

ANNUAL ACCOUNTABILITY REPORT

FISCAL YEAR 2005-06



September 2006

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Dr. Gail M. Morrison
Interim Executive Director

September 15, 2006

The Honorable Mark Sanford, 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 Fiscal Year 2005-06. This report includes an executive summary, an organizational profile, and information pertaining to the elements of the Malcolm Baldrige Award Criteria per the Budget & Control Board's 2005-06 Accountability Report guidelines. The activities of the Commission, including the mission, goals, and performance measures, are approved by the appointed Commission members as a component of the Executive Director's annual evaluation process.

The Commission also submits a separate report on behalf of the state's public institutions of higher education in accordance with South Carolina Code §59-101-350. The report submitted each January on behalf of the institutions is entitled *A Closer Look at Public Higher Education in South Carolina: Institutional Effectiveness, Accountability, and Performance*. This document provides information regarding performance trends for key data for our institutions. In past years, this report has served as the agency accountability report for our public higher education institutions. This year, each institution will submit a 2005-06 Agency Accountability Report per the Budget and Control Board requirements for higher education.

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

Cordially,

Gail M. Morrison

Enclosure

Accountability Report Transmittal Form

Agency Name: The South Carolina Commission on Higher Education

Date of Submission: September 15, 2006

Agency Director: Dr. Gail Morrison

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Note:

In accordance with Budget and Control Board requirements, the Commission has submitted the required four (4) printed copies and an electronic version (e-mailed) of the report to the Office of State Budget, Attention: Karen Rhinehart (Krhinehart@budget.sc.gov), 1201 Main Street, Suite 870, Columbia, SC 29201

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SECTION I – EXECUTIVE SUMMARY

Mission and Values

The South Carolina Commission on Higher Education (CHE) operates pursuant to South Carolina Code of Laws, as amended, §59-103-5, et seq. The website for the Commission is www.che.sc.gov.

MISSION

The South Carolina Commission on Higher Education will promote quality and efficiency in the state system of higher education with the goal of fostering economic growth and human development in South Carolina.

VALUES

The South Carolina Commission on Higher Education Values

- the importance of quality higher education
- the accessibility of this education to the citizens of the state
- the accountability of the institutions to their students and the General Assembly
- excellence on the part of its staff in performing its functions
- excellence on the part of the institutions in providing educational opportunities

SERVICES OFFERED

CHE serves as the coordinating board for South Carolina's 33 public institutions of higher learning and is responsible for serving 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. The agency's primary value to the state lies in the benefit of having an entity responsible for bringing to light and working through a myriad of issues to assure a balance between student and taxpayer rights and institutional policies, aspirations, and needs.

CHE carries out its mission through statewide planning and working with institutions to promote quality, access, and efficiency in the state's higher education system while balancing advocacy, stewardship, and accountability. The major functions of the Commission can be categorized broadly into four areas including: advocacy and coordination, information services, accountability, and administration. These functions are carried out through activities of the CHE and each of its divisions – Academic Affairs and Licensing; Finance, Facilities, and Management Information Services; Student Services; and Access and Equity. In performing its responsibilities, CHE works closely with institutions to expand education opportunities for the 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 in the state.

OVERARCHING STRATEGIC GOALS

The following broadly defined goals have been established to provide guidance and evidence of direction for future work of CHE:

To make South Carolina a global leader by working with business and industry to foster higher education's role in economic growth and human development.

To maintain positive relations with the Governor, the Legislature, state agencies, parents, and students and to provide them and the general public with accurate information on South Carolina higher education.

To present the needs and develop support for appropriate funding of public colleges and universities.

To address strategic issues in public and private higher education as they are identified and to ensure a continuous process of assessment and improvement in the colleges and universities.

To assure access to and equality of educational opportunity among minority groups in South Carolina higher education.

To promote quality and diversity in the academic offerings of institutions of higher learning.

To prevent and eliminate unnecessary duplication of degree programs among the state's institutions.

To expand postsecondary educational opportunities for South Carolina residents, to recognize student achievement, and to encourage excellence in teaching and research by administering various higher education programs.

To ensure that non-public educational institutions, other than those exempted in the statutes, are legitimate educational enterprises and that they are fulfilling their purposes.

Major Achievements from the Past Year

- ◆ In November 2005, Dr. Layton McCurdy, Chairman of the Commission on Higher Education, received a letter from Governor Sanford in which the Governor expressed his concerns regarding the announcement of a proposed partnership between USC Upstate and Greenville Technical College to offer expanded higher education services in Greenville. At the Governor's request, Dr. McCurdy formed a study group of business leaders to review and consider the higher education needs in the Upstate and whether the proposed partnership and facility would meet those needs. The study group met three times during November and December and heard from various speakers regarding the proposed project and the current situation for meeting higher education needs in the Greenville area. A brief report was released in January 2006. The group determined expanded opportunities through the University Center could serve the area, but the governance structure of the Center should be amended. CHE's Chairman and Executive Director worked with the relevant stakeholders in ensuring the recommendations were implemented.

- ◆ CHE's Executive Director continued to work with institutional presidents in developing revised accountability goals for higher education. The efforts have built on work begun in 2003 and the report, *Foundations for the Future: Higher Education in South Carolina*, which served as an environmental scan. In 2005-06, a series of goals and objectives were adopted by the presidents. The presidents appointed a group of institutional representatives to meet and consider appropriate measures for the identified goals and objectives. CHE assisted in facilitating this process. The institutional representatives reported the result of its work to CHE and the presidents in December 2005. Continued work in this area awaits the recommendations of a task force on higher education appointed by the Governor through an Executive Order in early 2006. In the upcoming year, CHE will continue work to build a revised accountability plan for higher education from the goals and to pursue legislative changes regarding higher education accountability and funding as necessary.

- ◆ During 2005-06, CHE also continued to strengthen its relationship with key state partners and enhance and improve communications. The Executive Director participated in initiatives regarding statewide planning and K-20 issues by serving on the Competitiveness Council and its Education Task Force and also the Superintendent of Education's High School Redesign Taskforce. The Executive Director began serving on the oversight council formed to ensure the implementation of the Education and Economic Development Act (EEDA) of 2005. CHE also worked in 2005 to facilitate and assist in sponsoring a Southern Regional Education Board Forum on high school to college transition that was held in July 2005. CHE members and staff continue to participate in the Governor's Higher Education Task Force study.

