



South Carolina Commission on Higher Education

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Dr. Richard C. Sutton
Executive Director

January 13, 2015

Transmitted by mail and electronically to:

Office of Senate Oversight
Attention: Ms. Andrea Truitt
PO Box 142, Suite 406
Columbia, SC 29202
senateoversight@scsenate.gov

Dear Governor Haley and Members of the General Assembly:

Enclosed please find the report of the SC Commission on Higher Education (CHE) as requested by the Office of Senate Oversight in response to requirements of S.C. Code of Laws, as amended §1-30-10(G).

Should you have questions or require additional information about CHE and its programs, do not hesitate to call on me or members of our staff.

Respectfully,

Richard C. Sutton, Ph.D.
Executive Director

cc: General John Finan, Chair, and Members of the Commission on Higher Education

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Office of Senate Oversight
P.O. Box 142, Suite 406
Columbia, SC 29202

Department/Agency	Date Submitted
SC Commission on Higher Education (CHE), H03	January 13, 2015
Report Submitted by: Richard C. Sutton	Title: Executive Director
<i>For questions and additional information please contact:</i> Ms. Julie Carullo Deputy Executive Director, Director of External Relations jcarullo@che.sc.gov / 803.737.2292	

The South Carolina Commission on Higher Education (CHE) was established by the General Assembly in 1967 and serves as the coordinating board for public higher education in South Carolina. CHE consists of an appointed board of fifteen members (S.C. Code of Laws, §59-103-10) and operates pursuant to its enabling legislation found in the S.C. Code of Laws, as amended, §59-103-5 *et seq.* Regulations promulgated by CHE are included in Chapter 62 of the S.C. State Code of Regulations. CHE acts as both an advocate for higher education and an oversight entity on behalf of the General Assembly. A brief information sheet is attached along with a summary of CHE's strategic planning goals as presented in the agency's [FY 2013-14 Accountability Report](#).

CHE has the authority and responsibility for a coordinated, efficient, and responsive higher education system in South Carolina consistent with the missions of the four types of institutions identified by the General Assembly including research institutions, four-year colleges and universities, two-year branches of the University of South Carolina, and the State Technical and Comprehensive Education System. Among its broad responsibilities, CHE is charged with examining institutions relative to short- and long-term programs and missions including: the role of public higher education in serving the needs of the state, and the role and participation of individual institutions in the statewide program; enrollment trends, student costs, business and management practices, accounting methods, operating results and needs of capital fund requests, administrative setup and curricular offerings of institutions as they relate across institutions, areas of state-level coordination and cooperation with the objective of reducing duplication, increasing effectiveness and achieving economies and eliminating sources of friction and misunderstandings and the promotion of a clearer understanding and unity and good will among all institutions in interest of serving education needs of citizens on a statewide basis (S.C. Code §59-103-20).

CHE's responsibilities are outlined below for purposes of this report categorized by the following programmatic areas and functions: 1) Academic Program Review, 2) Licensing of Non-public Postsecondary Institutions, 3) Veterans Education and Training Programs - State Approving Agency, 4) Higher Education Data and Accountability Systems, 5) Higher Education Funding and Fiscal Management, 6) Higher Education Facilities Project Approvals, 7) Student Financial Aid, and 8) Higher Education Access, Awareness, and Success. By statute, CHE also is responsible for staffing the S.C. Research Centers of Economic Excellence (also known as SmartState[®] which is overseen by a separately appointed board) and is the fiscal agent for PASCAL, which is a consortium of the state's higher education academic libraries to provide for the sharing of resources electronically and through physical resources. Both programs are described within the programmatic area of funding and fiscal management (#5 above). In carrying out its responsibilities, CHE maintains a legislative liaison and communications function. These activities cross functional areas of responsibility and as a result are not specifically addressed below. For more detailed descriptions of the agency's organizational structure in carrying out its responsibilities, please refer to the agency's [Annual Accountability Report](#). Additional information about CHE and its programs is also accessible on CHE's website at www.che.sc.gov.

Department/Agency Information

For *each* programmatic area, please provide the requested information.

Name of Programmatic Area

Academic Program Review

Restructuring

Brief Description of Current Program:

A core responsibility of the Commission in carrying out its mission includes statewide academic degree program approval and review and related activities with respect to the coordination of statewide higher education programs. CHE's function with respect to statewide academic programming extends also to post-secondary activities of nonpublic institutions (e.g., out-of-state, for-profit, and other post-secondary programming not exempt from oversight) in carrying out responsibilities of licensing non-public, post-secondary institutions operating or soliciting in South Carolina. CHE's licensing activity is covered below as a separate functional program area of CHE

CHE carries its responsibilities in this area by conducting policy and research work in making recommendations to the Governor and General Assembly, implementing policy within authorized authority, and conducting work with respect to the following statutory provisions related to academic program quality:

- approving of academic degree programs and evaluating existing programs of public institutions (§59-101-150, 59-103-35, 59-53-40);
- reviewing and approving the missions of each of the public institutions to ensure institutional missions are within the overall mission of the particular type of institutions and within the overall mission of the State as set forth in statute (§59-103-45(1));
- establish policies and procedures for the transferability of courses at the undergraduate level between 2-year and 4-year institutions (§59-103-45)
- coordinating with the State Board of Education in the approval of secondary education courses for the purpose of determining minimum college entrance requirements and defining minimum academic expectations for prospective post-secondary students, communicate these expectation to State Board of Education and work with the State Board of Education to ensure expectations are met (§59-103-45(2));
- reviewing minimum undergraduate admissions standards for in-state and out-of-state students (§59-103-45(3) and 59-104-10(A))
- ensuring minimal admission standards are maintained by institutions and monitor the effect of compliance with prerequisites that are effective (§59-104-10(A))
- developing provisions, procedures, and requirements for institutions relating to developmental education and develop appropriate methods of funding developmental education (§59-104-30)
- working with the State Department of Education in activities relating to teacher education training and in approving program standards for teachers (§59-26-20)
- contracting with select public or private colleges and universities to provide centers for excellence in programs designed to train teachers with CHE responsible for developing application guidelines and selecting centers (§59-103-140)
- encourage the development of joint programs both in academic and nonacademic areas (§59-103-260)

Policies with respect to carrying out these responsibilities are available from CHE's website at

<http://www.che.sc.gov/InstitutionsEducators.aspx#AcademicPolPrograms>

In carrying out these responsibilities, the following annual reports are among those routinely made by CHE:

- report on annual evaluation of associate degree programs
- report on program productivity standards (every two years)
- report on terminated and approved programs

- report on first-time freshmen entering admission standards
- EIA-funded Centers of Excellence guidelines and annual program report as required to the Education Oversight Committee (program established in 1984 and continues to be funded, §59-103-140)

CHE maintains an inventory of academic programs at public institutions. The inventory is accessible online in a searchable format. Information is included on independent institutions (i.e., any degree-granting school, institute, college, junior college, university or entity that was chartered by the Secretary of State before 1953).

