



Annual Accountability Report

Fiscal Year 1999-2000



Rayburn Barton
Executive Director

October 20, 2000

His Excellency, James H. Hodges, Governor
And Members of the General Assembly

The South Carolina Commission on Higher Education is pleased to submit for your review this annual accountability report for the fiscal year June 30, 2000. This report includes an executive summary, the Commission's Mission Statement, and information pertaining to the Commission's programs and their performance. The activities of the Commission, including the mission, objectives, and performance measures are approved by the appointed Commission members as a component of the Executive Director's annual evaluation process. The institutions of higher education report separately in accordance with Code Section 59-101-350.

This past year, the Commission continued its role as the coordinating board for the State's 33 public institutions of higher education. These institutions provide post-secondary educational opportunities to over 150,000 students. Highlight activities of the Commission include validation of the model used for determining the fiscal needs of the institutions, continued expansion of the Palmetto Fellows Scholarship program with 873 additional scholarships awarded, and the Legislative Incentives for Future Excellence (LIFE) Scholarship program providing 17,000 South Carolinians scholarship funds.

We are very proud of the work of the Commission in fulfilling its role as the state coordinating body for higher education. If I can provide any further information or material relating to our agency, please contact me at 737-2260.

Cordially,

Rayburn Barton
Executive Director

Enclosure

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Executive Summary

The Commission on Higher Education serves as South Carolina's coordinating board for the State's 33 public post-secondary institutions. The Commission serves a dual role within state government acting both as an advocate for higher education as well as an oversight entity on behalf of the General Assembly. Fourteen Commissioners, including the chair, are appointed by the Governor and serve four-year terms. A term exception is made in the case of three members, institutional trustees that represent the different sectors of higher education, who serve two-year terms. The Commission staff is organized along functional lines into the following divisions: Academic Affairs & Licensing; Planning, Assessment & Performance Funding; Finance, Facilities & Statistical Services; Student Services; and Administration.

In accordance with its role and mission, the Commission serves three primary customer groups: the citizens of the State, the General Assembly, and the public colleges and universities. Each of these customer groups is satisfied with the efforts of the Commission as evidenced by their continued support of the Commission's programs and policies.

Major programs operated by the Commission fall within the structure of the divisions listed above. Included in this report are summaries of several of the most significant areas. Provided here are brief descriptions of these programs.

Academic Affairs & Licensing – Insuring academic program quality is one of the primary functions of the Commission. Statewide academic program reviews involving objective outside consultants provides a means of providing assurances of quality to the State. Fostering an environment for research and technology initiatives is another important area. The Commission has also begun the process of establishing a State sponsored grant program that will increase research activities in future years.

Planning, Assessment & Performance Funding – Performance Funding, as adopted by the General Assembly in 1996 has been a driving force in the Commission's workload since its passage. The Act called for full implementation prior to June 30, 1999, which the Commission achieved. Also, the Commission has utilized its new Business Advisory Council to obtain a "business perspective" on the higher education planning process. The Council has made several suggestions to strengthen performance funding on which the Commission is acting.

Finance, Facilities & Statistical Services – Adequate funding for higher education institutions is one of the Commission’s principle goals. The model used as a determination of need for the institutions is the Mission Resource Requirement (MRR) model. The MRR was created in 1997 and has been a work in process since its development. The Commission has recently completed the process of validating this model through the use of a national consulting firm and peer institutions. This validation has helped in the evaluation of the overall level of funding for higher education relative to other states.

Student Services – The scholarship programs administered by the Commission provide an opportunity to recognize the achievements of students and provide direct financial incentives for high academic performance. The Palmetto Fellows and LIFE (Legislative Incentives for Future Excellence) programs provide a combined \$41 million in merit based scholarship funds. The Need-Based grant program also provides an additional \$12.5 million in financial aid funding. The GEAR-UP (Gaining Early Awareness and Readiness for Undergraduate Programs) and HEAP (Higher Education Awareness Program) programs generate higher education awareness and provide information on preparing for college.