- ◆ The Commission continued to work in 2005-06 to secure a third year of funding for the state's Higher Education Electronic Library. The project was funded initially in FY 2004-05 with \$2,000,000 in non-recurring funds and has been funded each year since with non-recurring funds. In FY 2007-08, the Commission, along with institutions, will continue to seek recurring funds for this project and continue efforts to ensure the success of the electronic library. Since January 2006, nine new databases have been licensed (21 total), adding thousands of new full-text journals to a virtual collection made available at all public and private colleges and universities in the state via the internet. Union catalog-based materials delivery is starting in fall 2006. By December 2006, 17 institutions will be fully operational. Delivery for all institutions is anticipated by September 2007.

- ◆ Adequate funding for South Carolina's public higher education institutions is another of CHE's principal goals. In 2005-06, CHE continued to advocate for operating funds for institutions and also worked to address issues related to institutional funding needs. CHE worked with institutions to develop and adopt an allocation plan to address longstanding issues of funding parity across institutions while taking into account performance. The CHE adopted and implemented changes to the Mission Resource Requirement (MRR) model that has been used in identifying institutional general educational operating needs and has recently verified and updated all calculations. As a note, the MRR was created in 1997 and considers institutional need based on steps that calculate need in light of institutional, peer, and national data in the areas of instruction, research, public service, libraries, student services, physical plant, and administration. Institutional student and fee revenues collected

are then deducted at an agreed upon rate from the calculated need determined for the aforementioned areas to arrive at state funding recommendations for institutional educational and operating needs. In 2004-05, the CHE adopted a revision to the model to deduct revenues from tuition and fees at a rate reflecting 50% student support and 50% state support for most institutions and 40% student support and 60% state support for technical colleges. In past years, the ratio of student to state expected support was 20% student and 80% state. As of 2004-05, all recommended changes of a consulting firm that reviewed the model in 2000 have been implemented. This past year, CHE also worked with institutions to update criteria for recommending special or below-the-line funding requests and to implement a revised priority ranking system for higher education capital priorities.

- ◆ CHE continued to advocate for additional support for need-based student aid in FY 2005-06 and additional support for the need-based student aid continues to be a priority for CHE. While merit-based aid has increased significantly since 1998, state need-based aid has not increased. Need-based aid is crucial in ensuring access to higher education. The need-based program was the only undergraduate aid program not increased in FY 2006-07. CHE will continue to work with institutions to seek additional funds for this program for the FY 2007-08 to help meet unmet needs.
- ◆ CHE developed an initiative along with higher education institutions that addressed the state's high school dropout rate. CHE collaborated with Coastal Carolina University in developing a pilot program involving college students serving as mentors for K-12 students. This model is designed to create guiding principles and best practices to reduce the state's high school dropout rate. Funding for the pilot program was appropriated in FY 2005-06, and Coastal Carolina has completed its first year of the pilot program. Coastal Carolina will report the results and outcomes of the first year to CHE this fall.

Key Strategic Goals for Present and Future Years

On an annual basis, CHE's major goals and annual objectives are reviewed and included in the Executive Director's planning process and performance evaluation process. The most significant of the goals for the 2005-06 year and for the upcoming year are provided below. Key strategic goals are listed and followed by on-going and future management objectives. The status for each is indicated as applicable.

Key Objectives for 2005-06 and Upcoming Years:

1) In following through on work begun in 2003, the Executive Director will continue efforts to work cooperatively and collaboratively with institutional presidents and other relevant stakeholders to develop a public agenda for higher education in South Carolina. The public agenda will serve as the statewide plan for higher education and should inform work in considering revisions to the current accountability system for higher education. *Status: See 2005-06 accomplishments. The Commission will build on this work in 2006-07.*

2) Building on the revised statewide strategic plan, the Commission will continue efforts to develop a revised accountability system for higher education for consideration as an alternative to the accountability system used currently. The revised system will include considerations for statewide higher education accountability, institutional accountability, and Commission accountability in working toward and achieving goals of the statewide plan. *Status: Discussions regarding the revised accountability plan are underway and efforts will continue in 2006-07.*

3) The CHE will continue its work to strengthen the Commission's relationship with key state partners including the Department of Commerce and the Department of Education as well as to enhance and improve communications with all relevant stakeholders including, but not limited to, the Governor and General Assembly, institutions, students and their parents, the public, and business community. *Status: Efforts under this goal will continue in 2006-07. See also related report above under major achievements.*

4) The CHE will work to ensure success of the statewide Higher Education Electronic Library initiative through monitoring initial and continuing implementation of the statewide electronic library. Special emphasis in ensuring success will focus on the planning for the widespread installation of electronic databases and the development of the statewide union catalog for all public and private institutions of higher education in South Carolina. CHE will continue efforts to secure recurring funds for this important statewide collaborative initiative. *Status: See 2005-06 achievements. Efforts under this goal will continue in 2006-07.*

5) CHE will pursue a special state initiative for higher education involving college students and service learning aimed at improving the cooperation and collaboration of higher education and K-12 in addressing issues related to the state's high school dropout rate. CHE collaborated with Coastal Carolina University during 2004-05 to seek funding for a service learning pilot project. Funding was awarded for 2005-06. *Status 2005-06: Coastal Carolina University has implemented a first-year experience curriculum focused on the freshman year and student responsibilities including ethical and social responsibility. Coastal Carolina placed a service learning component in seven sections of English 101. The focus of the service learning component in English 101 was on internal (personal values and ethics) student responsibility. The service learning program has expanded to include external responsibilities to the community. Coastal Carolina will have expanded its service learning curriculum into 20 sections of English 101. Beginning fall 2006, Coastal Carolina will expose all students enrolled in English 101 to service learning. During fall 2006, Coastal Carolina University will also review English 102 courses to explore possible incorporation of service learning components.*