CHE has also worked with institutions in carrying out directed responsibilities under the Education and Economic Development Act (Act 88 of 2005). As part of its responsibilities in ensuring seamless educational transitions (§59-59-210), the following projects were implemented:

- High School College Course Alignment Project
- Implementation of the Online Transfer and Articulation System (www.sctrac.org)

In improving coordination of programs from K-12 through higher education, CHE has recently coordinated the implementation of a P-20 collaboration across the state’s educational agencies and entities. See http://www.che.sc.gov/CHE_Docs/infocntr/pressrelfiles/2014_Press_Release_P-20_Council_Initial_Meeting_101514.pdf for additional details.

In related activities with respect to program review and quality, CHE manages the federally-funded Improving Teacher Quality Program (ITQ) and adopts annual application guidelines for funding each year in accordance with federal program guidelines.

CHE has responsibilities for review and budgetary oversight for teacher recruitment programs funded through the EIA including the Center for Educator Recruitment and Retention and the SC State University Program for the Recruitment and Retention of Minority Teachers. (SC Appropriations Act FY15 Part 1B proviso 1A.8. Annual appropriated EIA-funds for these programs are provided by flow-through from SDE to CHE for distribution as intended)

CHE also carries out under its mission various programs to provide for recognition of program review and quality including: the statutorily mandated Governor’s Professor of the Year Program (§59-104-220) for which funding was lost during the Great Recession and is being requested in FY 2015; institutional, public and independent 2-year and 4-year, service learning program recognitions; campus safety officer recognition; and through the early 2000s when funds were available and CHE conducted academic program review, academic program commendations of excellence.

State and/or federal statutory authority for this activity:

CHE Authorizing Legislation, SC Code of Laws, §59-103-5 et seq., and as referenced above for specific areas of responsibility.

To which goal(s) in the Agency's Annual Accountability Report does this program relate?

See the following in Appendix B, CHE’s 2014-15 Strategic Agenda. These are the goals as presented in CHE’s FY 2013-14 Annual Accountability Report.

- Targeted Objective 1, Action Steps A-E
- Targeted Objective 3, Action Steps A-D
- Targeted Objective 4, Action Steps A-E

How does this program substantially address the legislative intent and the stated goals of the department/agency as set forth in statute?

These functions carried out by CHE ensure program quality and productivity of public institutions, prevents unnecessary duplication of public programs, protects students’ rights and promotes appropriate transfer of credit and admission standards.

Describe the impact that eliminating this programmatic area would have on the mission of the department/agency and the citizens of South Carolina:

Eliminating the functional area of statewide program approval and related review would jeopardize statewide program quality and coordination and increase inefficiencies, duplication of efforts, and a lack of focus on overarching statewide goals and needs with respect to higher education academic programing.

Do any other governmental entities provide similar or related services? If yes, please explain.

There are no other agencies in SC tasked with statewide coordination and regulatory activity for postsecondary academic program review and approval.

Could/should this function be eliminated, combined with another area or transferred to another department/agency in order to achieve greater efficiency or eliminate redundancy? If yes, please explain.

All states have these functions at the statewide level, although models for carrying them out vary across the country depending on state structures and histories of higher education organization. The function ensures program quality and productivity at public institutions, prevents unnecessary duplication of public programs, protects students' rights, and promotes appropriate transfer of credit. An absence of this statewide function would produce increased levels of unnecessary duplication of programs, particularly at the doctoral and professional levels.

Cost Savings and Increased Efficiencies

What, if any, changes would the department/agency recommend to generate cost savings or efficiencies in this program?

Under review and no recommendations at this time. CHE continually examines its process for increased efficiencies such as might be accrued through changes to reporting and approval processes or that may be accrued through enhanced technologies achievable within existing resources. Over the past several years, CHE has made changes within its existing authority to the academic program approval processes to streamline the process and reduce approval timeframes. CHE is presently examining mechanisms for strengthening program review of existing programs and to ensure effectiveness of statewide outcomes and quality and related review and approval of licensed programs. (See below for related activity for Licensing of NonPublic Postsecondary Education.)

What are the anticipated cost savings/efficiencies that would be achieved? *N/A at this time*

Is legislative action required to allow the department/agency to implement these recommendations? *N/A at this time*

If legislative action is required, explain the constitutional, statutory or regulatory changes needed. *N/A at this time*

Describe the department/agency action that will be implemented to generate the desired outcomes. *N/A at this time*

What is the timeline for implementation of the change and realization of the anticipated benefits? *N/A at this time*

Department/Agency Information

For each programmatic area, please provide the requested information.

Name of Programmatic Area

Licensing of Nonpublic Postsecondary Institutions

Restructuring

Brief Description of Current Program:

The Commission is the sole authority for licensing non-public educational institutions established in South Carolina and for those established elsewhere to operate in this State. Responsibilities and activities carried out by CHE in this program area include licensing of new nonpublic postsecondary institutions operating in or soliciting in the state, licensing new degree and non-degree programs offered in South Carolina by nonpublic postsecondary institutions, and permitting agents to recruit in the state. CHE also serves as a repository of student records for closed postsecondary schools.

CHE publishes an annual report on licensing activities. The most recent is available at http://www.che.sc.gov/CHE_Docs/publications/AnnualReports/Licensing_Activity_Rpt_2013-14.pdf . Information about licensing is also maintained on CHE’s website and available at <http://www.che.sc.gov/InstitutionsEducators/Licensing/LicensingofNon-PublicPostsecondaryInstitutions.aspx>

State and/or federal statutory authority for this activity:

SC Code of Laws §59-58-10 et seq and SC Code of Regulations, R.62.1-R.62.100.

To which goal(s) in the Agency's Annual Accountability Report does this program relate?

See the following in Appendix B, CHE’s 2014-15 Strategic Agenda. These are the goals as presented in CHE’s FY 2013-14 Annual Accountability Report.

- Targeted Objective 5, Action Steps A-C

How does this program substantially address the legislative intent and the stated goals of the department/agency as set forth in statute?

The program directly carries out responsibilities assigned under SC Code of Laws §59-58-10 et seq

Describe the impact that eliminating this programmatic area would have on the mission of the department/agency and the citizens of South Carolina:

This function serves a consumer protection role for those seeking and participating in nonpublic proprietary and not-for-profit higher education programs in South Carolina. Without such a function, states are in danger of becoming home to diploma mills.

Do any other governmental entities provide similar or related services? If yes, please explain.

No. CHE’s authority for postsecondary licensing does not duplicate or compete with other state licensing functions such as those that reside with the State Labor, Licensing and Regulation Agency.

Could/should this function be eliminated, combined with another area or transferred to another department/agency in order to achieve greater efficiency or eliminate redundancy? If yes, please explain.

All states have this function at the statewide level though models for carrying out this function vary. While there are a number of ways states have chosen to carry out this function, eliminating the oversight of postsecondary programs operating in SC is not recommended as doing so would negatively impact and jeopardize the quality and offering of postsecondary programs in the state.

