University  
Ms. Sandy Williams, Coastal Carolina University  
Mr. Hayes Wisner, Technical College of the Lowcountry

**Members of the Press**

none

\*\*\*\* ***As requested by Commissioner Forbes at the June 4, 2010, CHE meeting, minutes revised to include attached transcription of the audio tape portion of the discussion about Agenda Item 8.02A2, the M.B.A. program at the College of Charleston.***

The meeting was held in accordance with the Freedom of Information Act.

## **1. Introductions**

**- Julie Carullo**

Ms. Carullo introduced all in attendance, all of whom are listed above.

## **2. Approval of Minutes**

A **motion** was made (Workman), **seconded** (Sanders), and **carried** to approve the minutes of the April 1, 2010, CHE meeting.

## **3. Chairman's Report**

**- Bettie Rose Horne**

Vice Chair Horne presided over the meeting as a previous commitment prevented Chairman from being present. She noted that the 2010 Higher Education Hall of Fame Banquet would take place on October 7. She also encouraged Commissioners to consider becoming a member of the Lightsey Society if they had not already done so.

## **4. Report of the Executive Director**

**- Garrison Walters**

Dr. Walters reported he would be speaking to the Columbia Association of Contractors that evening about the importance of higher education to the economy and that he had several other similar presentations scheduled in the near future. He offered congratulations on the 50<sup>th</sup> anniversary of the invention of the laser, created by university-based scientists on May 16, 1960. The laser is a great example of how basic scientific research can transform our society. Dr. Walters then spoke about the importance of the unity of education, emphasizing the necessity that individuals have a post-secondary credential in order to stay current with today's economy. People who stop their education at high school are in danger of becoming knowledge economy dropouts.

## **5. Legislative Report**

**- Julie Carullo**

Ms. Carullo reported that the 2010 session of the General Assembly was scheduled to end on June 3. She stated that the Senate has completed its work on the budget and has sent it back to the House for consideration, after which it will go to conference committee if there are still differences in the two versions before being sent to the Governor for signature. Ms. Carullo stated that the Senate budget recommendations for higher education are similar to the House recommendations, though they differ in how they provide for the anticipated growth of scholarships. While both versions fully fund the scholarships for estimated growth next year, she explained that due to additional reductions necessary as the Senate considered the budget, some of the recurring funds for the programs were shifted to the lottery as the first priority in the excess unclaimed prize funds. She also commented that several new provisos were added during the Senate floor debate on the budget including: 1) a provision requiring institutions to report within 30 days of acting on tuition and fee increases; 2) a provision requiring institutions to post their audited financial statements online and link to procurement card information if posted by another state office; and 3) a proviso to create a study committee for the USC law school. Additionally, she noted a new proviso was added to create a legislative study committee to consider the reorganization of state agencies. In response to Commissioner Sanders' inquiry concerning the reduced estimates available to the Senate, Ms. Carullo explained that the Senate had approximately \$125 million less than had been included in the House budget due to a reduction in revenue estimates for 2010-11 relating to overstated revenues and due to an accounting discrepancies concerning information on balances of the Department of Health and Human Services discovered after the House passed its version of the budget. Ms. Carullo also reported that the regulatory reform bills are still on the Senate calendar and that it is not anticipated they will be acted on during the current legislative session. She also stated that legislation to raise the cigarette tax by fifty cents had passed and would be considered by the Governor who was expected to veto the legislation and reminded Commissioners that legislation had been enacted and was being implemented that reformed and restructured the Employment Security Commission as a cabinet agency under the Governor

Vice Chair Horne then recognized Mr. Dan Ravenel, a former CHE commissioner and Chairman of the Higher Education Study Committee (HESC) and presently a member of the College of Charleston Board of Trustees.

Mr. Ravenel thanked the Commission for their continued efforts toward the implementation of the HESC's Higher Education Action Plan's recommendations.

## **6. Presentations**

- A. Nature-based Inquiry (Improving Teacher Quality Grant)** - **Dr. Bert Ely**  
**USC Columbia**
- B. Center of Excellence in Mathematics and Science Education (EIA Center of Excellence Grant)** - **Dr. Calvin Williams**  
**Clemson University**

Dr. Morrison provided background information on both the Nature-based Inquiry Improving Teacher Quality Project and the Center of Excellence in Mathematics and Science Education. She then welcomed and introduced Dr. Bert Ely of USC Columbia and Dr. Calvin Williams of Clemson University. Details about the Nature-based Inquiry presentation, the goal of which is to improve teacher efficacy in science instruction and to improve student performance in science through the use of outdoor classrooms, may be found in **Attachment I**. Details about the Center of Excellence in Mathematics and Science Education, the purpose of which is to provide support, professional development, curricula, instructional materials, and course work to improve the teaching of mathematics and the sciences in grades K through 16, may be found in **Attachment II**.