6) Work in cooperation with institutional finance officers to improve the Commission's policies in regard to recommendations made for Performance Funding needs and other budgetary requests for institutions by: a) studying higher education funding models and approaches used by other states and considering suggested improvements or alternatives to the Performance Funding model as currently employed by South Carolina; b) reviewing and revising the criteria currently employed by the Commission in making recommendations to the General Assembly for institutional requests for special funding outside of the general operating funding request; and c) developing and implementing a process for the ranking of institutional capital projects for the state's capital bond process. *Status: See 2005-06 achievements. Work in this area continued*

during 2005-06 and will continue in the upcoming year. Over a period of four months, CHE completely verified and re-programmed the Mission Resource Requirement (MRR) model, comparing the methodology with those used in other states to ensure its adequacy and appropriateness. Each step of the funding model was verified using national data and institutional financial statements. The presentation of MRR data was clarified, reducing the number of pages required per institution from 36 to 18. The clarified presentation allows for both institutional and CHE staff to verify more easily the data submitted for calculation. All data are now input electronically rather than by keying which reduces the numbers of data entry errors significantly. In addition, a comprehensive set of instructions for calculating the MRR have been developed and included in a workbook. The MRR Manual for the WEB was also updated and revised for 2006. In 2004-05, CHE developed and adopted a process for the ranking of capital bond requests to assign points to capital requests based on statewide needs as well as institutional needs and successfully implemented this process in 2005-06. The criteria used by CHE for making recommendations to the Legislature for special funding outside of general operating needs was revised to more appropriately address the requests. This resulted in a decrease in the number and amounts of recommended requests from approximately \$20 million in 2004-05 to approximately \$7.5 million in 2005-06.

7) CHE will work to identify recommended changes to improve the capital project review and approval process and to upgrade available facilities information on institutional needs. *Status: CHE and institutional facilities officers reviewed the capital project approval process and developed recommendations to make the process more efficient. CHE finds that a more efficient process will save both time and money and provide better budget estimates. The recommendations of the advisory group were adopted by CHE in August 2006 and it is the CHE's intent to develop a plan to implement the recommendations and pursue appropriate legislative changes during 2006-07. CHE plans to use collected facilities data on Educational and General (E&G) institutional needs to update the deferred maintenance higher education study in the upcoming year. Additionally, CHE plans to reinstitute the "Facilities Statistical Abstract" as a web publication and will work in the upcoming year to train institutional personnel in implementing changes pursuant to the "2006 Federal Facilities Inventory Classification and Reporting Manual."*

8) On behalf of the Commission, the Academic Affairs and Licensing Division will provide leadership in transfer and articulation under the terms of the new Education for Economic Development Act (EEDA) on developing more seamless transfer and articulation arrangements among the levels and types of the state's public higher education institutions and between the state's higher education institutions and the state's K-12 public school system. *Status: Efforts are underway regarding this important initiative under the legislation passed during the 2005 session. During 2005-06, the committee was convened and has been meeting regularly. The committee is recommending funding be sought for FY 2007-08 for the purpose of developing a statewide, web-based transfer, articulation and course equivalency evaluation system and a student access portal, and during FY 2006-07, CHE will support this request in its FY 2007-08 budget priorities. Additionally, the committee recommended a proposal to fund dual enrollment, and CHE will support the EEDA and Department of Education's request for FY 2007-08 funding for this program. As a result of committee discussions, CHE in collaboration with the colleges and K-12 partners, submitted, shortly after the end of the FY 2005-06, a Fund for the*

Improvement of Postsecondary Education (FIPSE) grant proposal focused on course alignment issues that, if funded, will assist the state in these efforts. The work of the committee will continue to be a major focus in 2006-07.

9) Convene a task force of two- and four-year college representatives to develop an articulation agreement for two-year students interested in becoming teachers so as to enable them to transfer as seamlessly as possible into teacher education programs. *Status: After the Advisory Committee on Academic Programs (ACAP) retreat group discussed this item, it was further discussed at meetings of the Expanded-ACAP, the committee established for implementation of the EEDA alignment activities. In 2006-07, Expanded-ACAP will have this issue as one of its foci. CHE staff will attend SDE Deans' of Education meetings to communicate important issues involved.*

10) Continue the two-year process to evaluate all education programs at the state's 11 public institutions in partnership with the National Council for the Accreditation of Teacher Education (NCATE) as part of the state's nationally recognized three-way partnership with the State Department of Education, the CHE, and NCATE, including data collection, program reports, and site visits. *Status: Continuing consultations with institutional teacher education units was ongoing. Requests for updated status of Areas of Improvement and Specialized Professional Associations (SPAs) were ongoing. No site visits were conducted in 2005-06 at public institutions, but a focus visit is scheduled for fall 2006 at Coastal Carolina University.*

11) Continue to evaluate program productivity under the new formal policy on program productivity authorized by CHE to ensure increased program efficiency, cost effectiveness, and reduce unnecessary duplication of academic programs. *Status: In 2004-05 the first cycle of program productivity reports under the more rigorous new policy and procedures for program productivity was completed for all institutions except South Carolina State University. In 2005-06, the second cycle of program productivity report for South Carolina State University was completed. The second cycle for South Carolina State involved corrective plans by the institution for programs placed upon "conditional approval." As a result of this process, in 2005-06, the B.S. Health Education as a program of study has been cancelled by the institution, as were independent B.A. programs in Spanish and French. The latter two programs are being combined in a newly revised program, known as the B.A. in Modern Languages, which is going through the CHE program approval process in fall 2006. The second cycle under the more rigorous new policy will be initiated in fall 2006 and further refinements to the policy will be studied.*

12) Ensure the following tasks are carried out as part of the Commission's responsibilities in the area of licensing: a) continue with the process of consolidating and merging student records from closed colleges and universities, which includes purging records of extraneous material, building a database of records in storage, merging purged records from the Camden warehouse into the Columbia warehouse, and, if funds are available, investigate and implement a process to convert records to digital format for electronic storage; and b) continue to seek passage of statutory amendments: to exempt from licensing accredited degree-granting institutions that conduct occasional or incidental recruiting activities (such as at high school recruiting fairs or through seasonal recruitment advertising); to exempt from agent-permitting institutional staff who make

occasional or incidental informational public appearances (e.g., high school recruiting fairs); to enable the Commission to use bond proceeds from schools that close to sponsor teach-outs or to recover the costs of administering records; and to prohibit the use of “fake” academic credentials. *Status: On-going. CHE will continue its work regarding item a, above, and will continue to pursue legislative changes in the upcoming year in regard to item b.*