Cost Savings and Increased Efficiencies

What, if any, changes would the department/agency recommend to generate cost savings or efficiencies in this program?

There are no recommendations currently. CHE is exploring the state's laws and regulations in this area to ensure appropriate levels of oversight and protection respect to licensed postsecondary programs. It is anticipated that there will be recommendations forthcoming. CHE is also evaluating the potential savings that could be generated by participating in the new State Authorization Reciprocity Agreement, but any potential action has been deferred for at least another year.

What are the anticipated cost savings/efficiencies that would be achieved? *N/A at this time*

Is legislative action required to allow the department/agency to implement these recommendations? *N/A at this time*

If legislative action is required, explain the constitutional, statutory or regulatory changes needed. *N/A at this time*

Describe the department/agency action that will be implemented to generate the desired outcomes. *N/A at this time*

What is the timeline for implementation of the change and realization of the anticipated benefits? *N/A at this time*

Department/Agency Information

For each programmatic area, please provide the requested information.

Name of Programmatic Area

Veterans Education and Training Programs - State Approving Agency

Restructuring

Brief Description of Current Program:

CHE's Veteran's Education division is designated as the State Approving Agency (SAA) responsible for approving and supervising Veteran's Education programs in South Carolina. The SAA is a part of the National Association of State Approving Agencies (NASAA) which is comprised of state agencies that have responsibility for the approval and training available through the GI Bill. The SAA acts on behalf of the Federal Government to evaluate educational/vocational institutions and training establishments. The SAA approves programs where veterans and those eligible for VA education benefits (under Title 38, US Code, Chapters 30, 32, 33, 35, 36, and Title 10 US Code, Chapter 1606 and 1607) can achieve quality training in either an educational, professional, or vocational objective. The focus of the SAA is the review, evaluation, and approval of quality programs under both the State and Federal criteria.

Coordinators are assigned to various areas throughout the State and are responsible for a variety of duties. The area coordinators visit institutions and training establishments seeking initial approval to evaluate the appropriateness of the programs being offered and to ensure that these programs meet the standards of State and Federal guidelines. Area coordinators also evaluate curricula, training outlines, student training records, physical facilities, and equipment used in training programs. The coordinators, in evaluating institutions and programs, meet with faculty/trainers, administrators, and agency directors seeking a willingness to establish training approval for GI Bill recipients. Approval may be granted for the following:

- Public/Private degree-granting institutions (Colleges and Universities) (IHL)
- Professional/Vocational certificate or diploma granting institutions (Non-College Degree) (NCD)
- On-Job-Training (OJT) establishments (6 to 24 months training programs)
- Apprenticeship (APP) establishments (more than 24 months and annual related training)
- Flight Training Schools (for pilot licenses and aviation employment)

Upon approval, the SAA provides continuous oversight by conducting on-site compliance visits. Technical assistance visits are conducted when deemed necessary by the Department of Veterans Affairs, SAA or at the request of the certifying official. The SAA also conducts outreach activities to foster usage of the GI Bill.

State and/or federal statutory authority for this activity:

Each state is required to designate a State Approving Agency under Title 38 U.S. Code of Laws, Chapter 36, Subchapter 1, §3671. CHE is designated by the Governor to act in this capacity and has been the designated agency by the State since approximately 1990.

To which goal(s) in the Agency's Annual Accountability Report does this program relate?

See the following in Appendix B, CHE's 2014-15 Strategic Agenda. These are the goals as presented in CHE's FY 2013-14 Annual Accountability Report.

- Targeted Objective 5, Action Step C

How does this program substantially address the legislative intent and the stated goals of the department/agency as set forth in statute? N/A

Describe the impact that eliminating this programmatic area would have on the mission of the department/agency and the citizens of South Carolina:

The SAA acts for the State as an agent of the federal government and eliminating the program is not an option. Activity at the state level on behalf of the federal VA affords enhanced opportunity for technical assistance and oversight with educational institutions and employers and greater opportunity for one-on-one technical assistance in assisting veterans in S.C. with their approval inquiries and enrollment applications.

Do any other governmental entities provide similar or related services? If yes, please explain.

No. CHE as the State's SAA is the only designated entity to serve this role for South Carolina.

Could/should this function be eliminated, combined with another area or transferred to another department/agency in order to achieve greater efficiency or eliminate redundancy? If yes, please explain.

The SAA operates on federal funding only and activities of the SAA are contracted. CHE is the entity charged with carrying out this function as an agent of the federal government for South Carolina. Elimination of the program is not an option for South Carolina and housing the program at another agency would not necessarily afford the benefit of direct coordination with respect to information about higher education programs.

Cost Savings and Increased Efficiencies

What, if any, changes would the department/agency recommend to generate cost savings or efficiencies in this program?

CHE operates the SAA with federal funding that is provided to carry out contracted responsibilities of the SAA. Each federal fiscal year, the SC SAA enters into a contractual agreement with the U.S. Department of Veterans Affairs Central Office (DVACO). DVACO provides a funding allocation to the SC SAA based on expected program activity. The allocation is based each year on the number of active S.C. educational institutions and employers during the period of May 1 to April 30. CHE through the SAA acts to maximize staff/personnel, time, travel and equipment to ensure fulfillment of the contractual agreement and SAA business plan.

What are the anticipated cost savings/efficiencies that would be achieved? *N/A at this time*

Is legislative action required to allow the department/agency to implement these recommendations? *N/A at this time*

If legislative action is required, explain the constitutional, statutory or regulatory changes needed. *N/A at this time*

Describe the department/agency action that will be implemented to generate the desired outcomes. *N/A at this time*

What is the timeline for implementation of the change and realization of the anticipated benefits? *N/A at this time*

Department/Agency Information

For each programmatic area, please provide the requested information.

Name of Programmatic Area

Higher Education Data and Accountability Systems

Restructuring

Brief Description of Current Program:

CHE maintains a higher education database known as CHEMIS or the CHE Management Information System. The data are collected throughout the year electronically from the state’s public and independent colleges and universities. CHE as the state’s coordinating board facilitates institutional data submission required by the U.S. Department of Education for purposes of the Federal Integrated Postsecondary Data System (IPEDS) and serves as the state’s IPEDS State keyholder. The data are used for research, responding to inquiries at the state and national levels, and carrying out higher education program administration requirements with respect to accountability (e.g., reporting for state scholarship and grant programs, institutional effectiveness requirement etc.).

CHE publishes each year a higher education statistical abstract, a facilities abstract, and makes available current and historical data through its data catalog and reports which are accessible on the agency’s website at <http://www.che.sc.gov/DataPublications.aspx> . CHE’s manual for data elements and reporting is available at <http://www.che.sc.gov/INSTITUTIONSEDCATORS/CHEMIS.ASPX>

State and/or federal statutory authority for this activity:

CHE carries out its function of maintaining a central database in fulfilling its agency mission. There is not a direct statutory provision requiring this function. Indirect authority exists which respect to particular accountability initiatives such as those related to institutional effectiveness, statewide planning and assessment programs, performance funding, and related as found in Title 59, Chapters 103 and 104 and budget provisos implemented in relation to these activities including longstanding FY15 budget proviso 1.19 with respect to teacher data collection and a proviso in effect since FY2009-10, budget proviso 117.77 relating to reporting.

