

**2015 State of the System Address
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South Carolina Commission on Higher Education
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The start of a new year is a good time to take stock of where we are and what we might expect as we go forward. I am pleased to deliver this inaugural State of the System address.

Some observers might question whether it is appropriate to talk about the state's "system" of higher education.

There are, after all, 33 public institutions of higher learning with 26 separate governing boards and two oversight commissions. At first blush, that hardly sounds like a system.

But when in doubt, it usually helps to consult the law.

The Commission's authorizing statutes declare that:

“...the mission for higher education in South Carolina is to be a global leader in providing a coordinated, comprehensive system of excellence in education....”

I have those words posted on the mirror above my bathroom sink. It gives me a good excuse for not shaving.

But it also reminds me every day that the work this Commission and its staff do is on the highest plane.

To lead globally, to coordinate a system, to achieve excellence—these are not small tasks.

So despite our convoluted structure, the General Assembly since 1967 and the tax-paying citizens of this state always have expected us to perform as a system that delivers excellence in our core functions of teaching, research, and service.

Now more than ever is a time for all of us—commissioners, trustees, presidents, faculty, staff, and students—to stand united in championing the strategic importance of a state system of higher education that works together to reach our highest potential.

Our collective value is so much greater than the sum of our parts.

BMW in the Upstate and Boeing in the Lowcountry have shown us the practical truth of that message.

Performance-driven cars and state-of-the-art airplanes are not just a collection of nuts and bolts.

Traditionally, when a President delivers a State of the Union speech, or a Governor makes a State of the State address, the subject entity is pronounced to be “strong.”

Although it would not be misleading to use that descriptor for higher education—we are still strong—I believe that a more accurate declaration is that the system of higher education in SC is “challenged.”

- As you are all well aware, we are **financially challenged**. We no longer enjoy the level of state support we experienced in the past. Our traditional funding model is broken and will not be rebuilt in the way it was before.
- We are **politically challenged**. Amid the many critical needs the state confronts, our strength to prioritize and elevate SC’s higher education system is torn in so many different directions across our many constituencies.
- As we look to the future, we will be **occupationally challenged**. 62% of all jobs in SC are projected to require a post-secondary credential by 2020. At current growth rates our workforce will fall well short of that mark.
- We are **organizationally challenged**. SC requires nearly 350 people to serve on boards that oversee and govern our public higher education enterprise. That seems like an awful lot of volunteer service.
- Our **productivity is challenged** by the need to do more with less, endangering the quality that our institutions have worked so hard to achieve.

This challenged environment is not unique to SC. There are similar issues in many other states.

At your places this morning is a report just released by the American Association of State Colleges and Universities (AASCU) which identifies an array of pressing issues that we will likely face in the coming year.

The good news is that our faculty, students, and staff are still doing wonderful things despite these many challenges.

- We have world-class researchers like SmartState Endowed Chair Igor Roninson, who is finding next-generation drugs to cure diseases more effectively.
- We have incredibly gifted, dedicated teachers like our Professors of the Year who inspire their students with both knowledge and curiosity about subjects as diverse as music and machine tool technology.
- We have exemplary academic support programs like the military veterans success centers at USC-Aiken, Aiken Tech, and Central Carolina.

- **We have remarkable undergraduate students like those at USC-Columbia who have won Goldwater scholarships in STEM disciplines for 22 straight years.**

We point to these and many other gems across our system with well-deserved pride.

Yet many jewels do not a crown make.

Even as our colleges and universities create and nurture such resources, they face skepticism about the value of the degrees they offer, the cost-benefit ratio of public and personal investment required to earn them, and the consequences of debt and delayed income that follow in their wake.

For decades, media organizations have tried to make sense of the higher education enterprise.

US News & World Report, Princeton Review, the Onion, and others have all weighed in on their various rankings of colleges and universities.

After years of forewarning, the federal government has now entered the ratings game.

On the Friday before Christmas past, the US Department of Education unveiled its “framework” for a new ratings system of this country’s 4,600 degree-granting post-secondary institutions.

The framework identifies three domains for evaluating institutional performance: Access, affordability, and outcomes. It suggests, but does not confirm, key metrics.

But what this evaluation system—like virtually every other—fails to do is focus on the most challenged part of our educational investment and determine what kind of return we are getting from it.

Our traditional measures calculate totals for the sum of our qualifying students: enrollment rates, graduation rates, retention rates, drop-out rates, default rates, employment rates, earnings rates.

We include the good and the bad, the best and the worst, and talk about averages.

I would suggest that we need to pay much greater attention to those metrics for the bottom half of our matriculating students.

We should focus our efforts to improve outcomes for that target audience.

By whatever measure of merit an institution decides to admit its entering freshman class, we’re still saying that we think those students in the bottom 50% can succeed in our schools.

We affirm their aspirations by our admission.

We're taking a chance on those students, but they're taking a bigger chance on us.

We need to show that their investment of time, energy, commitment, and money is worth their risk.

If we should discover that the metrics for students in the lower half of our matriculating classes diverge significantly from the metrics of those in the upper half, we may need to reconsider whether our academic tactics are achieving their intended strategic goals.

In the process, we can learn collaboratively from each other, as some universities, colleges, and even departments demonstrate better results than others.

This might then lead to substantive discussions about whether the alignment of the state's educational resources—at all levels—is commensurate with its needs and ambitions. That conversation could become quite interesting.

At the end of the day, our system of higher education is challenged. We must be prepared not simply to respond, but to lead the way forward in this difficult environment.

Our obligation is not to preserve the current structure of higher education in SC, but to ensure its relevance and value for the next generations of students who will depend on it.

The citizens of this state cannot thank you enough for the service you do, and for your courage in grappling with the challenging dilemmas we face.