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S. C. Commission on Higher Education

Mission Statement

The Commission on Higher Education is a higher education coordinating board consisting of 14 lay members supported by a professional staff. Broadly defined, its mission is 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. More specifically, its purpose is to develop plans; conduct studies; approve new academic programs; administer certain state, regional and federal programs; make recommendations concerning requests for appropriations and capital improvements; promote access to higher education; and carry out those other duties required by its enabling legislation or other statutes. Its efforts are directed toward the promotion of a clearer understanding of and greater unity among all institutions of higher learning, both public and private, in the interest of serving the higher education needs of South Carolina.

Approved by the Commission March 5th, 1998

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Leadership System

The Commission on Higher Education is a 14 member lay board, appointed by the Governor. The Commission is responsible for the hiring of an Executive Director, who in turn is responsible for developing an appropriate staff and agency structure. The Commission itself has a Chair, appointed by the Governor, a Vice-Chair, and representatives from Congressional Districts, institutional trustees and the statewide citizenry. The Commission utilizes a committee structure for the handling of business. The staff is organized along the lines of the Commission's structure.

More specifically, the Executive Director utilizes an Executive Management Team consisting of Division Directors. The divisions include: Academic Affairs & Licensing; Planning, Assessment & Performance Funding; Finance, Facilities & Statistical Services; Student Services; and Administration. Each division includes professional staff and appropriate support staff to perform the related functions. An organizational chart is attached to more fully illustrate the staff structure.

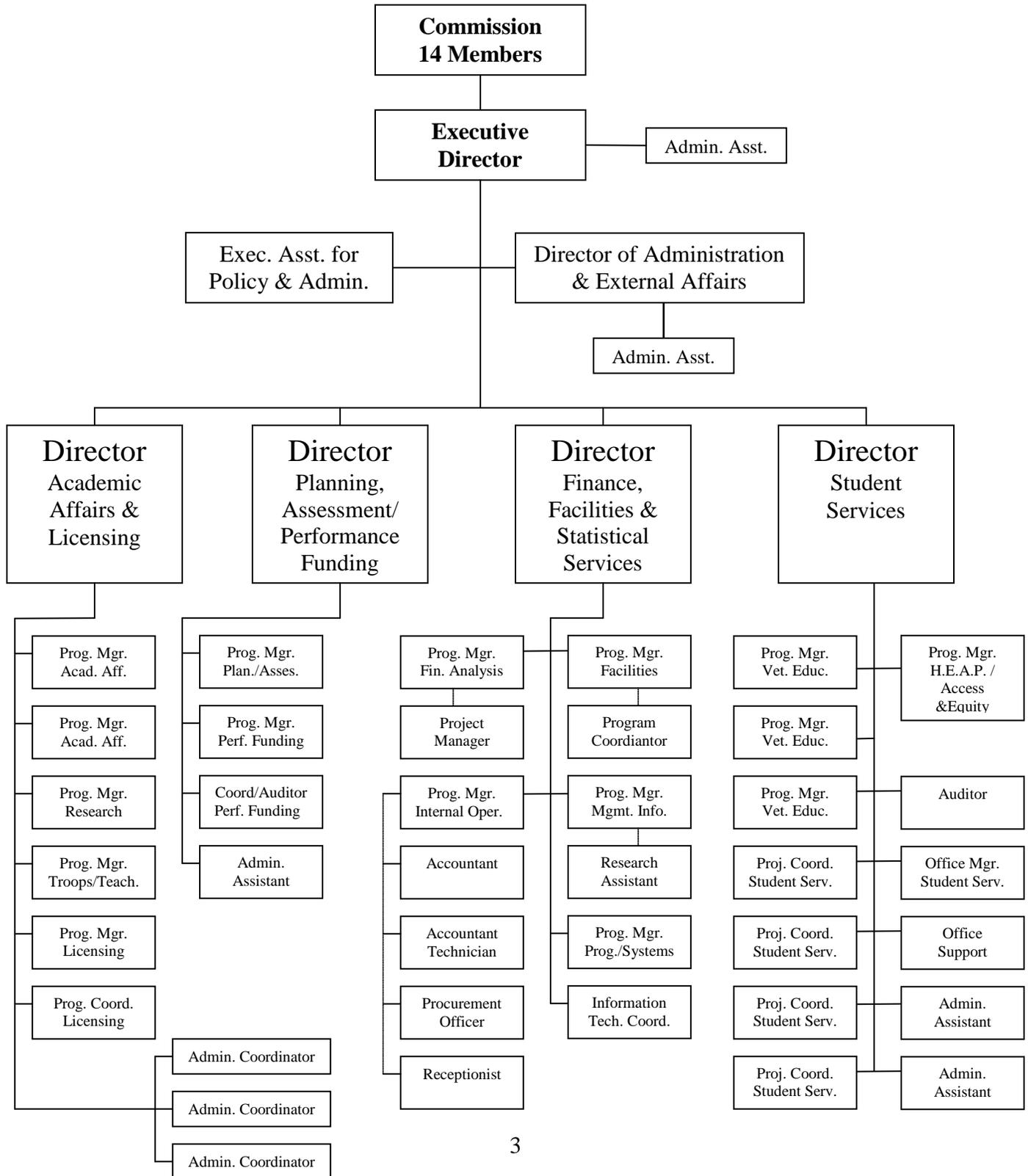
The Commission's values include the importance of quality higher education, the accessibility of this education to the citizens of the State, and the accountability of the institutions to their students and the General Assembly. The Commission expects excellence on the part of its staff in performing its functions, and excellence on the part of the institutions in providing educational opportunities to the students.