To which goal(s) in the Agency's Annual Accountability Report does this program relate?

Indirectly throughout the various objectives and action steps within the stated FY 2014-15 strategic agenda. See Appendix B.

How does this program substantially address the legislative intent and the stated goals of the department/agency as set forth in statute?

Centralized higher education data maintenance reporting and oversight provides for resources necessary and instrumental in examining, recommending and carrying out programs and initiatives statewide.

Describe the impact that eliminating this programmatic area would have on the mission of the department/agency and the citizens of South Carolina:

All states have this function at the statewide level, although models for carrying out this function vary. Eliminating statewide coordination with respect to higher education data diminishes communication, consistency and reliability of collected and reported data statewide that may result in greater inefficiency and duplication of efforts without such a resource and coordination available throughout the state.

Do any other governmental entities provide similar or related services? If yes, please explain.

No. Each institution maintains data collection for its own purposes. The State Technical College System Office collects data for the 16 technical colleges, and the USC System maintains a common reporting structure for its campuses and schools. CHE is the only entity that maintains a comprehensive database for higher education including all public and independent SC institutions of higher education.

Could/should this function be eliminated, combined with another area or transferred to another department/agency in order to achieve greater efficiency or eliminate redundancy? If yes, please explain.

The function is important to provide an objective, coordinated review of necessary data collection. Given the expertise and responsibilities of CHE, there is not another agency positioned to carry out this function to achieve greater efficiency or eliminate redundancy. CHE works with the institutions on a continual basis to promote efficiencies of required data collection and reduce or eliminate unnecessary data reporting redundancies where possible. The data are used to the extent possible to avoid individual surveying or reporting of institutions.

Cost Savings and Increased Efficiencies

What, if any, changes would the department/agency recommend to generate cost savings or efficiencies in this program?

CHE staff strives continually to eliminate unnecessary and duplicative reporting efforts and seeks to make more effective its process through coordination and the upgrading/enhancement of technologies available within existing resources. For example, CHE has recently made changes to online data availability to improve user access. Improvements continue to be explored and enhanced. CHE is also seeking resources in its efforts to ensure compliance with recently adopted state policies as required so as to ensure data integrity and protection.

What are the anticipated cost savings/efficiencies that would be achieved? *N/A at this time*

Is legislative action required to allow the department/agency to implement these recommendations? *N/A at this time*

If legislative action is required, explain the constitutional, statutory or regulatory changes needed. *N/A at this time*

Describe the department/agency action that will be implemented to generate the desired outcomes. *N/A at this time*

What is the timeline for implementation of the change and realization of the anticipated benefits? *N/A at this time*

Department/Agency Information

For each programmatic area, please provide the requested information.

Name of Programmatic Area

Higher Education Funding and Fiscal Management

Restructuring

Brief Description of Current Program:

As the coordinating body for higher education, CHE is tasked with and carries out various responsibilities with respect to higher education funding and fiscal management of funds for agency personnel and activities and various higher education programs assigned through CHE for which CHE has varying levels of responsibility.

Responsibilities of CHE have included the development of a funding formula based on an institution’s achievement of the standards set for critical success factors and performance indicators outlined in State code §59-103-45. This function, known as performance funding, was initiated in statute in 1996 and has been suspended with a budget proviso that has continued each year since FY 2009-10. CHE continues to maintain part of the model that was developed known as the Mission Resource Requirement (MRR). The MRR is a formula used to estimate an equitable distribution of operating needs for the state’s 33 public colleges and universities and the recommended share of state support based on in-state enrollment. In its simplest form, the MRR is calculated as the total educational and general (E&G) operating costs of an institution, reduced by the student’s share, resulting in the portion recommended to be funded by the state for in-state students.

CHE is tasked statutorily with receiving, reviewing and submitting on behalf of the institutions annual budget requests and supplemental appropriations requests. However, this provision has never been fully supported by the General Assembly in that institutions submit individual budget requests. CHE in the past has submitted separate requests for the agency and a statewide request on behalf of higher education institutions but last submitted a separate request on behalf of the public institutions in FY 2009-10 for FY 2010-11. (§59-103-35)

CHE prepares statewide higher education funding data for national reports on behalf of SC such as the State Higher Education Finance Survey and Grapevine Surveys.

CHE carries out assigned responsibilities for the allocation and distribution of various funds appropriated for higher education as directed.

- “Flow-through” funds appropriated to CHE which directly flow through the agency to the intended recipient currently include appropriations to: University Center of Greenville (to Greenville Technical College and also to UCG for operations; Lowcountry Graduate Center; Experimental Program to Stimulate Cooperative Research (EPSCoR) (FY15 Part1B Proviso 11.5 and 11.7); SC State for School of Business (FY15 Part 1B Proviso 11.7); and African American Loan Repayment Program (SC Code of Regulations, R.62.540 – 590, FY15 Part 1B proviso 11.3)
- Flow-through funds for which CHE is statutorily directed to allocate in some capacity by formula distribution include appropriations for: Academic Endowment (§59-118-10 et seq), Lottery Technology for Public 2-year (USC 2-yr Regional Campuses and Technical Colleges) and 4-year Comprehensive Teaching Institutions (§59-150-355 and FY15 Part 1B Budget Provisos 3.2 and 3.5); facilities maintenance and renewal 2-year & 4-year colleges and universities appropriations included in the appropriations act in FYs 13, 14, and 15; Higher Education Excellence Enhancement Program (§2-77-10 et. seq. and related FY15 Part 1B Budget Proviso 3.5 and 11.13); Need-based Grants funding formula allocation to public institutions (§59-142,40, see also below programmatic area Student Financial Aid)

- Funds for state-funded student financial aid are processed through CHE including Palmetto Fellows, LIFE, HOPE, SC National Guard College Assistance Program, and Lottery Tuition Assistance processing for the USC 2-year campuses and eligible independent 2-year institution. (See also below programmatic area Student Financial Aid)
- Other programs for which funds flow through CHE as described elsewhere include EIA-funded Centers of Excellence, EIA-funded Teacher Recruitment Programs, SREB programs and assessments, SmartState, PASCAL, and various federal grants for which CHE is responsible.

