



South Carolina Commission on Higher Education

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South Carolina Commission on Higher Education Providing Clarity, Best Practices, and Sustainability 2nd Edition

Executive Summary

In each legislative session since 2003, bills have been submitted in the General Assembly to create a Board of Regents in South Carolina to oversee and regulate the state's higher education system. Although the proposals have had limited support in past years, the 2015 fiscal crisis at SC State University provided new momentum for the idea.

In March 2015, Rep. Merrill introduced an amendment to defund the Commission on Higher Education (CHE) in an effort to force progress on creating a regulatory agency for higher education. As a result of the ensuing debate, Rep. Allison assembled an ad hoc committee to consider H. 3249 which would dissolve both CHE and the State Technical College Board, replacing both with a Board of Regents.

Following testimony from stakeholders throughout South Carolina and from national experts in higher education, the committee asked CHE to clarify our duties as defined in the SC Code of Laws. As a part of that process, we instituted a thorough review of the statutes, conducted a SWOT (Strength, Weakness, Opportunity, and Threat) analysis and drafted a new budget to reflect the resources needed to bridge the gap between what we are required to do and what we are currently able to do within our existing resources.

The attached document represents the body of work compiled by CHE to respond to the ad hoc committee's request and to begin the process of providing clarity, implementing best practices, and developing a sustainability plan and within our agency.

As you can see from our SWOT reports (green: what we are currently doing; yellow: what we are partially doing; and red: what we cannot do due to inadequate resources), CHE has been given an enormous task. As the statutes currently read, for FY 2016-17, we have **\$154,057** to address 47 legislatively mandated areas of responsibility that are currently classified as red or yellow. It simply cannot be done within our current budget. To provide the resources needed to move everything into the green column, our budget request for FY 2016-17 was \$2.1 million. This included 16 new positions and administrative support increases for legal services, IT support, and general operating support (rent, phones, travel, professional development, etc.) The legislature responded to our request by providing \$300K to support salaries and employer contributions for 3 new positions. No administrative support for these positions was included.

Regardless of the General Assembly's decision on the best vehicle for oversight, South Carolina must have a strong, adequately funded coordinating body.

By 2020, 65% of all jobs will require some education after high school. But rising costs are making it increasingly difficult for students to attain the skills necessary to meet the needs of our state's workforce. Every

time there's a tuition or fee increase, another SC family is priced out of higher education and our state loses an opportunity for economic growth.

When you consider that education, or the lack thereof, affects every segment of our state's well-being, the role of CHE is more important than ever.

- It is our job to look beyond the goals of individual institutions and to focus on the overall needs of the state for the greater good.
- It is our job to provide timely, accurate, and relevant input and advice to the General Assembly.
- It is our job to work with SC's institutions of higher education and the business community to develop a comprehensive plan to positively position our state to face the challenges of a global economy.
- It is our job to provide a layer of accountability, ensuring that our limited educational resources are being managed wisely, and to alert the General Assembly of potential financial crises within our higher education system.
- It is our job is to provide the leadership and expertise to keep everyone focused on *access, affordability and excellence*, the North Star by which we navigate.

Public education is a powerful investment. As a state, we have an obligation to monitor and protect that investment. Institutional decisions rest first with each college and university board, and ultimately, with the Legislature. Without effective coordination, our state will continue to struggle with issues like student debt, educational attainment, cost of attendance, institutional accountability, and financial sustainability.

Section 59-103-15 of the SC Code states: "*The General Assembly has determined 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 by providing instruction, research, and life-long learning opportunities which are focused on economic development and benefit the State of South Carolina.*" The Commission on Higher Education accepts and embraces this responsibility. In order to meet the expectations of the General Assembly and the citizens of SC, however, we must have the necessary authority, resources, and legislative support to fulfill our mission. Without these, our input and recommendations will provide little more than a false sense of security.

With a renewed sense of purpose, we have turned our focus to one job: ensuring that higher education in SC is accessible, that it is affordable, and that it offers academic excellence.

Recommendations contained in this document are not about rewriting the law or developing a new public agenda. They represent a simple clarification of CHE's responsibilities, as requested by the Education and Public Works ad hoc committee formed to deliver a recommendation on what form of governance is best suited for South Carolina's higher education enterprise.

The process to determine what type of regulatory authority the state wants for higher education began in March, 2015. Today, the question is clear: Can the Commission on Higher Education provide a viable alternative to a Board of Regents? We believe that with the proper authority, adequate resources, and legislative support it can.

Should you have any questions or require additional information, we encourage you to contact the SC Commission on Higher Education.