The Executive Management Team serves as the planning and evaluative group for the Commission staff. All agency employees have input into the Commission's activities through their respective Division Director.

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Organizational Chart

As of June 30, 2000



S. C. Commission on Higher Education

Customer Focus and Satisfaction

The Commission provides service to three primary customer groups: the citizenry of the State, the General Assembly, and the public Colleges and Universities. Each of these groups views higher education from a different perspective. One of the challenges faced by the Commission is to consider all of these perspectives, which at times may be conflicting, in performing its various functions. The Commission's primary opportunity to interact with each of these groups is the regularly scheduled monthly meetings, which take place on the first Thursday of every month. These meetings, along with other contacts as discussed below, provide the mechanism for evaluating satisfaction among these customer groups

The citizenry of the State has a variety of means of addressing the Commission. Citizens can contact the Commission directly, either through members or the staff, with issues or concerns that they would like to see considered. Also, citizens can utilize either of the other two customer groups to provide input into Commission activities. As an additional opportunity for citizens, the Commission maintains a website with a variety of information, data, and links to related sites, such as state colleges and universities. A page specifically designed for parents and students is also provided with relevant information and a link to an electronic application process that allows students to apply on-line to multiple institutions with a single submission. Each division of the Commission maintains information that describes and is relevant to their programs. For example, the Academic Affairs page includes a summary of available degrees and information on the Academic Common Market (a Southern Region Education Board program that provides in-state tuition levels to students attending certain programs in other states). Also, the Finance, Facilities and Statistical Services page includes copies of current and past Statistical Abstracts and the new Facilities Abstract. Finally, the Commission's webpage includes numerous opportunities for communication directly to Commission staff via e-mail.

The General Assembly works with the Commission in one of the following manners: directives through Legislation, contact directly with appointed Commissioners, or contact (directly or through Legislative staff) with the Commission staff. The Commission maintains on its staff a Legislative Liaison that is charged with monitoring and providing coordination with this customer group. Certain other staff members whose area of responsibility may relate to Legislative activity also work with this customer group. These interactions with the General Assembly occur both formally and informally. Budget presentations to House and Senate committees, Legislative hearings on pending legislation, and informational presentations to Ad Hoc committees are a few of the formal interactions. Informal opportunities occur through information requests from individual Senators and Representatives, or in working with legislative staff in preparing material for consideration or serving as a resource during staff research of pending issues and discussions.