In addition to those programs listed above, CHE also manages funds for and is tasked with staffing of the SC Research Centers of Economic Excellence Program, now known as SmartState[®], authorized in 2002 under SC Code of Laws §2-75-05 et. seq. and FY14 budget provisos 3.5 and 11.12. SmartState is overseen by an 11-member Review Board appointed by the Governor and Senate and House leadership. CHE approves the Review Board's operating budget and staffs the program under the Review Board oversight. SmartState Centers, which may be awarded from \$2 million to \$5 million in state funds to be matched \$1-for-\$1 with non-state investment, are approved through a competitive process that, by statute, includes technical and scientific reviews, on-site evaluations conducted by out-of-state experts, and a presentation of findings with recommended funding levels to the Review Board. Once approved, each Center has an 18-month period in which the non-state match must be pledged and 78 months from the approval date to receive the non-state match and draw the matched state funds. The program has been funded with lottery funds provided from FY03 through FY08. New program funds have not been made available to the program since the last appropriations received in FY08. The funds for SmartState are held in a trust, with interest accruing to the program. The authorization of program administration funds is recognized through CHE's annual appropriations, and authorization of program matching funds has been considered in recent years by the General Assembly's Other Funds Oversight Committee (OFOC) for drawdown upon CHE confirmation of the requisite 1:1 non-state match. By statute, SmartState receives annually an external audit and must submit an annual program report. The latest report (2014) is available at <http://www.scstatehouse.gov/reports/CommissionHigherEd/2013-2014SmartStateAnnualReportAndAudit.pdf>. The program's website is www.smartstatesc.org and may be accessed through CHE's website information on SmartState at <http://www.endowedchairs.org/>

CHE also currently services as the fiscal agent for PASCAL, a consortium of academic higher education libraries in SC. PASCAL (Partnership Among SC Academic Libraries) is a cooperative and collaborative effort among our public and private higher education libraries that is transforming how our state's citizens access vital academic information. PASCAL connects SC's 55 public and private higher education academic libraries to enhance services and enable a more cost-effective means of sharing academic collections statewide. Through SC's higher education libraries and PASCAL, 250,000+ postsecondary students, faculty, and researchers benefit from expanded access to sophisticated academic resources. Others in the state benefit by gaining access to the higher education academic resources through the State Library or via walk-in use of our state's academic libraries. PASCAL helps SC avoid duplicated expenditures by enabling a mechanism for group purchases of essential sophisticated electronic academic databases and e-books and sharing of print material making these resources available to all of the participating higher education academic libraries in the state. PASCAL is supported with state general funds, lottery funds, and member fees. Program funding for PASCAL is authorized in the annual Appropriations Act through CHE's Part 1A budget including state funds provided for PASCAL, lottery fund authorizations, and authorization of other program funds which derive largely from participating institutional program assessments. The need for the program was established in the early 2000s through CHE program review of libraries statewide and resulting recommendations that were made as part of the objective review. State funds were initially provided for electronic and sharing of resources by the consortium in FY 2004-05 and have continued in most years since through one-time non-recurring sources. PASCAL has sought more stable state recurring appropriations to manage better on-going activities and collective purchasing of resources. CHE serves as the fiscal agent for PASCAL per a memorandum of understanding between PASCAL and CHE. CHE initially became the fiscal agent in 2004.

State and/or federal statutory authority for this activity:

CHE Authorizing Legislation, SC Code of Laws, §59-103-5 et seq and as referenced above for specific tasks.

To which goal(s) in the Agency's Annual Accountability Report does this program relate?

See the following in Appendix B, CHE's 2014-15 Strategic Agenda. These are the goals as presented in CHE's FY 2013-14 Annual Accountability Report.

- Targeted Objective 2, Action Steps A-E
- Targeted Objective 3, Action Steps A-D

How does this program substantially address the legislative intent and the stated goals of the department/agency as set forth in statute?

These functions carried out by CHE ensure statewide coordination of policy issues and implications with respect to higher education funding and promote understanding and coordination of programs.

Describe the impact that eliminating this programmatic area would have on the mission of the department/agency and the citizens of South Carolina:

All states have these functions at the statewide level, although models vary for carrying them out. Eliminating the functional area of statewide higher education funding coordination and fiscal management would jeopardize statewide program quality and coordination and increase inefficiencies, duplication of efforts, and a lack of focus on overarching statewide goals and needs.

Do any other governmental entities provide similar or related services? If yes, please explain.

There are no other agencies in SC tasked with statewide coordination and regulatory activity for postsecondary higher education funding or fiscal management of the various higher education programs as described above.

Could/should this function be eliminated, combined with another area or transferred to another department/agency in order to achieve greater efficiency or eliminate redundancy? If yes, please explain.

Models for carrying out this function vary across the country depending on state structures of higher education organization.

Cost Savings and Increased Efficiencies

What, if any, changes would the department/agency recommend to generate cost savings or efficiencies in this program?

Under review and no recommendations at this time. CHE continues to be concerned about the decline in state funding of higher education and the evolution of the statewide funding model for higher education which is increasingly reliant on student financial aid. As part of its strategic agenda, CHE is exploring these areas and does not have specific recommendations at this time.

What are the anticipated cost savings/efficiencies that would be achieved? *N/A at this time*

Is legislative action required to allow the department/agency to implement these recommendations? *N/A at this time*

If legislative action is required, explain the constitutional, statutory or regulatory changes needed. *N/A at this time*

Describe the department/agency action that will be implemented to generate the desired outcomes. *N/A at this time*

What is the timeline for implementation of the change and realization of the anticipated benefits? *N/A at this time*

Department/Agency Information
For each programmatic area, please provide the requested information.

Name of Programmatic Area

Higher Education Facilities Project Approval

Restructuring

Brief Description of Current Program:

CHE is statutorily tasked with the approval of public higher education capital projects, leases, and land purchases in accordance with statutory authority. As part of the statutory approval process for facilities, CHE approvals are subject to subsequent approvals of the Joint Bond Review Committee (JBRC) and the Budget and Control Board (BCB). Among its responsibilities, CHE considers all aspects of institutional permanent improvement projects including the acquisition of land and buildings, regardless of cost; work on existing facilities including their renovation, repair, maintenance, alteration, or demolition in which the total cost is \$1,000,000 or more; architectural and engineering and other types of planning and design work, regardless of cost, which is intended to result in a permanent improvement; capital lease purchase of a facility acquisition or construction in which the total cost is \$1,000,000 or more; equipment that either becomes a permanent fixture of a facility or does not become permanent but is included as a part of a project in which the total cost is \$1,000,000 or more; and new construction of a facility that exceeds a total cost of \$500,000. Also included are leases and lease renewals above the exemption level of \$100,000 per year and consideration of proposals for renovation, repair, and maintenance projects costing more than \$1,000,000, new construction projects costing more than \$500,000, and leases which commit \$1,000,000 or more in a five year period. CHE approvals are also required for Master Land Acquisition Plans (MLAP) and the Comprehensive Permanent Improvement Plans (CPIP).

CHE is also assigned responsibilities relating to the Research University Infrastructure Act of 2004 with respect to the development of alternate procurement codes for research university projects funded under this Act and the allocation of bond funds for other institutions pursuant to the provisions of this Act.