13) Improve accessibility of information and data products of the Commission by a) re-vamping the Commission’s website to provide a more user-friendly web presence that enhances the accessibility and availability of information about the Commission, its work, and available data products and b) continuing efforts to automate the receiving data electronically from the public institutions. *Status: CHE staff continues to work on a revised website and process for receipt of CHE Management Information Systems (CHEMIS) data electronically. CHE also continues work to make information more accessible. During 2005-06, CHE completed implementation of the process for uploading CHEMIS data for scholarships, enrollment, and completions via a secure website for public institutions. Work will continue in 2006-07 to complete implementation of the process for all institutions. Data uploads for facilities, course, and faculty for all reporting institutions are planned for implementation in 2006-07. It is anticipated that by the end of 2006-07, all CHEMIS data received from the public and independent institutions will be uploaded via the secure website, processed automatically, and edit reports returned to the institutions. CHE also continued efforts to revise CHE’s webpage and develop other interactive data products to aid end-users. Staff has worked to revised CHE’s website to meet requirements of Section 508 of the Federal Rehabilitation Act in advance of the deadline for compliance. In addition, internal electronic processes have been improved including redesigned CHE’s leave system to remove the SSN and place the system on an applications server to make it web accessible. CHE plans to seek funding again in FY 2007-08 to enable the agency to move forward with implementing a Decision Support System that will provide secure access to the data and benefit CHE staff, institutional personnel, and the public.*

14) Ensure availability of appropriate data for an effective Access and Equity program by: a) developing a system of accounts in order to provide Commissioners, the Executive Director and staff, the State Legislature, and other appropriate parties with financial and analytical data for decision-making as it relates to the Higher Education Access and Equity program and b) publishing an abstract document for the Access and Equity program. *Status: Work to make data more accessible in regard to programs continued. Staff published “South Carolina Access and Equity Program: A Fresh Approach, 2004.” Additional program information is available in the Business Results section.*

15) Ensure the strength of the Access and Equity Program and the Commission’s responsibilities related to this program by: a) working to revise the formula and allocation methodology used in the distribution of the state’s higher education Access and Equity appropriation; b) managing a competitive grant process with the goal of increasing the number of African-American males going to college; c) working in cooperation with higher education institutions and K-12 schools to assess on-going Access and Equity activities and develop better strategies to increase the number of minority students, faculty, and administrators in South Carolina’s educational system; and d) strengthening the Commission’s role and involvement in the annual Access and Equity Conference. *Status: CHE is continually looking at alternative methods for allocation of Access*

and Equity funds despite budget cuts. The Access and Equity program utilizes several accountability measures and procedures to monitor the program and determine the extent to which allocated funds are enabling each institution to achieve intended outcomes of the program. The Access and Equity Program has set aside \$40,000 of appropriated funds for a competitive grant process, and CHE is again requesting for FY 2007-08 a program increase of \$400,000 to support a statewide Access and Equity initiative. The annual Access and Equity Conference was held and sponsored by the CHE and the colleges and universities. CHE continues to serve as the lead agency in sponsoring this conference.

16) Continue efforts to increase awareness of campus safety issues by convening annually the Campus Safety Conference to provide a forum for discussion of issues and updated information in the area of campus safety. *Status: The seventh annual Campus Safety Conference was organized by CHE and held at Clemson University in February 2006. Participation included campus safety officers, students, parents, student personnel, and college administrators from across the state. The eighth annual Campus Safety Conference will be held at USC Upstate, February 25-28, 2007.*

On-going and Future Program Management Objectives of the Agency

1) Provide management of the following programs under the purview of the Commission including:

- a) The various competitive grants programs and competitions including the Professor of the Year Awards, the Service Learning Awards, the Education Improvement Act (EIA) Centers of Excellence program, and the federal Improving Teacher Quality (ITQ) Competitive Grants program. *Status: The fourth Service Learning Competition was held in 2005-06 with three winners selected, representing public four-year institutions, public two-year institutions, and private institutions. The 17th Governor's Professor of the Year competition successfully culminated in November 2005 with the selection of a Professor of the Year from both the two- and four-year sectors. Five proposals were submitted for the EIA Centers of Excellence program and one new Center was funded for FY 2005-06. Six new ITQ grant proposals were funded and six ITG proposals received continued funding.*
- b) Three lottery-funded programs including: the Research Centers of Economic Excellence (Endowed Chairs), the Teaching Scholarship Grants program, and the Higher Education Excellence Enhancement program. For the Research Centers of Economic Excellence, on-going activities include submission and evaluation of Endowed Chair proposals, financial tracking of fund disbursements, receipt of pledges for non-state matching funds to the three research universities, and coordination of Review Board meetings and meeting agendas. New activities initiated in 2005-06 included the initiation of two request for proposals (RFP): one for hiring an auditing firm to gather and process data for evaluation purposes and one for hiring a marketing firm to assist, among other things, in identifying potential private matching funds. For the Higher Education Excellence Enhancement program, the appropriate processes for collecting necessary program data and for conducting an audit function as required have been implemented as part of on-

going management. *Status: CHE continues to administer these programs as required. Four CHE staff members contributed varying percentages of time from 15% to 40% to staff staffed the Research Centers of Economic Excellence Review Board, which is responsible for implementing policies and procedures for this competitive grants program, contracting with evaluators and consultants, and coordinating the peer review and on-site visitation processes, resulting in the successful awarding of program funds for the fourth year. During 2005-06, a marketing firm was selected and hired by the Review Board and will initiate work during FY 2006-07. The RFP to select an audit firm was completed and four proposals were received. An award to a firm was made in summer 2006, and the first audit of the Endowed Chairs Program is scheduled to be completed by January 2007. In addition to its Endowed Chairs responsibilities, the CHE provided staff support to the Review Board under the Life Sciences Act as the agency responsible for certifying non-state funds used to match state infrastructure funds for research infrastructure projects. CHE staff completed the certification review process for three research infrastructure projects requested by Clemson University. This process was completed during July 2006 and forwarded to the Joint Bond Review Committee and the Budget and Control Board for review. The scholarship grants program for teachers—in its third year of implementation using an electronic application and software developed specifically for this program— has ended as the result of program funding ending in 2005. Remaining funds were exhausted in 2005-06 and effective June 20, 2006, the Commission on Higher Education is no longer accepting applications for this program. CHE processed applications received prior to June 20, 2006, in accordance with the approved guidelines.*