The public colleges and universities work closely with the Commission and its staff. The first area of interaction is the membership of the Commission itself. With the passage of Act 137 of 1995, the Commission membership was modified to include institutional representation. Effective July 1, 1996, three members were appointed to represent the different sectors of institutions. The members are trustees from each of the following sectors: public senior research institutions, four-year public institutions, and the technical colleges. Institutions have additional input into Commission activities through advisory committees. Each functional area of the Commission has one or more advisory committees including representation from every public institution. These advisory committees provide valuable discussion and recommendations to the Commission staff. Often, the recommendations of these committees are made directly to the Commission, with the support of the staff. Institutions have further access to the Commission through direct requests. All institutional requests, ranging from academic program approvals to facilities improvements to budget requests, are made to the Commission after appropriate analysis by the staff. The final area of communication between the institutions and the Commission is through the Council of Public College and University Presidents. This group meets on a quarterly basis, twice with the Commission, in order to provide coordination among the institutions and direct input into the Commission's activities. Also, the Commission's Executive Director meets with the Council on an ongoing basis.

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Other Performance Excellence Criteria

The Commission is in the planning stages of implementation of the Malcolm Baldrige National Quality Award Criteria. While the concept of evaluation and continuous improvement are present within the Commission's operations and activities, the specifics of the Baldrige Criteria have not yet been implemented. Provided below are descriptions of current examples of the Commission's utilization of the Criteria concepts and principles.

Strategic Planning

The Commission relies heavily on strategic planning in all activities. The Commission utilizes a bi-annual planning retreat for members to evaluate the programs and direction of the agency. New appointees participate in an extensive orientation process so they may become familiar not only with issues in the field of higher education, but also the pertinent issues and policy decisions facing the Commission. The Council of Public College and University Presidents works with the Commission for the formal development and adoption of a Strategic Plan for Higher Education. Also, the Commission staff's Executive Management Team conducts periodic planning sessions and has regular team meetings to continuously evaluate the agency's activities.

Information Collection and Analysis

The Commission has several activities that rely heavily on the use of data. The Commission on Higher Education Management Information System (CHEMIS) collects data from institutions relating to Student Enrollment, Student Completions, Facilities, Courses, and Faculty. This system serves as the principal repository for data used in staff analysis of institutional and higher education issues. This data also provides the basis for the Commission's determination of funding needs of higher education, the evaluation of performance of the state's colleges and universities, and allocation of appropriations. Program specific data is gathered for the financial aid programs administered by the Commission, the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP) grant program, and the Higher Education Awareness Program (HEAP). Also, division specific data is collected for the Academic Affairs and the Planning, Assessment & Performance Funding divisions.

Human Resource Focus

As a state coordinating board, the Commission's business focus is policy oriented, as opposed to direct service or product delivery. As such, the people making up the Commission and its staff are the most valuable asset of the agency. Only through attracting, educating and retaining a quality staff can the appointed Commission members be assured that they are receiving the best possible analysis and review of issues being considered. Eight staff members have Doctoral degrees, 14 have other graduate degrees, and 17 have Bachelors degrees.

Along with the credentials the staff members bring to their positions, the Commission provides opportunities for developing, enhancing and refining skills. Courses available through the Budget and Control Board provide opportunities. Annual conferences on programmatic areas insure current knowledge of relevant issues. Each year, a member of the staff participates in the state's Executive Institute. In addition, several staff members are pursuing additional formal educational opportunities. Also, along with these opportunities there exists an informal mentoring program provided the more senior staff members. In short, the Commission places a very high value on the quality of its human resources and recognizes the importance of continual development.