In carrying out its responsibilities, CHE maintains data collection through CHEMIS on buildings and has developed and maintained a formula for consideration of institutional maintenance needs plans for educational and general institutions facilities and infrastructure. These data are used as a component in the calculation of annual funding calculation, specifically for the maintenance and operation of physical plant. These data are also applied to classroom and laboratory utilization and other quantitative reports for consideration in the approval process of permanent improvement requests.

For additional information on requirements and CHE's responsibilities, see Facilities Policies and Procedures Manual available at <http://www.che.sc.gov/InstitutionsEducators/Facilities.aspx>

State and/or federal statutory authority for this activity:

CHE Authorizing Legislation, SC Code of Laws, §59-103-5 et seq and as specifically referenced in SC Code of Laws, § 59-103-110, 2-47-40, 2-47-55, and 11-51-125 and 11-51-190 (Research University Infrastructure Act provisions).

To which goal(s) in the Agency's Annual Accountability Report does this program relate?

See the following in Appendix B, CHE's 2014-15 Strategic Agenda. These are the goals as presented in CHE's FY 2013-14 Annual Accountability Report.

- Targeted Objective 2, Action Steps A, D
- Targeted Objective 3, Action Step A

How does this program substantially address the legislative intent and the stated goals of the department/agency as set forth in statute?

Provides for statewide coordination of state facilities across the public higher education institutions.

Describe the impact that eliminating this programmatic area would have on the mission of the department/agency and the citizens of South Carolina:

All states have these functions at the statewide level, although models vary for carrying them out. The function encourages short- and long-term planning to ensure institutional and state priorities are addressed and that proposals are reviewed at the statewide level for need and the most effective use of resources.

Do any other governmental entities provide similar or related services? If yes, please explain.

No, in respect to coordination and review relevant to higher education programs. The facilities project review and approval process involves a number of statewide entities including responsibilities of the institutional boards of trustees, CHE, the Joint Bond Review Committee, and Budget and Control Board. CHE is the entity within the process for the overarching statewide coordination of higher education programs and activities.

Could/should this function be eliminated, combined with another area or transferred to another department/agency in order to achieve greater efficiency or eliminate redundancy? If yes, please explain.

See above. Various models may be used to accomplish the activities and the lack of such oversight and coordination diminishes effectiveness and efficiencies accrued through focus on planning, priorities and coordination of resources.

Cost Savings and Increased Efficiencies

What, if any, changes would the department/agency recommend to generate cost savings or efficiencies in this program?

Under review and no recommendations at this time.

What are the anticipated cost savings/efficiencies that would be achieved? *N/A at this time*

Is legislative action required to allow the department/agency to implement these recommendations? *N/A at this time*

If legislative action is required, explain the constitutional, statutory or regulatory changes needed. *N/A at this time*

Describe the department/agency action that will be implemented to generate the desired outcomes. *N/A at this time*

What is the timeline for implementation of the change and realization of the anticipated benefits? *N/A at this time*

Department/Agency Information

For each programmatic area, please provide the requested information.

Name of Programmatic Area

Student Financial Aid

Restructuring

Brief Description of Current Program:

The Commission on Higher Education oversees administration of state-supported student financial aid programs which ensures statewide equity of awards and consistency of selection criteria. The state-supported programs include the following, each of which is described briefly in CHE’s FY14 Agency Accountability Report:

- Need-Based Grants (§§ 59-142-10 et seq, 59-143-10 et seq, 59-101-345, 59-111-25, Regulations R.62.450-505, and related FY15 Part 1B budget provisos, 3.5 and 11.9.). As of FY 2014, CHE also provides for oversight for funds previously directed through CHE’s budget to a non-profit for the establishment of college transition programs to need-based grants for students with intellectual disabilities in the recognized college transition programs (FY15 Part 1B budget proviso, 11.16)
- Palmetto Fellows Scholarships (PFS) – PFS is a merit-based scholarship program administered by CHE. (§§ 59-104-20, 59-143-10 et seq, 59-101-345, 59-111-25, Regulations R.62300-375, and related FY15 budget provisos, 3.5, 11.11 and 117.45.)
- The Legislative Incentive for Future Excellence Scholarship (LIFE) is a merit-based scholarship administered by the financial aid office at eligible SC public/independent colleges and universities. (§§ 59-149-10 et seq, 59-111-25, 59-101-430(B), Regulations, R .62-1200.1-1200.70, and related FY15 budget provisos 3.5, 11.11, 117.45.
- The SC HOPE Scholarship Program was established under the SC Education Lottery Act of 2001 and is a merit-based scholarship created for students attending a four-year institution during the freshman year only for those eligible who do not qualify for the LIFE or Palmetto Fellows Scholarship. (§§59-150-370, 59-101-430(B), Regulation 62.900.85-900.140, and related FY15 budget provisos 3.5).
- Lottery Tuition Assistance which was also established under the SC Education Lottery Act of 2001 and provides aid for eligible students at two-year public and independent institutions. CHE co-administers the program with the State Technical College System Office with CHE processing funds for the eligible public 2-year campuses of USC and the eligible private institution. (§59-150-360, Regulation R.62.900.150 -62.900.195, and FY15 budget proviso 3.5).
- SC National Guard College Assistance Program (SC NG CAP) provides financial incentives for enlisting in the Army or Air National Guard in areas of critical need and is co-administered by CHE and the SCNG. (§59-114-10 et seq., SC Regulation, R.62.250-R.62.263, and related FY15 budget proviso 11.15.)
- SREB Contract Program & Assessments: The Southern Regional Education Board (SREB) was founded in 1948 by southern Governors to help states improve and share resources in higher education. CHE coordinates SC’s participation in higher education programs. Participation enables access to SREB data collection, policy documents, comparative research and publications on K-20 issues as well as participation in several other programs such as the Academic Common Market (ACM). ACM is a voluntary program that enables out-of-state students to access at resident (in-state) tuition and fee rates undergraduate and graduate programs offered by institutions on the ACM that are not available to students in their home state. SC also provides financial support to provide for participation in the SREB Doctoral Scholars Program, technology initiative, Arts Program (see

below), and SREB Contract Programs in Optometry and Veterinary Medicine. The Contract Programs offer students pursuing professional health degrees admission to schools in other states for the price of in-state tuition and fees at public institutions and for reduced tuition at private institutions; participating states pay colleges to maintain places in selected programs, thereby saving the expense of building and staffing these programs. (FY15 Part 1B budget 11.1 and 11.6.)

- SREB Arts Program Tuition Assistance which provides tuition assistance to SC residents to attend the NC School of the Arts, a conservatory-based high school program that provides for the training of professionals in the arts. See above description of SREB and FY15 budget proviso 11.2.
- Dayco Scholarship which is a merit-/need- based scholarship administered by CHE initially established in 1988 with funds from Dayco, Inc. and matching funds from the state that are held in corpus with interest earning supporting a small annual award to Dayco employees. The funds for this program derive from the endowment established with the implementation of the program and no new funds are appropriated. For additional info, see <http://www.che.sc.gov/Students,FamiliesMilitary/PayingForCollege/WhatFinancialHelpIsAvailable/ScholarshipsGrantsforSCResidents/DaycoScholarshipProgram.aspx>).