## **7. Report of the Higher Education Action Plan Ad Hoc Committee** - **Bettie Rose Horne**

There was no report from the Higher Education Action Plan Ad Hoc Committee.

## **8. Committee Reports**

### **8.01 Report of the Executive Committee** - **Bettie Rose Horne**

The draft minutes of the April 29, 2010, Executive Committee meeting (**Attachment III**) had been distributed to Commissioners for information. Vice Chair Horne reminded Commissioners of the events to take place on Thursday, October 7, 2010, including the Trustees Conference and the Higher Education Hall of Fame Banquet which have resulted in moving the regularly scheduled CHE meeting to Friday, October 8.

### **8.02 Report of the Committee on Academic Affairs and Licensing** - **Hood Temple**

## **CONSENT AGENDA**

### **A. Consideration of New Program Proposals**

1. M. A., Communication, Technology, and Society, Clemson
2. M.B.A., Business Administration, College of Charleston
3. Ph.D., Hospitality Management, USC Columbia
4. Ph.D., Spanish, USC Columbia

### **B. Consideration of Revised Guidelines for Federal *Improving Teacher Quality* Competitive Grants Program, FY 2011-2012**

### **C. Consideration of Revised Guidelines for EIA Centers of Excellence (Teacher Education) Competitive Grants Program, FY 2011-2012**

### **D. Consideration of Annual Report for AP Course Acceptance Policies, FY 2009-10**

### **E. Consideration of Revised Mission Statement: South Carolina State University**

### **F. Consideration of Life and Palmetto Fellows Scholarship Enhancement Issues**

### **G. Informational Report on New and Continuing Awards for Improving Teacher Quality Competitive Grants Program, FY 2010-11 and New and Continuing**

**Awards for EIA Centers of Excellence (Teacher Education) Competitive Grants Program, FY 2010-11.**

At Vice Chair Horne’s request, Commissioner Temple acted as Chair of the Committee on Academic Affairs & Licensing. He stated that Agenda Items 8.04 A – D, details about which may be found in **Attachment IV**, were brought to the full Commission by consent. Commissioner Forbes requested that Agenda Item 8.04 A2, M.B.A., Business Administration, College of Charleston, be removed from the consent agenda to be considered as a separate item.

A **motion** was made (Temple) and **carried** to approve Agenda Items 8.02 A1, 3, and 4 as well as Agenda Items 8.02 B, C, and D.

Commissioner Forbes initiated discussion about the proposed M.B.A. program at the College of Charleston, explaining his concern that it was duplicative given the fact that there are several other M.B.A. programs already offered at institutions throughout the state, including one at The Citadel. He commented that by validating this program the value of the CHE could be questioned. He stated further that the existing M.B.A. programs in the state are not full, and that those programs should be able to incorporate any unique characteristics of the College of Charleston’s proposed program if a true demand for them is demonstrated. In addition, Commissioner Forbes stated that today’s market does not require as many M.B.A. graduates as it has in the past, that this program demonstrates duplication at its best, and that he would vote against its approval.

Representing The College of Charleston, Dr. George Hynd, Dr. Alan Shao, and Dr. Rhonda Mack responded to questions providing information in support of establishing the M.B.A. program at the College. They explained the uniqueness of its nature and offered details about collaborative efforts between The College of Charleston and The Citadel in this regard. Dr. Mack provided data concerning the need for M.B.A. graduates.

Discussion ensued about the various aspects of implementing this proposed program, including questions raised about the availability of determining “capacity”. Commissioner Forbes then reiterated his belief that the establishment of this program is duplicative, prevents other institutions from acquiring necessary resources, and sets an unnecessary and undesirable precedent. He encouraged other Commissioners to join him in voting against the approval of the program.