Systems and Processes for the Assurance of Quality Services

Each area and program provided through the Commission operates with the assistance of one, or more, advisory committees. Also, all meetings of the Commission, including advisory committees, are held as public meetings thereby providing public access and accountability. Academic quality is an overriding principle in every educational environment. Higher education is no different. Each concept for a new or modified academic program offering goes through an evaluation by a committee involving institutional academic officers. All issues relating to state funding are discussed with institutional finance officers. Questions and considerations relating to scholarships and financial grants programs are reviewed extensively with institutional financial aid officers. Assessment and performance evaluation issues are discussed with institutional research officers. In each of these areas, and all others within the Commission, processes are reviewed on a periodic basis to insure both quality and efficiency, with input solicited from the business community and other constituencies of higher education.

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Description of Programs

Provided below and on the following pages are descriptions of the Commission's programs along with related goals and activities. The programs are presented within the context of the Commission's divisional organization. The divisions are presented in the following order: Academic Affairs & Licensing; Planning, Assessment & Performance Funding; Finance, Facilities & Statistical Services; and Student Services.

For each program/division, the following items are included: 1) Summary of major goals and objectives for 1999-2000, 2) description of program effectiveness, 3) discussion of costs efficiency, and 4) discussions of other measures.

In the area of Academic Affairs and Licensing:

Major Goals

- ◆ Conduct statewide academic program reviews in engineering and engineering technology; computer science; and mathematics.
- ◆ Develop and begin implementation of an initiative in service learning to communicate the contributions of higher education in this arena.
- ◆ Continue competitive grant programs in research and technology; foreign language, math and science development for teachers; and centers of excellence in teacher education.
- ◆ Continue our emphasis on improved teacher preparation through continued endorsement of full and complete National Council for the Accreditation of Teacher Education (NCATE) accreditation and development of appropriate new programs and partnerships with the K-12 education community.

Program Effectiveness

The Commission sees the review of existing academic programs as a critical component in its statewide mission of ensuring the quality and integrity of degree programs in the public higher education sector. In its broadest contexts, program review serves as an instrument for gauging the health of the state's academic programs as well as a strategic planning device for determining the present and future needs of specific discipline areas (i.e., new program development) throughout South Carolina. In terms of other areas of Commission responsibility, existing program review can have implications for facilities planning, access and equity planning, and general research and policy analysis. And yet existing program review is not simply a summative process that seeks to leverage change at the state level. It also serves a formative purpose at the individual institution and program levels where the Commission's external peer reviewers and final recommendations regarding specific programs can help colleges and universities to recognize areas for improvement and publicize areas of strength.

In addition to academic program review, this area regulates licensure of non-public post-secondary institutions and administers the federally funded Troops-to-Teachers Program. The licensing activities provide assurances that non-public institutions are of a reasonable quality and have adequate resources. The Troops-to-Teachers Program provides a means for those members leaving the military to pursue educational opportunities that will lead to a teaching position.

Cost Effectiveness

The purpose of the CHE Research Grants Program is to promote the economic development of the State of South Carolina by providing support for research projects conducted by public colleges and universities based upon the expertise of their faculty members. This support is two-fold: 1) to supply initial “seed money” funding to begin research and 2) to provide a mechanism for “leveraging” additional external support for research projects. Basic and applied research are both allowable under the program. On recommendation of the Commission, the General Assembly in 1999 appropriated funds for the purpose of providing small grants to public institutions of higher education in the State to support development of technology-delivered coursework. The objective was to help institutions speed their progress to offer a broader and qualitatively improved range of coursework and programs by way of technology, whether through synchronous or asynchronous modes. This grant program was intended to: 1) Increase access for students to educational programs, 2) Maximize the rate and quality of student learning, 3) Spur creativity and to insure rewards for faculty productivity, and 4) Control costs.

Other Measures

Review of academic programs contributes to unnecessary duplication of offerings at the colleges and universities by identifying programs that should be discontinued or consolidated. Research grant monies generally have a demonstrated return rate of three to four dollars for every dollar invested by the State.

