

**Report of the Executive Director
6 November 2014**

Thank you, General Finan. It is a pleasure to hold our final meeting of 2014 at one of our public four-year universities.

We are grateful to Chancellor Upshaw and her colleagues for their hospitality and assistance in hosting us.

Not too many years ago, however, USC-Beaufort was a two-year branch campus that awarded only associate degrees.

This Commission managed the process of changing the institution's mission and expanding the array of degree programs available in the region.

Those actions provided guideposts for the more recent mission change that you approved for the College of Charleston in September, creating a pathway for it eventually to offer doctoral degrees.

In both your Beaufort and Charleston decisions, you demonstrated that you were sensitive to the higher education needs of the Low Country but responsible in your approach to meeting them effectively.

There have been several developments of interest to report since we met last month.

As some of you may recall, I left our October meeting and headed to the first gathering of SREB's new Commission on College Affordability.

That group will meet again in early December to sort through the complexities of keeping a college education within reach of every citizen in the Southeast.

A number of us on the 36-member panel across 16 states are most interested in strategies that improve the mechanisms of higher education attainment to produce outcomes that are less expensive to students and their families.

This approach to affordability, which you have strongly supported, is more pragmatic than tuition caps, more predictable than the lottery, and more realistic than waiting for large new cash investments from state coffers.

More importantly, it helps drive the much needed conversation about how higher education must change to meet new challenges, rather than relying on past remedies and traditions.

Closer to home, our state's legislatively mandated Higher Education Efficiency, Effectiveness, and Accountability Review Committee met twice in October.

I confess that I am still uncertain about where this effort is headed and how many divergent interests it will attempt to accommodate.

You may want to consider inviting some of the 13 committee members, including your own three appointees, to visit with you at your January meeting to explore these questions.

After you approved the FY16 budget request last month, we had our annual budget hearing with the Governor's staff.

The conversation, as usual, was cordial but non-committal.

They did express appreciation for our efforts to align our budget request with our new strategic plan and action agenda.

Going forward in the second term of Governor Haley's administration, this should at least earn some bonus points for following the rules.

On October 15 we convened the first meeting of the new Council of P20 Education Agency Heads.

As you know, the six state entities who have voluntarily joined together to launch this initiative are First Steps to School Readiness, the State Department of Education, the Education Oversight Committee, the State Technical College System, CHE, and the Department of Employment and Workforce.

We had full participation and robust discussion of some of the many major issues that face each of our organizations.

We all agreed to focus on an agenda that we, as chief executives of our respective agencies, can actually do something about, not just talk about.

The tenor was realistic and productive, and we will meet quarterly. For my transgressions in organizing the Council, I got stuck with the chair's duties for the coming year.

We suffered a small setback in our search for a new chief financial officer.

Despite receiving nearly 70 applications that met initial screening requirements, and after Skype interviews with a promising group of semi-finalists, the search committee asked if they could re-advertise the position in hopes of recruiting additional candidates.

Apparently our catchy slogan for the first ads—"twice the work at half the pay"—didn't attract the full complement of experienced professionals we had hoped for.

Chairman Finan and I had the opportunity to attend the inauguration of David Cole as the 7th president of the Medical University of South Carolina.

It was a touching and personal ceremony, with both former presidents Greenberg and Edwards in attendance.

We wish Dave well as he steps up to this new level of leadership for our state.

We have continued our one-on-one meetings with legislators to clarify and seek support for some of the Commission's recent actions and initiatives.

In the past few weeks we have had these conversations with Senators Peeler, Alexander, Matthews, and Govan, and with Representatives Cobb-Hunter and Stringer, among others.

We have calls in to other state leaders as we move toward the 2015 session.

Two weeks ago I hosted a breakfast meeting of the three research university presidents, Commerce Secretary Bobby Hitt, and SmartState Board Chair Regan Voit.

We had very frank and candid discussions of the current status of the SmartState program and its options going forward.

Secretary Hitt volunteered to convene another gathering of key players as we examine the state's investment in basic and applied research for the future.

The Legislative Audit Council released its examination of the state's education lottery proceeds last week.

CHE, as you know, manages the majority of these funds to support scholarship programs.

The report recommended the restoration of on-site auditing efforts that CHE included in its FY16 budget request.

As we look ahead to the time until our next meeting, there are a couple of upcoming events that I wanted to bring to your attention.

Next week I will address the annual Summit of the State Chamber of Commerce.

As part of a plenary symposium on infrastructure, education, and health care, I've been assigned the topic "Bridging the Gap between K-12 and Higher Education in SC."

That's a pretty big topic to cover in 20 minutes, but I hope to put both programmatic and structural changes on the table, so that we can elevate this critical debate.

In mid-December the Greenville Chamber of Commerce will host its Higher Education Summit at the Greenville University Center.

This is an important occasion for higher education leaders to hear from business and industry leaders about their immediate and long-term workforce needs and the academic programs they need to support that development.

MaryAnn and I will represent the Commission at the summit, and we will be joined by officials from the dozen public and private institutions that currently serve the Upstate.

When we next convene on January 8, the rush of Thanksgiving, Christmas, Hannukah, & New Year's holidays will have passed.

On each occasion when you gather with family and friends to celebrate the joys and gifts of life, I wish you and yours the very best.

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