State and/or federal statutory authority for this activity:

For State law and regulation citations for the various programs, see references provided above.

To which goal(s) in the Agency's Annual Accountability Report does this program relate?

See the following in Appendix B, CHE's 2014-15 Strategic Agenda. These are the goals as presented in CHE's FY 2013-14 Annual Accountability Report.

- Targeted Objective 1, Action Step D
- Targeted Objective 3, Action Step A

How does this program substantially address the legislative intent and the stated goals of the department/agency as set forth in statute?

CHE as the coordinating board for higher education carries out its statewide oversight with respect to administration and management of the state-supported various student financial aid programs under its purview to ensure the programs are carried out as legislated and in a uniform statewide manner.

Describe the impact that eliminating this programmatic area would have on the mission of the department/agency and the citizens of South Carolina:

All states have these functions at the statewide level, although models for carrying them out vary across the country depending on state structures and histories of higher education organization. SC implemented state-supported student financial aid programs beginning in 1970s for students at SC's independent institutions and in the 1980s for students at public institutions. The State through its participation with SREB for contracted programs has also afforded opportunities for participation of SC residents in veterinary medicine (since 1958) and optometry (since 1973) in lieu of program growth in those areas in the state. The state-supported financial aid programs have become an integral part of the state's funding model for higher education, particularly in light of the significant growth in merit-based financial aid programs intended to encourage enrollment and timely graduation from college of SC high school graduates in our public and independent institutions. Eliminating the student financial aid programs would have financial consequences to SC families and students reliant on these programs for affordability and to the state in possible diminished enrollment in the state's colleges and universities. Eliminating a centralized oversight role would jeopardize the integrity of the programs that has developed through this role with respect to consistency and fairness for all students statewide.

Do any other governmental entities provide similar or related services? If yes, please explain.

While administration of the state-supported scholarship programs is a shared responsibility of the institutions in awarding eligible students and CHE in providing regulatory administration and oversight as legislated, there is no other entity tasked with statewide oversight and coordination of the programs.

Could/should this function be eliminated, combined with another area or transferred to another department/agency in order to achieve greater efficiency or eliminate redundancy? If yes, please explain.

State's carry out the assigned functions relevant to student financial aid in various manners depending on the organizational structure of the state and the programs implemented by the state. Identifying opportunities to achieve administrative efficiency and eliminate any redundancies within the current structure is ongoing in overseeing the programs as currently administered. For example, staff is investigating steps to reduce costs to the extent possible by maximizing electronic processes used by the agency. Additionally, CHE is seeking to re-instate a routine on-site audit review function and exploring ways to implement the process in a cost-effective manner. There are no specific recommendations at this time for alternatives that would be anticipated to achieving greater efficiency or eliminate redundancy in the administration and statewide oversight of the state's financial aid programs.

Cost Savings and Increased Efficiencies

What, if any, changes would the department/agency recommend to generate cost savings or efficiencies in this program?

See above. No recommendations at this time.

What are the anticipated cost savings/efficiencies that would be achieved? N/A at this time

Is legislative action required to allow the department/agency to implement these recommendations? N/A at this time

If legislative action is required, explain the constitutional, statutory or regulatory changes needed. N/A at this time

Describe the department/agency action that will be implemented to generate the desired outcomes. N/A at this time

What is the timeline for implementation of the change and realization of the anticipated benefits? N/A at this time

Department/Agency Information

For each programmatic area, please provide the requested information.

Name of Programmatic Area

Higher Education Access, Awareness, and Success

Restructuring

Brief Description of Current Program:

CHE serves a role and function to promote access and provide pertinent information about higher education to interested constituents and monitor access to and equality of higher education opportunities for underrepresented populations. As part of its work in this area, CHE presently manages several federal grant programs including:

- **GEAR UP:** Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) is a federal discretionary program to significantly increase the number of low-income students who are prepared to enter and succeed in postsecondary education. The US Department of Education (USED) awards federal funds for state and local partnership grants through a competitive grant process. CHE is designated by the Governor as the lead state agency to apply for and administer the grant. CHE is presently managing its 3rd GEAR UP grant which was awarded in September 2011 and provides \$22.3 million over 7 years. SC GEAR UP serves 7th grade students in middle schools along the state's I-95 corridor providing services in a cohort-based approach through the freshman year in college. The program seeks to increase academic readiness for secondary and postsecondary challenges. Related FY15 budget proviso, 11.4.
- **College Access Challenge Grant:** College Access Challenge Grants (CACG) are federal challenge grants available to states since 2008 for purposes of fostering partnerships among federal, state, and local governments and philanthropic organizations to increase the number of low-income students prepared to enter and succeed in postsecondary education. Grants are awarded annually through USED, and states must apply and demonstrate a required maintenance of effort (MOE) with respect to higher education funding in order to access funding. CHE was identified by the Governor as the lead state agency. Under CACG, CHE has initiated an array of services to increase awareness of and success including 1) support for SC College Access Network; 2) Higher Education Awareness Program support; 3) College Application Month; 4) guidance counselor resources, training, and recognition; 5) SC CAN GO media campaign, awareness polling; and website; and 5) partnerships with SC Higher Education Foundation and pilot communities to postsecondary increase access and awareness. As of 2013, CACG funds have not been available to SC because SC fails to meet the required MOE and has not been afforded a waiver. The previously allocated funds expire in FY15. The required MOE focuses on state support of higher education (i.e., support for public institutions and for public and private institutions with respect to student financial aid) in comparison to the average of the past five years. Under the required MOE, SC demonstrates a funding gap with respect to the support for public institutions, i.e., lower funding in recent year compared to the five-year average of funding for public institutions.
- **College Goal Sunday:** In 2012 CHE was granted and received a one-year award from USA Funds to implement College Goal Sunday. The program aims to increase the number of college-bound students completing the "Free Application for Federal Student Aid" (FAFSA). The grant has continued and the program has grown from an initial pilot along the I-95 corridor to a statewide program.

State and/or federal statutory authority for this activity:

Designated by Governor as state entity for application and receipt of federal funds for GEAR UP and CACG. College Goal activities fall within the general mission and focus of CHE in statewide coordination and promotion of higher education and access.

To which goal(s) in the Agency's Annual Accountability Report does this program relate?

See the following in Appendix B, CHE's 2014-15 Strategic Agenda. These are the goals as presented in CHE's FY 2013-14 Annual Accountability Report.

- Targeted Objective 3, Action Steps A, C
- Targeted Objective 4, Action Steps A-E

How does this program substantially address the legislative intent and the stated goals of the department/agency as set forth in statute?

Activities in this are focus on improving statewide student access and success in higher education which is an integral part of CHE's role as the state's coordinating body for higher education and programs assigned to the agency.