- c) A federal grant from FIPSE that involves a multi-state effort led by South Carolina to explore models of best practices in accountability. The project involves the continuation of on-going research required by the grant as well as conducting a national survey to support and expand web- and literature-based research; convening a chief business officers group to guide a field test of proposed cost containment measures; planning and implementing a national conference to be held in Charleston in September 2005 for purposes of disseminating relevant information; and producing a draft final report prior to the conference. *Status: Work continued on the grant on schedule. The national meeting was held as scheduled in Charleston in September 2005 and brought 130 participants from around the country. In its final year of operation, a report will be sent to the principal consultant in early fall and to the federal FIPSE office by November 30, 2006. The report will be disseminated widely upon its acceptance.*

- d) The Southern Regional Education Board (SREB) programs, including the Academic Common Market, the Contract Program in Veterinary Medicine and Optometry, the Electronic Campus, and new programs as these may become available. *Status: The Contract Programs in Veterinary Medicine and Optometry and the Academic Common Market continue to be administered in partnership with the SREB. The programs show continued growth in student participation; a third program in Veterinary Medicine at Mississippi State was added.*

e) The state-supported scholarship, grant, and loan programs (Palmetto Fellows, LIFE, HOPE, Need-based, Lottery Tuition Assistance, and National Guard Tuition Repayment Program) and improved awareness of South Carolina's programs and accessibility to information regarding participation in the programs. *Status: Information regarding state scholarship programs and federal financial aid is provided through the CHE website: college information sessions and financial aid workshops are held at middle schools, high schools and higher education institutions throughout the state to reach students, parents, guidance counselors, and school administrators. Statewide workshops for financial aid representatives, admissions officers, and student personnel administrators were held. During 2005-06, CHE received a planning grant from the Lumina Foundation to establish College Goal Sunday activities in targeted areas along the I-95 corridor by providing workshops and financial aid information and collaborating with school districts, financial aid officers, and community leaders in underserved areas. During 2005-06, regulations for the state scholarship and grant programs were amended through the Administrative Procedures Act (APA) process and approved by the General Assembly.*

2) Continue annual implementation of the federal competitive grants program, "Improving Teacher Quality," to replace the Eisenhower program as required under the *No Child Left Behind Act* which reauthorizes elementary and secondary education. *Status: Staff administered three No Child Left Behind Improving Teacher Quality Higher Education Grant program competitions during the year. Nineteen applications were received and funds awarded for six new grants. CHE staff authorized continued funding for six multi-year grant projects.*

3) Continue efforts through the Higher Education Awareness Program (HEAP) and Gaining Early Access and Readiness to Undergraduate Programs (GEAR UP) to promote early awareness and participation in post-secondary education among low-income and underrepresented groups. *Status: CHE staff continued this work. Program highlights are detailed in the Business Results section of this report.*

4) Ensure reports and publications as required for submission to the General Assembly are completed and properly disseminated including the required annual report of institutional effectiveness. *Status: Completed and disseminated reports as required.*

5) Continue work to integrate, as appropriate, legislative requirements passed in the 2004 session that affect higher educational institutions and financing/facilities policy into the Commission's policies and procedures. *Status: CHE staff has worked to integrate recently passed legislated requirements into policies and procedures and is working on the same for legislation passed in 2005 and 2006 as applicable.*

Opportunities and Barriers that may affect the Agency's Success in Fulfilling its Mission and Achieving its Strategic Goals

The current fiscal climate has resulted in limitations affecting the opportunities for CHE in relation to successful achievement of its mission and goals. In recent years, CHE has experienced major cutbacks in state funding for operations coupled with significant growth in

programs requiring CHE administration. Reductions in available resources have forced the Commission to look very critically at how functions are performed, and every process is being reviewed continuously for potential efficiencies. At this juncture, CHE cannot continue to absorb budget cuts and carry out its mission in the most effective way. In addition, CHE is still feeling the negative effect of efforts in 2003 to dismantle the Commission in terms of staff morale and turnover. As a result, the primary barriers to functioning at optimal levels have included: major cutbacks in state funding, reductions in staffing, increases in staff workload, turnover in key staff positions, and constraints on the ability to provide for appropriate technology support.

As was the case last year, CHE again experienced significant changes in leadership on the Commission with the appointment of five new Commissioners during 2005-06. Over the past two years, CHE has had a total of eight newly appointed members including the appointment of a new chair in 2005. In addition, one seat was vacated in July 2006 and a new appointment is expected shortly. All seats on the Commission, except the one recently vacated, are currently filled, and a few additional changes in membership may take place in the upcoming year as three commissioners are serving in terms that have expired. In addition to changes in CHE membership, the agency's Executive Director stepped down in June 2006. An Interim Executive Director has been appointed, and a search is underway for a permanent director. Changes in membership and staffing leadership require that renewed energy be focused on planning and professional development activities.

Last year, CHE's request for funds to fill two key staff positions for carrying out facilities' review and data support and programming for the state's centralized higher education data system were supported. Additionally, the General Assembly supported funding requests for activities related to implementation of the Education and Economic Development Act of 2005 (EEDA). These funds will assist the agency in carrying out necessary activities and meeting statutory obligations. However, CHE will continue to seek support in 2007-08 for critical mission programs. For the third year, CHE will seek restored funding of academic program review, a mission-critical program that provides for the statewide review of academic programs to ensure and improve quality. For the second year, CHE will seek funding to address key technology needs for upgrading and improving the state's centralized higher education data system.

In regard to other 2007-08 funding priorities, CHE will continue to work proactively to address the state's needs to increase educational levels of the state by ensuring the accessibility and affordability of higher education opportunities. CHE continues to work with its K-12 partners and other state partners in implementing the EEDA. CHE will seek funding for recommended programs, such as funding for necessary technology, to ensure seamless educational pathways for the state's students. Additionally, CHE has worked with its partners to address needs for dual enrollment high school programs and will support the request of SDE for FY 2007-08 for \$10 million to support high school students "dually-enrolled" in college courses. Efforts to encourage enrollment in higher education and to ensure affordability for all seeking to attend will continue to remain priorities of the CHE. Continued funding of SREB programs and state matching funds for the GEAR UP program will be requested. Additionally, CHE continues to promote the development of a competitive grants process as part of the state's Access and

Equity program. CHE is seeking additional Access and Equity funds to establish a statewide initiative aimed at increasing underrepresented populations in health care fields such as nursing and allied health care. As has been the case for the past several years, CHE will continue to work to address the balance between need-based and merit-based aid programs by requesting additional funding for need-based programs. Merit-based programs (Palmetto Fellows, LIFE, HOPE) have grown to represent 65% of the state's scholarship and grant aid to students attending public and independent institutions of higher learning while Need-based programs (program for public institutions and tuition grant program for independent institutions) represent 18%. The remaining 17% is provided to students attending two-year institutions (Lottery Tuition Assistance program). The majority (62%) of the state's support for need-based programs is allocated through the Tuition Grant Program to students in independent institutions. CHE, along with public institutions, will continue to seek increased Need-based program funds for public institutions to enable our state's neediest students to take advantage of higher education opportunities.