Tim Hofferth, Chair
SC Commission on Higher Education

KEY POINTS

ABOUT THE COMMISSION

- Section 59-103-15 of the SC Code states: “The General Assembly has determined 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 by providing instruction, research, and life-long learning opportunities which are focused on economic development and benefit the State of South Carolina.”
- The Commission on Higher Education accepts and embraces this responsibility. This agency is revitalized, reenergized, and recommitted to the families of South Carolina.
- In order to meet the expectations of the General Assembly and the citizens of our state, we must have the necessary authority, resources, and legislative support needed to fulfill our mission. Without each of these, our input and recommendations will provide little more than a false sense of security.
- If you talk to anyone at the CHE, you will likely hear about the North Star by which we navigate: Access, Affordability, and Excellence.
- If given the tools, the Commission can provide transparency and accountability in higher education and help our state provide world-class academic programs in a fiscally responsible manner.

ABOUT THE SYSTEM

- In South Carolina, there are currently 33 Public Institutions, including:
 - 3 Research Institutions
 - 10 Comprehensive Colleges and Universities
 - 4 2-Year Regional campuses (USC)
 - 16 Technical Colleges
- Additionally, there are:
 - 22 Independent Senior Institutions
 - 3 Independent/Private 2-Year Institutions
 - 2 Private Professional Institutions, and
 - 26 Out-of-State Degree Granting Institutions
- South Carolina ranks 36th among states in educational attainment.
- By 2020, 65% of all jobs will require some education after high school, but rising costs are making it increasingly difficult for students to attain the skills necessary to meet the needs of our state’s workforce.
- Only 37% of the S.C. population holds an Associate’s (2-year) degree or higher.
- Graduation rates for many of SC’s institutions of higher education are far below 50%.
- Every time there’s a tuition or fee increase, another SC family is priced out of higher education and our state loses an opportunity for economic growth.
- Nationally, higher education costs have outpaced other costs of living. From 1978 to 2012, food costs rose by 244%, health care by 601%, and college tuition and fees in the U.S. skyrocketed by 1,120%.
- Over the past five years, South Carolina’s average in-state tuition has increased by nearly 13% at our four-year public colleges, and by nearly 14% at our two-year and technical colleges.
- South Carolina has the 8th highest average tuition and fees in the nation, and our student loan debt is above the national average.
- Higher education in South Carolina is more than a \$4.5 billion industry and the state is a significant financial stakeholder.

ABOUT THE CALL FOR ACTION

- In each legislative session since 2003, bills have been submitted in the General Assembly to create a Board of Regents in South Carolina to oversee and regulate the state's higher education system. Although the proposals have had limited support in past years, the 2015 fiscal crisis at SC State University provided new momentum for the idea.
- In March, 2015, Rep. Merrill introduced an amendment to defund the Commission on Higher Education (CHE), in an effort to force progress on creating a regulatory agency for higher education.
- As a result of the ensuing debate, Rep. Allison assembled an ad hoc committee to consider H. 3249, which would dissolve both the Commission and the State Technical College Board, replacing both with a Board of Regents.
- Following testimony from stakeholders throughout South Carolina and from national experts in higher education, the committee asked the Commission on Higher Education to clarify our duties as defined in the SC Code of Laws.
- As a part of that process, the Commission instituted a thorough review of the statutes, conducted a SWOT analysis, and then drafted a new budget to reflect the resources needed to bridge the gap between what we are required to do and what we are currently able to do.
- The SWOT report breaks down responsibilities into three categories: green: what the Commission is currently doing, yellow: what we are partially doing, and red: what we cannot do due to inadequate resources). CHE has been given an enormous task.
- As the statutes currently read, the Commission has less than \$155,000 to address 58 legislatively mandated areas of responsibility that are currently classified as red or yellow. It simply cannot be done within the current budget. It will take an additional \$1.8 million to move everything into the green column.

CONCLUSION

- The State of South Carolina needs someone to:
 - look beyond the goals of individual institutions and to focus on the overall needs of the state for the greater good.
 - provide timely, accurate, and relevant input and advice to the General Assembly and the Governor's Office.
 - work with SC's institutions of higher education and the business community to develop a comprehensive plan to positively position our state to face the challenges of a global economy.
 - provide a layer of accountability, ensuring that our limited educational resources are being managed wisely, and to alert the General Assembly of potential financial crises within our higher education system.
- Public education is a powerful investment, and as a state, we have an obligation to monitor and protect that investment.

Without effective coordination, our state will continue to struggle with issues like student debt, educational attainment, cost of attendance, institutional accountability,