Commissioner Sanders recommended that an amendment be considered that would require the College of Charleston to provide to the CHE within a three-year period a report on the enrollment numbers and costs of the M.B.A. program as well as the collaborative efforts made between the College of Charleston and The Citadel. A **motion** to consider this amendment was made (Sanders). Of the voting members, three voted in favor of the amendment and four voted against it, so the **motion did not carry**.

Commissioner Forbes then expressed his concerns that data about the total number of M.B.A. applicants in the state as well as the current total number of M.B.A. students had not been available for review.

The **motion** to approve the M.B.A. program at the College of Charleston was then brought to the table and **carried** with a vote of the voting members of four in favor of the amendment and three against it.

Commissioner Temple stated that Agenda Items 8.02 E, F, and G, additional details about which may be found in **Attachment IV**, had been considered and approved by the Committee on Academic Affairs and Licensing at their 9:00 a.m. meeting. A **motion** was made (Temple) and **carried** to approve these items.

**8.03 Report of Committee on Access & Equity and Student Services - Cynthia Mosteller**

The Committee on Access & Equity and Student Services had no report.

**8.04 Report of Committee on Finance and Facilities - Jim Sanders**

**CONSENT AGENDA**

**A. Comprehensive Permanent Improvement Plans (CPIPs)**

1. Year One Project Approval

## **B. Interim Capital Projects**

- |  |   |   |
|--|---|---|
| 1. University of South Carolina Columbia | - | Close-Hipp Building Renovations (Phase I)                           |
| 2. Medical University of South Carolina  | - | CSB 3 <sup>rd</sup> Floor Neuroscience Renovation Step 2 (Phase II) |
| 3. Coastal Carolina University           | - | Public Safety Facility (Phase II)                                   |
| 4. Winthrop University                   | - | Owens Hall Fire Damage Reconstruction (Phases I & II)               |
| 5. Trident Technical College             | - | Nursing and Science Building (Phase I)                              |

## **C. Leases**

- |   |   |                  |
|---|---|------------------|
| 1. Medical University of South Carolina | - | 5900 Core Avenue |
| 2. College of Charleston                | - | 284 King Street  |

## **D. List of Capital Projects & Leases Processed by Staff for April 2010 (For Information)**

In response to Commissioner Sanders' request, Mr. Glenn provided background information on Agenda Item 8.04A, details about which may be found in **Attachment V**.

A **motion** was made (Sanders) and **carried** to approve the Comprehensive Permanent Improvement Plans as listed in Agenda Item 8.04A, which were presented to the full Commission by consent.

Commissioner Sanders stated that the interim capital projects described in Agenda Items 8.04B 1-4, details about which may be found in **Attachment V**, were brought to the full Commission by consent. A **motion** was made (Sanders) and **carried** to approve these capital projects.

Commissioner Sanders stated that two additional interim capital projects from Francis Marion University and Greenville Technical College, also described in **Attachment V**, had not been included on the consent agenda due to a clerical error. A **motion** was made (Sanders) and **carried** to approve those two projects.

Commissioner Sanders stated that the leases in Agenda Items 8.04C 1 and 2, as described in **Attachment V**, were presented by consent. A **motion** was made (Sanders) and **carried** to approve those leases.

Commissioner Sanders stated that an additional lease at Lander University, also described in **Attachment V**, had been approved by the Committee on Finance and Facilities at their 9:30 a.m. meeting. A **motion** was made and **carried** to approve that lease.

Commissioner Sanders stated that Agenda Item 8.04D, the list of Capital Projects & Leases Processed by Staff for April 2010 was provided for information.

## **9. Other Business**

There was no additional business to consider.

## **10. Adjournment**

The meeting was adjourned at approximately 12:45 p.m.

Respectfully submitted,  
*Beth B. Rogers*  
Beth B. Rogers  
Recording Secretary

Attachments (I -V)

\*Attachments are not included in this mailing, but will be filed with the permanent record of these minutes and are available for review upon request.

**\*\*\*\* As requested by Commissioner Forbes at the June 4, 2010 CHE meeting, below is a transcription of the audio tape portion of the discussion about Agenda Item 8.02A2, the M.B.A. program at the College of Charleston (see page 4 of these minutes).**

**Forbes:** I have a question on the MBA program at the College of Charleston. May we take that as a separate item?

**Horne:** All right. Shall we discuss that first?

**Temple:** We can vote on the other items and we can come back to that.

**Horne:** All right. Thank you. That's what we'll do. Those in favor of discussing the other items on the consent agenda say "aye."

