

**Executive Director's Report
Commission on Higher Education
5 September 2013**

Thank you, General Finan.

It has been just three weeks since the Commission last convened, but we've begun a new year. A new academic year of entering freshmen and returning students. Last night marked the beginning of Rosh Hashana and the start of the Jewish new year. I feel like I've already spent twelve months in this job, so I'm more than ready to start a new year, on whatever calendar you choose.

Many things have happened since our last gathering. A few highlights:

- Enrollment for fall 2013 appears to be a mixed picture. Preliminary partial polling data from our institutions indicates that most of our 33 public institutions are finding flat or slightly decreased enrollments. Among our four-year institutions, USC Aiken, Beaufort, and Upstate have reported noticeable upward movement above 5% from last year. Among our two-year institutions, USC Sumter, Union, and Lancaster, York Tech, and Williamsburg Tech are anticipating similar increases. Winthrop and SC State may be facing reduced enrollments. We will be reporting complete enrollment data later this fall once numbers are confirmed.**
- Last week we finalized the appointment of Dr. MaryAnn Janosik as the Commission's new director of academic affairs. At this moment, she is in the process of driving from Minneapolis to Columbia, and I hope you will have the opportunity to meet her during our lunch conversation. She's coming here to look for housing, and my suggestion that a cot in her office would be sufficient was not well received.**
- We continue to receive information about the Charleston School of Law situation. We have included an update on CSOL as a separate agenda item that I'll address in a few minutes.**

Our primary responsibility this month is constructing next year's FY15 Budget Plan and finalizing our Request to the governor and legislature. We had a robust discussion earlier this morning in the Finance & Facilities Committee meeting about the shape and direction of that proposal.

We are going to be taking a hard look at changing the funding model of higher education in South Carolina. The structure that we and most other states have adopted over the past 15-20 years is not viable, in my view, for the next twenty. There are many voices—both in our state house and across the nation—that are calling for change. I want CHE to be leading that conversation, rather than reacting to it.

I have recommended, and the Finance and Facilities Committee has endorsed, an FY15 budget request based on the theme of Innovations for Student Affordability.

We will expand bridge programs between our two-year and four-year institutions to create pathways for students to move from one sector to the other in more efficient, more timely, less costly, and more productive routes to an undergraduate degree credential. This is probably one of the most

direct and tangible investments we can make to ensure that students and their families have an affordable track to a college degree.

We will support pilot projects for flexible scheduling, on-line course delivery, and other innovative designs to maximize deployment of our instructional resources in ways that accelerate time-to-degree performance of our students and our institutions.

We will share major resources across the state to reduce instructional costs. We will continue our participation in SREB contracts that enable SC residents to pay in-state tuition rates for degree programs only taught in other neighboring states.

Over the next three weeks we will be talking to the presidents of our 33 institutions to refine the specifics of the particular innovations, productivity improvements, and program changes we can include in our budget proposal.

Our upcoming Strategic Planning Retreat next month will provide an important opportunity for us to identify the longer-range changes that will be necessary to move higher education forward in South Carolina.

As an educator, and as a parent, I'm always looking for teachable moments. Those special, often unpleasant occasions, that emerge unexpectedly in the course of life that can be re-directed toward a broader purpose. How can I take a specific situation/issue/problem and create a more lasting lesson about the policy choices that are involved, the significance of your decisions, and the foundations you build for the future? We have a couple of those on the table now:

- How do we elevate the conversation about the Charleston School of Law to a more fundamental discussion about CHE's role and responsibility in making policy decisions about the higher education needs of the state? How do we introduce a broader state purpose into the procedural duties we are assigned?
- The House Ways & Means Special Study Committee on K-16 Building Needs and Utilization was premised on an analysis of buildings, space optimization, and capital investment, but now seems to be encompassing broader policy issues. I met with Chairman Brian White this week to discuss the charge of the study group. How do we ensure that our reform agenda for higher education is considered in this committee's deliberations?

When you hired me, you asked me to be a risk-taker. I'm starting to show you now what that looks like. I'm opening a conversation that puts the state's approach to higher education funding on the table. I'm asking you to articulate a platform for the state's higher education enterprise—public, independent, proprietary, competency-based, non-credit, online—as it should exist in the year 2020. These aren't simple questions, and they don't have easy answers.

Risk-tolerance keeps Commissioner Scarborough receiving monthly premiums. I don't think his agency could offer a policy that would fully protect us from the risks I am asking you to consider. The

collateral that we put on the line, however, is the future success of our students, our citizens, and the economic prosperity of our state. This is a high-stakes game.

But as Pete Rose would say, if I were a betting man, we're going all in.

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