In the area of Planning, Assessment, and Performance funding:

Major Goals

- ◆ Continued application of Act 359 of 1996, including working with the Legislative Ad Hoc Committee appointed to review the Commission’s implementation of the Act.
- ◆ Implement CHE-approved recommendations of the Business Advisory Council, including development of an expanded strategic plan for higher education.

Program Effectiveness

Through the passage of Act 359 of 1996, the General Assembly mandated that by 1999-2000 each institution’s State funding be based on performance indicators. Comparative performance data for all of the state’s public colleges and universities is displayed on the Commission’s website and in the annual publication [A Closer Look at Higher Education in South Carolina: Institutional Effectiveness, Accountability and Performance](#).

During 1997-98, the Commission developed and approved a new statewide plan to address the critical issues of performance funding; economic development and workforce preparation; technology and distance learning; and improved coordination, cooperation and advocacy. The Commission's Business Advisory Council recommended expansion of the current plan to speak more specifically to the economic needs of the State. The plan was updated and revised to reflect the recommendations of the Business Advisory Council in January of 2000.

Cost Efficiency

More clearly focused institutional missions will result in more efficient use of State funds and there will be less funding for lower performing institutions. Savings can be invested in more successful programs and programs that meet emerging needs in economic development.

It is considerably more cost effective for the Commission and the institutions of higher learning to move forward in an organized and united manner to address the critical issues of education than it is for the agency and each institution to develop potentially contradicting and/or overlapping plans to address these issues. Of particular importance is the need for higher education to work cooperatively with the private sector.

Other Measures

Performance Funding as promulgated in Act 359 of 1996 will:

- ◆ Link annual higher education funding allocations to institutions' performance;
- ◆ Emphasize the need for accurate comparative data across institutions and sectors
- ◆ Produce stronger instructional quality processes at the institutions, including post tenure review of tenured faculty and student evaluations of faculty;
- ◆ Focus increased attention on the quality of teacher education programs;
- ◆ Increase the emphasis on other student outcomes including graduation rates, employment rates, and scores on licensure examinations;
- ◆ Result in an increased percentage of programs that are accredited;
- ◆ Place greater emphasis on efficiency in administrative services;
- ◆ Increase attention to enrolling and retaining other-race students.

An updated, expanded strategic plan will result in coordinated and cooperative implementation of appropriate action items throughout all sectors of public higher education.

In the area of Finance, Facilities and Statistical Services:

Major Goals

- ◆ Continue evaluation and use the Mission Resource Requirement (MRR) in the determination of fiscal needs and allocation of appropriations.
- ◆ Develop and publish a Facilities Statistical Abstract.
- ◆ Convert all existing paper forms used in internal operations functions into an on-line interactive format.
- ◆ Update the 1994 study of deferred maintenance on public institution campuses.

Program Effectiveness

As the higher education coordinating agency, the Commission has a legislative mandate which requires the public colleges and universities, including the technical colleges, to submit their appropriation requests for State funding to the Commission. The Commission, in turn, adopts and/or modifies those requests and submits its recommendations to the Governor's office and appropriate committees of the General Assembly on behalf of all of the institutions.

The requests are based on a determination of need model called the Mission Resources Requirement (MRR), which identifies the total amount of money the institutions should receive, based on nationally and regionally comparable costs for institutions of similar mission, size, and complexity of programs, minus student support. The Commission has recently completed a study of the MRR, which identified regional and national sector peers as well as individual institutional peers. The project also evaluated the existing (October 1, 1998) MRR model and made recommendations for possible revisions. In conjunction with the validation of the MRR, the Commission worked with the Southern Regional Education Board staff to conduct a study to determine how well South Carolina institutions are funded compared to regional and national counterparts.

In the summer of 2000, the Commission published its first Facilities Statistical Abstract. This Abstract provides coherent, concise data in a single compilation. It includes building-by-building data that will assist the State in determining the magnitude of deferred maintenance problems, as well as serving as an invaluable resource on the physical plant facilities across the college campuses.