**CHE Board:** [All members responded aye.]

**Horne:** All right. Who is here from the College of Charleston?

**Temple:** From the College of Charleston we have the Provost George Hynd here and the Dean, Alan Shao, of the Business School.

**Hynd:** I'm George Hynd. And that's Alan.

**Horne:** All right. If we could entertain some questions.

**Forbes:** We have 14 MBA programs in the state. The proposal to the CHE does not mention the on-line MBA programs. It neglects to mention the importance of those and the upcoming popularity of those. The proposal to the CHE does not mention the weekend programs offered by Georgia Tech, Duke, or Wake Forest. This is duplication at its best. If we validate this program, we will validate the perception that CHE is a waste of time and a rubber stamp and we shouldn't be in existence. When Coastal Carolina brought their MBA program to us, USC came and correctly pointed out that there's a shortage of faculty. The programs in our state are not full. They have to advertise for students. Now in this proposal you try to make some uniqueness and state that you're going to have an accelerated program. If there's really a demand for that I think the other 14 programs will adapt and make that happen and that would be just market forces. You state that tuition is going to support the program. It looks good, but it takes away from the resources from all the other schools in this room. And it's just a hoax, in my opinion. You say that you polled the College of Charleston students and they're interested in the MBA program. I have an MBA and in my experience undergraduates tend to go to get an MBA program from a school other than their undergraduate program. You cite a 2008 study that's outdated in today's market. The demand for MBA graduates is just not there. You cite a consortium with The Citadel. To me it's absolute duplication. I'm sure I'll lose this vote, but I would say that this is duplication at its best and I would vote against it.

**Zais:** I received an e-mail from one of the Deans at The Citadel and he asked the same question. Why are we approving this program when The Citadel already offers a similar MBA, so I don't know the answer.

**Temple:** And I think those questions can be answered. There's a Memorandum of Understanding there's a collaborative effort with The Citadel. The Citadel is in agreement with the program, but I think we'll let Provost Hynd comment.

**Hynd:** I really appreciate the opportunity to present for you. This is my colleague, Alan Shao. This is Rhonda Mack, who is Associate Dean. I'd just like to make a couple of quick comments and turn it over to Alan if I could. I think in this environment that we have, particularly in the Charleston area, about 600,000 people in the Lowcountry, there are probably lots of opportunities for people to participate in part-time programs which would be characterized by The Citadel, but also in residence programs. We are very in tune with the fact that with Boeing moving in our population is probably going to grow. There's probably a lot of opportunity to serve this large growing population we're going to have in many different ways. I would also like to respond to

the notion about the tuition raised. The tuition will, in fact, as we figured out in our business model, support the program. We also think that this serves as a foundation for a launching pad for perhaps other entrepreneurial efforts, and I think in this budget time any entrepreneurial efforts to make new and emerging markets is probably something we ought to consider seriously.

**Shao:** There certainly are a lot of MBA programs throughout the world. We have designed a high quality program, one that has a lot of qualities unique from The Citadel. The Citadel has a part-time evening program. Ours is a full-time daytime program. The Citadel—in fact, we had breakfast with them on Monday to continue discussions on collaboration. We are very serious about this. My background is marketing research, and I was concerned also about the numbers because we did have a lot of our own students saying that they wanted our program. I have written three books in the area, and I couldn't find any fault in the methodology as far as what the students are saying. We strongly believe that there's a strong demand for an MBA in our region with The Citadel. We certainly understand there's online programs. We're the College of Charleston. Our surname, if you will, our last name is Charleston. If anybody should have an MBA program in Charleston, you would think it would be the College of Charleston. I'm certainly not in the business of talking about online programs in a derogatory way, but I can assure you that we went through our curriculum and we feel that our program is very, very good and there's a very strong demand for what we have to offer. We only ask for the opportunity to play on our turf. For a business school our size, and we have close to 1,800 undergraduate business students, our institution has about 12,000 students, and we have no MBA program? I became Dean 14 months ago and I was appalled that a school this size and this prestigious did not already have a program. So, with all due respect, I feel like it's time that we're allowed to extend our own turf and to offer what we take a lot of pride in, that is a quality education. I can't speak on why other students aren't staying at their home institution to take their graduate program, but I can speak for the College of Charleston. The College of Charleston has a faculty that I would put up against any institution, and I have 5 PhDs in my family in business, and we talk an awful lot. I'm sure our students are going to take our new program because they've had such a positive experience with our undergraduate program. So I very much appreciate the comments, but strongly feel that we're going to be extremely successful with the MBA, and we look forward to working with The Citadel in the future.