Describe the impact that eliminating this programmatic area would have on the mission of the department/agency and the citizens of South Carolina:

The programs currently carried out in this area are federal grants that depend on the grant and time limitations. Inability to access these grant funds directly impacts programs that have initiated in improving student access, particularly for identified underrepresented populations.

Do any other governmental entities provide similar or related services? If yes, please explain.

A variety of programs focused on access and student success exist across institutions, K-12 and through other local entities. CHE provides a statewide focus in its reach and coordinates with these programs to the extent possible and as relevant to the specific grants in carrying out its statewide role and coordinating mission.

Could/should this function be eliminated, combined with another area or transferred to another department/agency in order to achieve greater efficiency or eliminate redundancy? If yes, please explain.

All states have these functions at the statewide level although models for carrying them out vary across the country depending on state structures and histories of higher education organization. States with strong education culture and focus on higher education as a priority have higher levels of education and comparatively stronger economies. Approaches across states vary with respect to organizational models related to program mission in this area and it is important to have an entity tasked with statewide coordination integrally involved in higher education awareness, success and access.

Cost Savings and Increased Efficiencies

What, if any, changes would the department/agency recommend to generate cost savings or efficiencies in this program?

No recommendations at this time and CHE will continue to explore greater opportunities for enhancing statewide access and success in higher education.

What are the anticipated cost savings/efficiencies that would be achieved? *N/A at this time*

Is legislative action required to allow the department/agency to implement these recommendations? *N/A at this time*

If legislative action is required, explain the constitutional, statutory or regulatory changes needed. *N/A at this time*

Describe the department/agency action that will be implemented to generate the desired outcomes. *N/A at this time*

What is the timeline for implementation of the change and realization of the anticipated benefits? *N/A at this time*



APPENDIX A

SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION (CHE)

Mission: to promote quality and efficiency in the state system of higher education with the goal of fostering economic growth and human development in South Carolina.

The South Carolina Commission on Higher Education (CHE), established in 1967, serves as the coordinating board for SC's 33 public institutions of higher learning. It acts both as an advocate for higher education and an oversight entity on behalf of the General Assembly. The Commission is responsible for assuring a balance between student and taxpayer interests and institutional policies, aspirations, and needs.

CHE carries out its mission through statewide planning and approval authority, working with institutions to promote quality, access, and efficiency in the state's higher education enterprise, while balancing advocacy, stewardship, and accountability. The major functions of CHE can be categorized broadly into four major areas: advocacy, coordination, and planning; research and information services; accountability and reporting; and program administration. In performing its responsibilities, CHE works closely with institutions to expand educational opportunities for all state's citizens, to invest in research for economic development and a better quality of life, and to increase cooperation and collaboration for higher levels of efficiency and quality in higher education opportunities throughout the state.

CHE operates pursuant to the SC Code of Laws, as amended, §59-103-5, *et seq.*, and is governed by a board of 15 members who are appointed by the Governor including: one at-large member appointed as chair, three other at-large members, seven members representing the Congressional Districts, three members representing the public higher learning sectors, and one member representing the independent higher learning institutions. Appointees representing Congressional Districts are recommended by a majority of the State Senators and House members comprising the District's legislative delegation; the remaining appointees are recommended and appointed based on the advice and consent of the Senate. Commissioners serve four-year terms with the exception of the three public institutional trustees who serve two-year terms. All except the independent institution representative are voting members.

What does the Commission on Higher Education (CHE) do?

CHE provides statewide policy direction, management, and oversight of the state's higher education enterprise.

- ✓ **Oversees academic program quality** including approval of academic programs at public institutions and licensing of non-public institutions that operate in SC.
- ✓ **Maintains funding system and data/accountability systems** essential for understanding performance and productivity that serve as the source of required national data.
- ✓ **Approves all public higher education capital projects, leases, and land purchases, and collects and reports building data** to help determine state capital priorities.
- ✓ **Oversees administration of student financial aid** to provide statewide equity of awards and consistency of selection criteria.
- ✓ **Supports increased access to and success in higher education**, improving the transition from K-12 to higher education, ensuring effective transfer and articulation, promoting programs that are responsive to adult learners, veterans, and other non-traditional students.
- ✓ **Supports increased public awareness of the importance of higher education** to help all South Carolinians earn a certificate or diploma that prepares them to be successful, productive citizens in a changing global environment

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APPENDIX B

S.C. COMMISSION ON HIGHER EDUCATION, 2014-15 STRATEGIC AGENDA

Approved by the S.C. Commission on Higher Education, October 2, 2014

TARGETED OBJECTIVE

ACTION STEPS

1	Improve Monitoring and Assessment of Academic Programs and Student Services at SC Public Colleges and Universities	
	A	Establish performance metrics and outcome measures for assessment of programs
	B	Redirect CHE staffing and resources to focus on performance metrics of academic programs approved in past five years
	C	Conduct risk assessments of data security vulnerabilities
	D	Conduct periodic institutional audits of state scholarship and student aid programs funded through CHE
	E	Determine options for revisioning of Professors-of-the-Year program
2	Strengthen Existing and/or Develop New Funding Models to Sustain Public Higher Education in South Carolina	
	A	Engage the legislatively mandated Efficiency Studies Review Committee in seeking systemic approaches to higher education cost savings and economies
	B	Seek state appropriations to encourage funding innovations by institutions that increase college affordability for students
	C	Seek executive, legislative, and institutional support for adherence to statutory requirements of 59-103-35
	D	Seek executive, legislative, and institutional support for a bond bill or infrastructure bank to achieve economical financing of capital projects
	E	Re-evaluate CHE's membership in the South Carolina Higher Education Foundation
3	Align SC's Higher Education Resources to Meet Current and Future Needs of the State Most Effectively and Efficiently	
	A	Initiate a study of SC's higher education resources with recommendations to identify their most effective deployment in support of state needs
	B	Investigate the need to revise statutory sector definitions for SC's public colleges and universities
	C	Work with partner agencies and organizations to integrate workforce needs assessment into long-term statewide planning
	D	[See also Item #2A above--Efficiency Studies]
4	Improve Collaboration among All Tiers of the State's Education Enterprise from Pre-K through College/Career	
	A	Work through the Council of P-20 Agency Heads to coordinate key objectives of participating agencies
	B	Continue to strengthen communications between CHE and SDE/SBE at board, executive, and staff levels
	C	Work with SDE to align new K-12 college readiness standards with institutional admissions and math/English placement standards
	D	Work with SDE to develop college-ready remediation strategies prior to high school graduation and establish consequences for unsatisfactory institutional performance
	E	Coordinate forums to provide continuing education opportunities for institutional trustees to promote collaboration and sharing of best practices
5	Strengthen Monitoring and Assessment of Non-Public Post-Secondary Institutions Operating in SC	
	A	Establish performance metrics and outcome measures for assessment of programs at non-public institutions
	B	Redirect CHE staffing and resources to focus on performance metrics of programs at non-public institutions approved in past five years
	C	Improve functional collaboration between CHE's State Approving Agency (veterans' benefit programs) and Academic Affairs and Licensing Division