

Executive Director's Report
Commission on Higher Education
14 August 2013

Thank you, General Finan, and welcome back.

It has been two months since the Commission last convened, and there has been a lot of stuff going on since then.

- We have a new chair, or, more accurately, a re-newed chair. After two terms as head of DEW and now beginning his second stint at CHE, John should be getting the message that no good deed goes unpunished.
- We lost three more public college presidents. This brings to seven the number who have either announced or executed their departures since I took this job just three months ago. At this rate, only five presidents will be left standing by the time I finish my first year.
- There has been lots of chatter in Charleston about law schools, research universities, mergers and acquisitions. It is, of course, Charleston, and I've been told that Lowcountry people talk in ways the rest of us don't always understand. So I've accepted invitations to interpret the dialect in the next two weeks with the Charleston School of Law and the Charleston legislative delegation.

There is much more to report, but you are going to sit through many speeches & presentations today and tomorrow in your annual ritual with the presidents. I will keep my remarks brief. But a few observations....

By the end of this month I will have visited 28 of our 33 public institutions (the rest will follow in September). I didn't quite get them all in by now as I'd hoped, but pretty close for government work.

I'm getting to know this state—not just by visiting the institutions we guide, but seeing the cities, hamlets, and back roads where their students come from. It has been a most enlightening experience, and much time well spent.

Commissioners Scarborough, Temple, Horne, and Munns have joined me on one or more of these occasions. It's interesting to see how rich and robust these campus conversations become when one of you is present. We'll see how that plays out when the presidents are on your home court today & tomorrow.

That being said, all of the presidents and deans have been gracious in hosting my trips and engaging in frank, honest dialog about what's working at their institutions, what's not, and what CHE can or can't do to help them.

There are a number of issues that have surfaced repeatedly, particularly at our so-called two-year institutions. They offer four-day certificates and host four-year degrees, but we still call them two-years.

Twenty of our 33 schools fall into this classification. They include sixteen technical colleges and four USC branch campuses. Many of them have multiple locations and deliver education on-line, expanding their reach. They enroll high school juniors and working adults. 54% of our students (by headcount) attend them, but just 25% of our state appropriations support them. Their base tuition and fees this year range from less than \$2600 to about \$6500 for an academic year.

We need to set a strategy to ensure that these vital points of access, training, and transfer remain viable and sustainable. To do this well, it will require some tough choices.

I spent a July day in Washington visiting with the nine offices of South Carolina's Congressional Delegation. Two senators, seven representatives, one third of whom (Rep. Wilson, Rep. Gowdy, and Sen. Scott) sit on key House or Senate Education Committees.

South Carolina is well positioned to exercise a major voice in federal higher education policy discussions. The renewal of the US Higher Education Act looms on the horizon.

Yet we haven't taken advantage of this influence, and each of the senators, representatives, and staff with whom I met seemed pleased that we were reaching out to them. We will continue this effort.

On a much more local scale, I have met with each of the 34 permanent CHE staff members individually. I've had a one-on-one conversation with each of your employees. They are a dedicated and committed group of professionals, and you can count on the integrity of their daily work. Some of them are truly exceptional, and we will find ways to reward them.

Next Thursday and Friday we will interview four finalists for the Director of Academic Affairs. I am holding my breath that one of them will be the right choice. Commissioners are invited to join at any stage of the interview process, and the complete schedules will be sent to you by the end of the week.

Most of you probably haven't noticed, but last Tuesday (August 6) marked my First 100 Days as your Executive Director. I confess I don't have much to show for it. I've spent most of my time listening and learning. My initial tenure is less like an FDR or a JFK, more like William Henry Harrison.

The Next 100 Days, however, will start to prove the mettle of my worth to the Commission. We will be setting strategic markers in these next months about where we plan to bring SC's higher education enterprise.

Two key processes will determine our progress. One is the construction of our FY15 budget request. The other is our strategic planning retreat.

We will gather together on October 13-14 to spend 24 hours hashing out the choices we need to make now in order to reach goals three, five, and ten years out. We will outline an architecture of higher education in South Carolina that we want to see in 2025. We will map the steps we need to get there.

This process will require a sound budget strategy. Past models are not a guide to future success.

Higher education's funding mantra for the last number of years has been valid and consistent:

- Restore the base
- Fund unmet maintenance needs
- Correct parity imbalances
- Pass a bond bill
- Reduce regulation

It has also been largely ineffective. In a period of diminishing resources, the message has worn thin with many of our funding partners and supporters.

It is time for us to find new ways to build and organize the state budget request for higher education.

I attempted to set the first stage of that new direction in my budget letter to the presidents in early July. My hope was that I could invite our institutions to join a more collaborative budget design process. That still needs some work.

As the chairman noted in a recent letter, we haven't changed the process very much yet. We are still getting the same proclamations of progress, despite the loss of funding. All of us need to be more realistic and forthright about what we're doing.

Change comes slowly. I will continue to push for a budget based on big ideas, broad themes, and measurable impacts.

Affordability, access, attainment, and accountability. These four concepts capture the essence of what CHE is supposed to do.

At the end of the day, all of this energy, innovation, and creativity may not be worth the effort. "Reforming higher education" may rank among the most oxymoronic phrases in the English language.

In these next weeks and months, you must tell me how much you are willing to invest. I can only lead as far as you will support me. As one former Commissioner of mine in another state once told me, if you're leading the parade and no one is following, you're just taking a walk.

Thank you, Mr. Chairman. That concludes my report.