**Horne:** Since there were two questions about collaboration with The Citadel, would you speak of it more now, about how that is going to operate, and specifically what it entails?

**Shao:** Absolutely. We are devising an advisory board made up of Board members and possibly some faculty from each institution. What we're looking at is possible collaboration in a number of areas. We haven't narrowed it down on purpose because we didn't want to be presumptuous that this would pass. We certainly expect it to and hoped it would, but we are planning on meeting in the next few days after we get hopefully permission from this Board to move forward. But some ideas that we have – perhaps some type of executive program on weekends and evenings. We have a much larger faculty than The Citadel does. We have some strengths; they have some strengths (audio degraded and end of sentence is unintelligible). So the executive programs, there are a number of ...not just degree programs but also certificate programs and different training, specifically with Boeing stepping into town--certainly that's going to be enhanced.

**Zais:** Does that mean you're going to accept each other's credits? Is that what that means? That if I'm enrolled in your full-time day course, I could also take credits or a course at night at The Citadel and you would accept that?

**Shao:** We accept transfer credits from any institution up to a limit. We would certainly accept transfer from The Citadel.

**Hynd:** If I could jump in, on the collaboration we have, we met last week with Sam Hines, the Provost at The Citadel. The business team accompanied him. We talked about the constructs that may guide this advisory committee. We also agreed that we don't necessarily need to compete, that there's more than enough market share with the different kind of programs that we have - part-time vs. full-time. We all thought that frankly there could be some synergy and cost benefits to having two programs in the same city. Really trying to enhance the business community, the economic outlook of the region, and I think that's what we really have as our common goal, and we see this advisory committee as helping each institution certainly move forward and meet its program objectives but at the same time engage in a broader sense the business community and

economic outlook that we have in the Lowcountry. So we see some synergism coming from having two programs in a relatively small area.

**Mack:** I would like to add one thing and that would be with respect to overall demand. We are in Charleston; we look at our regional mission at the College of Charleston and the number of MBA applicants is increasing to date. Last year, the number of GMAT scores increased in both students in South Carolina taking GMAT. However, the thing that rose—I think it was a 100 more students in South Carolina applied out of state last year than had applied the year before. So our students are leaving South Carolina to go to MBA programs out of state increasingly. In Charleston, there is not a full-time day option for them and we take very seriously our mission at serving that regional need.

**Shao:** And according to the Graduate Management Admission Council, the one-year full time program is the fastest growing MBA in the country.

**Scarborough:** Madame Chair, the dynamics have changed dramatically over the course of the last 40 years. The Citadel was 2,000 students, and the College of Charleston 350-400 when the MBA program came to the Citadel. The College of Charleston is now serving a much larger market. The business community has grown, the whole community has grown, so the dynamics have really changed. For The Citadel to be the one that has the program doesn't seem to make as much sense anymore. I served on The Citadel Business School Board and served as a College of Charleston trustee, so I've kind of been involved and watched the discussions go on. There's been a lot of collaboration, a lot of give and take on both sides, and I think it's good for the community to have the College of Charleston at the table with a business degree, a MBA degree. I hope that this Board will support that and I know I will.

**Temple:** I want to address three points because I think Doug and I think alike; Dr. Forbes and I think alike on a number of programs. We see programs that come before our committee, and the first thing I look at is whether this is going to be a costly program or whether it's going to be profitable or non-profitable. And so what I really try to do is for programs that are at a loss to start off with, then immediately I am concerned about the shifting of resources from other profitable programs which ultimately lead to that money being borne on the back of the students through tuition increases. Based on these numbers, a couple of things are important. One, there's no new state funding that's required or the costs that are not required are too risky. The tuition of \$22,900, this is a profitable program. We'll know very quickly whether these numbers are accurate, and I think that's important because I certainly don't want to shift the burden to the student in terms of tuition increases or taking from other programs that are profitable. So, that's the first thing that I look at. I think we're on the same song page about that. The second thing that I have a concern about is that when we originally heard about this program I thought it was going to be more of a collaborative effort with The Citadel. I agree with you. I thought about that as well. Those issues were vetted very properly. There's a Memorandum of Understanding that was here. I know that you've probably taken the time to read it. It's very specific what this program can do which does not step on the toes of The Citadel program. And that put me at ease in that Commissioner Scarborough's involvement in that we were able to go through this process and look at the people who signed this Memorandum of Understanding and those are the folks who should know. And so it concerns me a little bit that if there was a concern by a Citadel faculty. They should have come and vetted it through here, and gotten enough information because the people that know and have done this, I think, have weighed in. The last thing that I think is real important is the fact that Charleston is the center of economic development in South Carolina with important things of that nature, and so we really need to be on the forefront there. We have a business school, but what is a business school without an MBA program? And so, when you put those things together I think hopefully we can find out that it's a profitable program for the university. If you look at these numbers it's extremely profitable. By year 5, if these numbers are still right, it's a profit of over a half million dollars, \$640,000. Number two, there's need, and number three, if it's appropriate (word unintelligible) at this college. And so, those are the things initially I will tell you that I was very skeptical about the program then I heard it. We talked about these issues and I felt very comfortable at the end of the day.