Use of Accountability Report to Improve Performance

CHE utilizes the agency accountability report as a tool for planning and assessing progress in carrying out CHE's mission and achieving its goals and objectives. The report also serves to pull together in a single reference document descriptions of the operations of CHE.

SECTION II – ORGANIZATIONAL PROFILE

Major Products and Services and Delivery Method

As outlined below, the major programs and functions of the Commission can be categorized broadly into four areas including: Advocacy and Coordination, Information, Accountability, and Administration. The major programs operated by CHE fall within the structure of the divisions as described on page 18 and illustrated through the organizational chart on page 19. As reported elsewhere in this report, CHE relies heavily on staff work with key constituencies in policy development and in communicating necessary regulatory requirements. CHE maintains a website with readily accessible information as to the scheduled CHE activities and in regard to higher education information and data. Relevant data and descriptions of specific programs of CHE are also found in the *Business Results* section of this report.

Advocacy and Coordination

- Provide a statewide perspective for higher education planning and policies in order to reduce duplicative efforts and services and increase efficiency and collaboration while at the same time protecting all college-level students' rights for equal access and education.
- Serve as a higher education advocate in supporting statewide initiatives and promoting and securing funds for needed programs including: higher education operational and

capital funding, merit- and need-based student aid, research initiatives, statewide academic electronic library, statewide licensing agreements, state procurement contracts, and state planning issues.

- Promote cooperation and collaboration in coordinating efforts to address issues affecting the states' citizens such as: access and equity, campus safety, higher education awareness and readiness programs for K-12 students, and a seamless K-20 education system.
- Provide direction at the state-level in the area of academic quality by developing state-level policies and best practices guidance for such items as: minimum admissions standards, dual enrollment, transfer and articulation, program productivity, remedial education, quality standards for professional development courses for teachers, post-tenure review, and annual review of faculty.

Information

- Provide statewide oversight and coordination for a higher education database necessary to respond to federal and state reporting requirements, legislative and citizen inquiries, and to study, monitor, and report on higher education issues such as those related to enrollment, student aid, program offerings, faculty, and facilities use and maintenance.
- Provide pertinent information about higher education to parents and students and to promote access to higher education.
- Make recommendations by means of data collection, research, and studies to the Governor, the Budget and Control Board, and the General Assembly regarding policies, roles, operations, and structure of South Carolina's higher education institutions.

Accountability

- Serve in a consumer advocate role through responsibilities of assuring accountability of public higher education institutions through, for example, performance funding, institutional effectiveness, facilities management, and data verification or audit functions of programs.
- Ensure institutional and program quality of South Carolina's public institutions through partnership with National Council for Accreditation of Teacher Education Programs (NCATE) and the Department of Education in reviewing teacher education programs; reviewing and approving institutional mission statements; reviewing and approving new academic programs and evaluating existing degree programs; reviewing admission standards and compliance with the state's English-language fluency Act; and reviewing minimum undergraduate admissions standards for in-state and out-of-state institutions.
- Serve in a consumer protection role by carrying out the responsibilities for evaluating and licensing non-public educational providers of higher education programs that desire to provide higher education programming in South Carolina.

Administration

- Oversee the awarding of over \$240 million in state merit- and need- based scholarship, grant and loan programs including: Palmetto Fellows; LIFE; HOPE; Lottery Tuition Assistance; Need-Based Grants; National Guard Student Loan Repayment; Access & Equity programs including Graduate Incentive Scholarships, Undergraduate Scholars Program, and SREB Doctoral Scholars Program; and Teacher Professional Development Grant program.
- Administer and provide early awareness and outreach programs to increase awareness of higher education, provide coordinated support, including mentoring, tutoring, college and career exploration and planning, informational workshops, parent/guardian and guidance counselor meetings, and financial aid information through the state's Higher Education Awareness Program (HEAP), Gaining Readiness and Awareness for Undergraduate Programs (GEAR UP), College Goal Sunday, Go Alliance, and Passport to Opportunity.
- Oversee other state lottery-funded programs including: South Carolina Research Centers of Economic Excellence, South Carolina Higher Education Excellence Enhancement Program, and Technology Incentive Funds program for public colleges and universities.
- Oversee and administer other state and federal programs affecting SC higher education including:
 - Statewide Access and Equity Program to include monitoring implementation and evaluating the effectiveness of programs designed to provide minority groups with access to higher education programs;
 - Governor's Professor of the Year Award Program;
 - The Veterans Education and Training Program in which the state acts on behalf of the federal government to evaluate educational/vocational institutions and training establishments where veterans and dependents eligible for veteran's educational benefits can achieve either an educational, professional or vocational objective;
 - Teacher Quality Competitive Grants Program;
 - Fund for the Improvement of Post-Secondary (FIPSE) multi-state grant for researching and developing best practices in accountability models for higher education;
 - SC Alliance for Minority Participation;
 - Experimental Program to Stimulate Cooperative Research (EPSCOR); and
 - Southern Regional Education Board (SREB) Programs such as Electronic Campus, Academic Common Market and Contract Programs in Veterinary Medicine and Optometry.

Key Customers and Their Key Requirements/Expectations

As a coordinating board for higher education, the Commission is responsible for providing services to the public, colleges and universities, the State Legislature and Governor, other state and private entities, and the federal government. CHE administers several federal and state programs, provides services to institutions of higher education, develops and administers policies, and serves in dual roles of responsibility to the legislative and administrative branches of state government as both an advocate for higher education and intermediary for accountability of the state's public colleges and universities.

In fulfilling these roles, and in accordance with its mission, the Commission serves three primary customer groups: the citizens of the state, the General Assembly, and the public colleges and universities. In order to meet most effectively the needs of these customer groups, the Commission and its staff are organized along functional lines into the following divisions: Academic Affairs & Licensing; Finance, Facilities, and Management Information Services; Student Services; and Access & Equity. Customers are also served by staff responsible for coordinating communications efforts and governmental relations.