Cost Efficiency

The primary purpose of the Facilities Statistical Abstract is to provide higher education administrators with a detailed statistical profile of the facilities on public college and university campuses in South Carolina. There has previously not been a publication that provides in a single compilation data on all of the state facilities on the 33 state-supported college and university campuses. The Facilities Statistical Abstract provides a building-by-building inventory of physical facilities on these campuses and information that will be useful in identifying the magnitude of deferred maintenance needs at many of the institutions. The state has made a significant financial investment in the physical facilities on each public college and university campus. Because of the high costs involved in constructing and maintaining these buildings, it is essential to review statistics reflecting the allocation and utilization of space in order to determine if the state is maximizing its resources and is accomplishing its objectives in the areas of instruction, research, and public service.

Other Measures

The Facilities Abstract will contribute to a more effective use of facilities and also will contribute towards a reduction in the number of deferred maintenance projects in the State.

In the area of Student Services:

Major Goals

- ◆ Conduct an assessment of access and equity activities, in cooperation with the Southern Education Foundation, and develop strategies to increase the number of minority students, faculty, and administrators in South Carolina.
- ◆ Expand awareness of and simplify participation in state funded financial aid programs.
- ◆ Implement recently developed audit procedures for scholarship programs, including a quarterly audit schedule.
- ◆ Gain Legislative approval of the LIFE and Palmetto Fellows Appeals Regulations.
- ◆ Continue in the implementation of the GEAR-UP grant obtained from the U. S. Department of Education.

Program Effectiveness

In 1998-99, all student services programs administered by the Commission were organized under a single division. This model has served the Commission well in the 1999-2000 fiscal year. The Student Services Division is now responsible for the administration of the Access and Equity Program, Legislative Incentive for Future Excellence (LIFE) Scholarship Program, Palmetto Fellows Scholarship Program, SC Need Based Grants Program, Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP), Higher Education Awareness Program (HEAP), and the Veterans Training and Education Program. The Division is also responsible for the evaluation of program objectives and budgetary oversight of four teacher recruitment initiatives in SC: SC Center for Teacher Recruitment; Minority Access for Teacher Education; Program for Reconciliation and Retention of Minority Students: the African American Teacher Loan Program, and review of program objectives and administrative budget oversight for the South Carolina Teacher Loan Program.

Cost Effectiveness

Handling all of the student service programs in one division has resulted in their being administered more effectively. Reconciliation of records, data management, and disbursement of scholarship and Grant funds for the LIFE Scholarship and Palmetto Fellows Scholarship Programs are coordinated through the Student Services Division and forwarded to the Finance, Facilities and MIS Division for processing scholarship funds to the public and independent institutions in the State. This coordination among divisions at the Commission has resulted in greater cost effectiveness and timely disbursement of funds to students.

In addition, a new federally funded program, GEAR-UP, is administered by the Division. This statewide program for sixth and seventh-grade students, in coordination with the South Carolina Department of Education, the Governor's School for Math & Science, and the State Chamber of Commerce, provides informational programs about preparing for higher education, academic programs (Saturday Academies/Summer Institutes), and school district/business partnerships (mentorship training/mentoring/tutoring programs) to GEAR-UP eligible schools in the State. The monetary and in-kind match for the grant will come from the state legislature (\$1 million was included in the 1999-2000 and 2000-01 budgets), the business community (\$12 million projected over the five-year grant), and community organizations in the State.

Other Measures

The Student Services Division has the responsibility of ensuring that scholarship and grant funds awarded to the institutions and to students are in compliance with Title 59 of the 1976 Code of Laws, as amended, and applicable program guidelines. All institutions that receive LIFE, Palmetto Fellows, and/or SC Need Based Grant funds are audited at least once within a three-year audit cycle to ensure that all funds are awarded in compliance with state statutes. As a result, scholarship and grants are awarded to students more expeditiously.