**Zais:** Is there a reason that the Memorandum of Understanding specifies that The Citadel accept your credits, but it doesn't specify that you'll accept the Citadel's credits?

**Shao:** Nothing more than oversight. We will accept the credits. There's a limit on how many we can do according to AACSB International Accreditation. Typically it's six hours.

**Horne:** For the most part, we support that kind of collaboration. The Southern Association certainly gets interested when students are shifting around and there's a limit in what we can do there.

**Sanders:** A couple of questions. I understand and try to see both sides to the issue and have not an obligation and a great deal of respect that the committee has worked hard on this and when it comes to this point in time, I'm going to normally accept their recommendation because I know you have struggled with this. I would like to understand a little bit. There's some number of MBA programs in the state, public, private and for profit, if it's three, I guess, three different areas. And you mention in here that you've done studies with numbers and everything. Does anybody have an approximate number of the total capacity, plus or minus, of all the institutions in South Carolina, number of seats, number of students, number of slots?

**Shao:** I can't give you the number, but I would like to mention that I talked to Dean Claude Lilly, Business School Dean at Clemson. I just visited with Dean Hildy Teegan, Dean of the Darla Moore School of Business from USC, on Friday. We discussed the MBA program. I don't know if I mentioned Ron Green, Business School Dean at The Citadel, was at breakfast the other day. I talked to many of the key players and all of them are supportive. In fact, the Dean Teegan at USC was especially supportive. She came to my office to talk about it, and she said, "I think it's really great that you are getting an MBA. Claude Lilly said a while back that he would be happy to write you a letter on our behalf." So many of the key players, if they had an objection, I think they would have objected.

**Sanders:** I understand that. My question is does anybody know, did you discuss, what the total capacity is today while we sit here. Numbers of students possible that are able to be educated with an MBA in South Carolina? Can anybody in this room tell me that number?

**Morrison:** No. We look at capacity. Capacity is a fluid thing. We could look up numbers of students enrolled to give you an idea about what the current capacity is, but we didn't put that in the packet.

**Sanders:** I understand. I think I understand the difference between The Citadel program and, the College. It's two different constituencies you're going after. And I can understand the need to take the education to the student, i.e., local to college. But I got a real problem with nobody's able to tell us the numbers of the capacity, and the number of graduates, and the number of applicants. Did you mention there was 100 more applicants applied out of state this year than last year? Well, can you reference the total last year?

**Mack:** I just know, I don't remember. It was a hundred more. Sorry.

**Horne:** Jim, we tend to back in to the answer to that question. I know business people work differently, but there's a balance at the CHE on program reports on both enrollment and graduates, and at a certain point we tend to offer it under the principle, let the market teach. And if this program does not succeed or if it's able to compete more successfully than The Citadel, we may see that evidence down the road and at that point, we would make decisions.

**Sanders:** Madame Chair, I want to express I understand completely you don't distill everything to dollars and cents, but we've got a real problem. We have some financial problems in higher ed. If the need is there and the demand for the graduates is there, and I can completely see. I'm not suggesting boiling it down to dollars and cents, but there's got to be an issue of capacity, and I get hit pretty hard by people that I approach for funding, right or wrong, but I'm challenged why we're duplicating a program. I don't think this is a duplication. I mean I don't know yet exactly how I'm going to vote on this, but when I talk to legislators and we're trying to get regulatory reform, this should not be the driver. This should not be the deciding factor. The deciding factor should be is this a legitimate need, a legitimate solution to a legitimate need. But it puts us in a difficult position. I don't care about the reputation of CHE. Quite frankly, I've about had enough of it, but we have to do what is the right thing to do. (Laughter). I didn't take my meds this morning, I'm sorry. Where's Dan Ravenel?