Other Key Stakeholders

CHE also interacts regularly with other key stakeholders whether it be in policy development or constituent services. Key among these other partners are the K-12 community, and the business community. Focus on taxpayer interests and student concerns and interests are also vital to the agency's mission and service.

Key Suppliers and Partners

In its role as a state-level coordinating board, CHE's key suppliers provide needed data and information that is utilized by CHE in fulfilling its advisory, advocacy, and accountability roles for the state. Key suppliers of information and data include: the public colleges and universities, private colleges, and the K-12 community. For example, public institutions provide data critical in determining the resource needs for the institutions as well as student enrollment and other institutional data necessary for required federal and state reporting purposes. Reported data are used for multiple purposes by the CHE in carrying out its responsibilities. For example, data reported to determine critical resources are also used in the process of evaluating both existing and proposed academic programs. Student-specific information that is reported by public and independent colleges enables CHE to administer the scholarship and grant programs as well as respond to data requests and analyze trends for policy development. Data from the K-12 community, including information from middle and high schools, students, and parents, provides CHE with resources to ensure the effectiveness of our higher education awareness programs.

CHE also utilizes external firms for the development, production, and dissemination of program materials for the higher education awareness programs (HEAP, GEAR UP, College Goal Sunday, Go Alliance, Passport to Opportunity, and for the South Carolina On-line Application and Resources – *SCHOLAR*). During the first stages of development for HEAP and

GEAR UP, CHE evaluated several alternatives for developing program materials in-house as compared to utilizing external organizations. CHE has consistently found the expertise and technology needed to address the particular aspects of these programs are best provided by external services. The technical aspects of SCHOLAR (a web-based application that enables students to apply online to one institution or several institutions at once and import the application(s) directly into the college or university database) require resources and expertise that is more efficiently provided through external resources, and CHE has relied on an external supplier for the operation and maintenance of this process.

Operation Locations

CHE's offices are located in Columbia at 1333 Main Street, Suite 200. The agency's main telephone number is 803.737.2260 and its fax number is 803.737.2297. CHE's web address is www.che.sc.gov.

Number of Employees

As of the end of fiscal year 2005-06, CHE has 25 full-time employees (23 classified and 2 unclassified), 3 part-time employees; and 30 temporary grant/time-limited employees.

Regulatory Environment

CHE serves as the coordinating board for South Carolina's 33 public institutions of higher learning. Operating pursuant to §59-103-5, *et seq.*, of the South Carolina Code of Laws, as amended, 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. Regulations promulgated by CHE pursuant to the State Code of Law are found in Chapter 62 of the State Code of Regulations. Policies implemented by CHE in carrying out its legislated role and in administering programs are available from CHE's website at www.che.sc.gov. CHE also operates in accordance with applicable federal regulatory requirements for higher education programs and in regard to regulatory requirements pertaining to agency services and programs.

Key Strategic Challenges

As the coordinating board for South Carolina's 33 public institutions of higher learning, CHE is responsible for serving 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. These dual roles present a key challenge. The agency must work with its stakeholders in ensuring an appropriate balance between the regulatory and advocacy functions. CHE works to promote quality, access, and efficiency while balancing advocacy, stewardship, and accountability. CHE's primary value to the state lies in the benefit of having an entity responsible for bringing to light and working through a myriad of issues to assure a balance between student and taxpayer rights and institutional policies, aspirations, and needs. CHE is challenged in accomplishing its mission with limited resources and the lack of incentive funds to bring together stakeholders to implement collaborative initiatives.

Performance Improvement System

CHE relies on internal and external agency feedback in improving its program and services. CHE will continue to work to formalize its performance improvement system to ensure efficient and effective channels for identifying and implementing improvement opportunities.

Organizational Structure

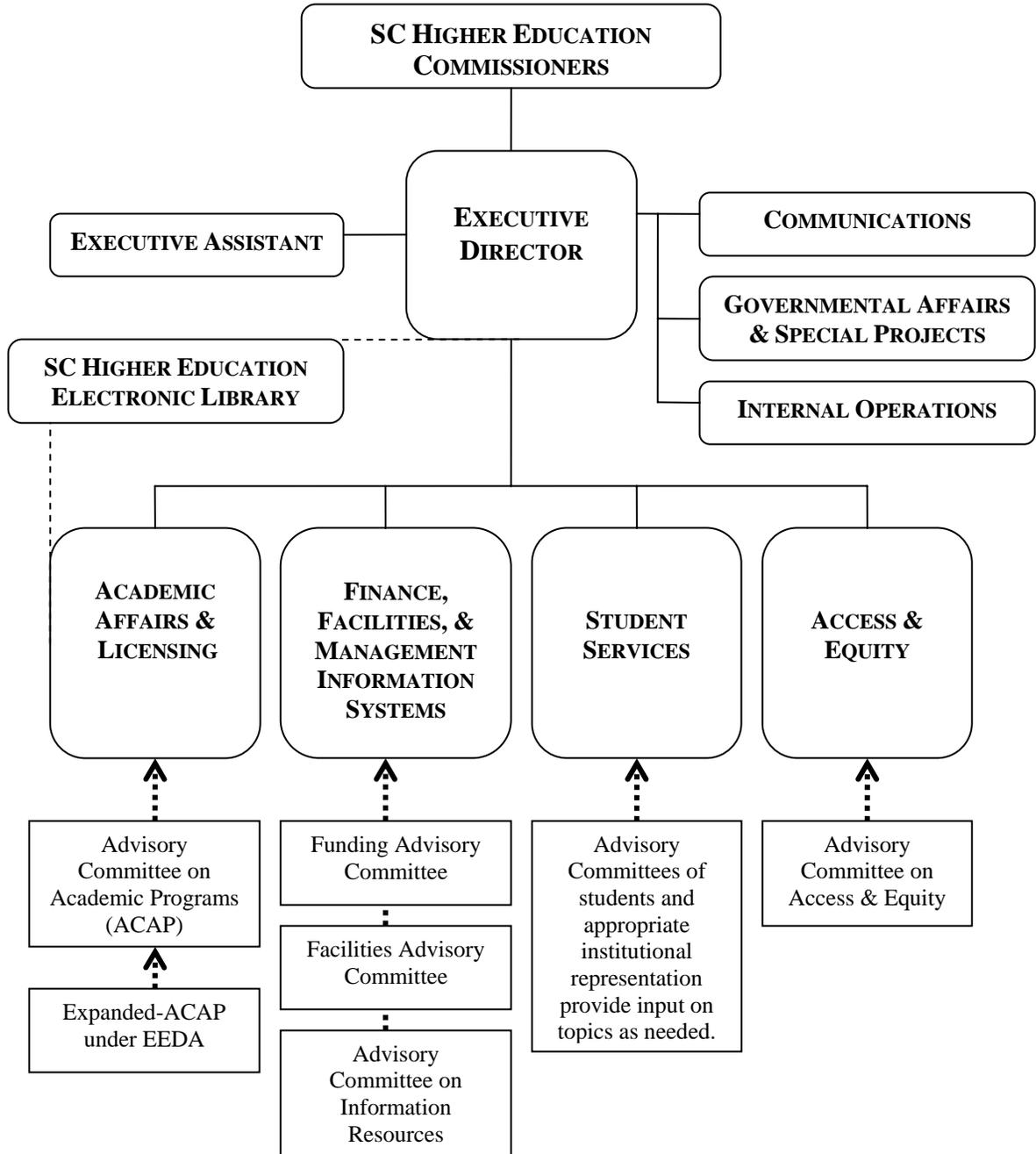
As illustrated in the organization chart found on the following page, CHE is governed by a board of Commissioners. CHE's board consists of 14 Commissioners appointed by the Governor including: one at-large member appointed as Chair, three other at-large members, six members representing the Congressional Districts, three members representing the public higher learning institutions, and one member representing the independent higher learning institutions. Members 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.