**Horne:** But Dan would say.

**Sanders:** In all due respect, Dan and Bill live in Charleston. And I mean it's certainly a factor. I'm a Clemson supporter. I mean that's no rocket science.

**Horne:** But Jim, we could talk about capacity if we had a statewide plan. The responsibility falls on the institution. If they stumble and drop, that's your problem and they're not asking for new state money.

**Ravenel:** Thank you very much. I'll remember this. Two points I think Jim made are excellent. Number one, the capacity for higher education in this state. We looked at that in the state plan for a year. We never were able to determine the capacity of anything in this state because we need a greater capacity, because we need a greater educated state. That, in my opinion, a very important issue. It needs to be dealt with by the CHE and I would hope that you would. But for a program like this you can't really determine because these programs come and go. Mentioned the private programs. We see advertisements in Charleston everyday it seems like for, what is it, Virginia College and all these various --, and they're charging a lot more to the public. They're not offering the same high level of education that The Citadel and the College of Charleston are offering. We're not serving our public by allowing those institutions, not to be mean or bad about it, but we're allowing those institutions to take our students and not give them what a good, solid program like this would do. The other thing is, I'm on the Board of Trustees at the College of Charleston. I'm sure you're all surprised to hear that. We looked at this program very hard because it is a departure for us. We are trying to find ways to pay for higher education in South Carolina. This is a money making program. Whether we want to call it that or not, that is a fact, and we have to deal with that as a Board of Trustees. I know y'all are dealing with the bigger issues. I've been here, but that's something that I think is very important and I hope you will consider it. Thank you so much for allowing me to speak.

**Jackson:** I just think that if this is rejected, it would tie the hands of our state institutions. We don't hesitate to support an online school, you know, a lot of these other outside entities to come in and want to start programs. It's obvious there's a need there. It's going to be successful. It's going to be a money maker. It's a no-brainer to me.

**Horne:** I'm surprised that you all didn't address the Boeing program.

**Hynd:** That's an evolutionary tale. I think that's a way you can look at it. Boeing is coming in. I met with one of the city managers of Mt. Pleasant yesterday and talked about the presumed economic impact. I think we're all trying to get a grip on what that's going to be. It's not going to be just Boeing coming in. It's the 23-27 suppliers that will be coming in. We think that not only are the MBA programs both at the Citadel and at the College of Charleston going to be a draw for some of those, but also their spouses, their children. They're going to have a huge impact on our institutions of higher education. I would also say that I think it's really important to, at least in my understanding of the business world, to have an MBA might be viewed as a terminal degree. It is the degree that really positions you well for positions of leadership both in this country and in this state, but also internationally. It would be the equivalent of an MD degree for a physician. You really need an MD degree to pass your licensing exam and really practice. And I think the MBA will really will serve our graduates and those who are attracted to any program in this state to position them really for leadership positions in this state and hopefully move this state forward in an economic way that will benefit all of us. I think that's an important consideration here. A business school without an MBA really doesn't allow a student to complete that terminal degree that they need to be successful.

**Shao:** I'd like to make a point about capacity. We have written in the document that we're limiting this year to 30-35 students max. Over the years, the most it will go to is 100. That is a minimal impact when we're talking about an entire state. At a previous institution I was at, we had 500 MBA students. We're looking to cap this at 100. And that was a part of the agreement with The Citadel. We're comfortable with that. We're going to have 100 of the best students out there. We already have several hundred that, several hundred who said they entrance into this, but we told them we cannot market the program. We can't.

**Sanders:** How many are in the Citadel program?

**Shao:** The Citadel has close to 250.

**Sanders:** And that's strictly part-time.

**Scarborough:** Evening program only.

**Forbes:** Three things and I'll shut up. This sounds great. It always sounds great. But it's going to draw from resources from other schools no matter how you paint it. Now, would you mind if 10 other schools come up with an MBA program next month? Because with the logic you are using, every school should have an MBA program. Why not? Why don't we do one every 15 miles with this logic? That's how it's working out. That you're drawing from resources, and we have to look at the big picture and it sounds great, but it's not great for the state. Look at all the other programs that Wake Forest has, that Duke has. The education is available. So I encourage everyone to vote against this. I'm really interested in seeing what my Charleston friends are going to say this summer when USC comes up and wants to do another medical school. So let's see how that sounds to y'all later on this summer. [Laughter.] You'd have no way to argue against that medical school because you're making this a regional thing for something that's obviously duplication. Thank you.

**Horne:** Well, thank you. I always appreciate that you're willing to ask the hard questions. We asked a number of hard questions ourselves on the Committee on Academic Affairs and Licensing and suggested very strongly that we would be more comfortable if there was a CHE presence actively on the board that deals with that program and they very willingly accepted that.

**Sanders:** It's historical then that the approval has been conditional upon report back. Has that not happened in the past on some issues?

**Morrison:** For some programs, yes, we do have them report back.

**Workman:** We had Dori Helms do one at Clemson where we gave three years to look at it's proof to the pudding to come back to see what it looked like.

**Morrison:** Yes, we've done that on several occasions. We did it on a nursing program. We did it on a Clemson one.

**Sanders:** Could we amend this then to have a report back on the numbers, i.e., the enrollments and the financials, but more important the collaboration between The Citadel and the College of Charleston?

**Horne:** What time period are we talking about?

**Sanders:** Three years.

**Horne and Sanders:** Is that reasonable?

**Hynd:** Sure.

**Horne:** Do you want to phrase that motion?

**Sanders:** I'll let you do that.

**Horne:** Well, ok, I'll try. You would like a three-year window report to review the enrollment, collaboration, and cost of the MBA program proposed by the College of Charleston.

**Temple:** Don't we have the authority to review any program, I mean, at any time? Isn't this duplicative? It seems to me.

**Sanders:** I think that this is specific because of concerns that have been expressed. I think this is a specific request that we look at this specifically at that point in time.

**Horne:** Well, that would be fair. They have notice that we would like to look at this again in three years.

**Zais:** It would be interesting to get actually some written feedback from the USC and Clemson MBA Deans, to use to see if the perception of this has taken their students who might otherwise go to Clemson or Carolina.

**Horne:** About the phone call that you received from the person at the Citadel, it seems to me that the institutions have stepped forward to endorse the program.

**Zais:** I'll send this to him.

**Sanders:** As they say in command.

**Horne:** You're the General.

**Zais:** Your bosses endorse it, that's why.

**Horne:** That's right. Are there other questions?

**Sanders:** We need to vote on the amendment.

**Horne:** All those in favor of, did you write it down Gail?

**Morrison:** The amendment would be approval provided that in three years a report is made to the Commission about the collaboration with the Citadel, enrollment in the program, and cost of the program.

**Horne:** So those in favor of the amendment being added, please say aye.

**CHE Board:** (Members responded aye.)

**Horne:** Those opposed?

**CHE Board:** [Members responded no.]

**Horne:** Let's see with a show of hands. Those who approve of the amendment, please raise your hands.

**CHE Board:** [Members responded with show of hands.] \*

**Horne:** Those opposed?

**CHE Board:** [Members responded with show of hands.]\*

**Horne:** Thank you. Now we'll vote on the program itself. Are there any other questions?

**Forbes:** One last thing. It's an embarrassment when the Commission and the folks presenting the program don't even know how many MBA students there are in the state of South Carolina. To me it's a shame that we can't see the number of applicants, the number of students. If y'all gave me an hour and you'd table it for now, I'd go out there and find it.

**Horne:** You would. I know you would.

**Forbes:** I could do it. Maybe a half-hour, but probably an hour. So, I'm done.

**Horne:** Mr. Ravenel will try to find that out in the next statewide plan. We failed this time. We'll try again. All right. Are we ready to vote on this proposal? Those in favor, please say aye.

**CHE Board:** [Members responded aye.]

**Horne:** Those opposed.

**CHE Board:** [Members responded no.]

**Horne:** Let's have a show of hands, please. All of you who support the program, please raise your hands.

**CHE Board:** [Members responded with a show of hands.]\*

**Horne:** Those opposed.

**CHE Board:** [Members responded with a show of hands.]\*

**Horne:** Thank you so much. You will be aware of our scrutiny in the future and I know that you'll be prepared.

**Hynd:** We appreciate it very much. Thank you all for your concern.

**\*See page 4 for details.**