The Commission conducts its business through committees organized along the functional lines of Academic Affairs and Licensing, Finance and Facilities, and Student Services and Access and Equity. The Commission's Chair, Vice Chair, and Committee Chairs make-up the Executive Committee of the Commission.

An Executive Director oversees daily operations of CHE and its supporting staff. CHE staff is organized in divisions that provide support for the committees including Academic Affairs and Licensing; Finance, Facilities, and Management Information Services; Student Services; and Access and Equity. Work of the divisions is also informed on a regular basis by formal and informal advisory committees comprised of institutional representatives. The directors of the divisions and the directors of Communications, Governmental Affairs and Special Projects, and Internal Operations along with the Executive Director make up the staff's Executive Management Team. A non-profit foundation continues to support CHE and the higher education community by raising private funds for use in supporting programs that are not possible within CHE's available state resources.

South Carolina Commission on Higher Education

Organizational Chart June 30, 2006



NOTE: The Commission forms other advisory committees and requests input from its constituents as applicable (e.g., Business Advisory Council) to inform the work of the Commission. The President's Council of Public Colleges and Council of Independent College Presidents also meet with the Commission and aid in informing processes as necessary.

Accountability Report Appropriations/Expenditures Chart
South Carolina Commission on Higher Education

Base Budget Expenditures and Appropriations

Major Budget Categories	04-05 Actual Expenditures		05-06 Actual Expenditures		06-07 Appropriations Act	
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personal Service	\$2,183,228	\$1,811,560	\$2,021,023	\$1,643,844	\$2,234,419	\$1,826,613
Other Operating	\$413,573	\$294,820	\$739,573	\$531,388	\$873,294	\$535,616
Special Items (1)	\$232,124,686	\$53,059,001	\$242,812,169	\$59,533,078	\$322,975,975	\$88,354,671
Permanent Improvements	\$0	\$0	\$0	\$0	\$0	\$0
Case Services	\$0	\$0	\$0	\$0	\$0	\$0
Distributions to Subdivisions	\$0	\$0	\$0	\$0	\$0	\$0
Fringe Benefits	\$663,541	\$458,685	\$694,274	\$397,902	\$662,812	\$473,532
Non-recurring (2)	\$4,781	\$4,781	\$3,165,618	\$3,065,618	\$4,069,000	\$4,069,000
Total	\$235,389,808	\$55,628,847	\$249,432,658	\$65,171,830	\$330,815,500	\$95,259,432

(1) FY07 Appropriations include \$220,133,396 in lottery funds

(2) For FY07, \$600,000 for Gear Up; \$2,000,000 for Higher Education Statewide Electronic Library; \$1,200,000 for SC Manufacturing Extension Program; and \$269,000 for SREB.

Other Expenditures

Sources of Funds	04-05 Actual Expenditures	05-06 Actual Expenditures
Supplemental Bills	\$4,781	\$3,165,618
Capital Reserve Funds	\$0	\$0
Bonds	\$0	\$0

Major Program Areas

Accountability Report Major Program Areas Chart SC Commission on Higher Education

Program Number and Title	Major Program Area Purpose (Brief)	FY 04-05 Budget Expenditures		FY 05-06 Budget Expenditures		Key Cross References for Financial Results*
	Operations	State:	2,616,546	State:	\$3,868,571	7.1-1, 7.1-2, 7.1-4, 7.1-6, 7.1-7, 7.1-8 (8a, 8b, 8c, 8d, 8e, 8f), 7.9
		Federal:	1,383,032	Federal:	\$1,185,843	
		Other:	253,220	Other:	\$1,341,553	
		Total:	4,252,798	Total:	\$6,395,967	
		% of Total Budget:	1.8%	% of Total Budget:	1.6%	
	Flow-Through Funds	State:	7,528,814	State:	\$12,611,926	7.1-5 (5a, 5b, 5c)
		Federal:	0	Federal:	\$1,898,500	
		Other:	8,529,118	Other:	\$31,249,877	
		Total:	16,057,932	Total:	\$45,760,303	
		% of Total Budget:	6.8%	% of Total Budget:	22.9	
	Scholarship and Grant Programs:	State:	45,483,487	State:	\$48,686,222	7.1-3 (3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 3k) 7.1-4, 7.6
		Federal:	1,841,389	Federal:	\$0	
		Other:	167,754,202	Other:	\$148,585,085	
		Total:	215,079,078	Total:	\$197,271,307	
		% of Total Budget:	91.4%	% of Total Budget:	75.6%	
	Total	State:	55,628,847	State:	\$65,171,830	
		Federal:	3,224,421	Federal:	\$3,084,343	
		Other:	176,536,540	Other:	\$181,176,485	
		Total:	235,389,808	Total:	\$249,432,658	

Below: List any programs not included above and show the remainder of expenditures by source of funds:

For FY04-05, a total of \$43,900,744 is not reflected above – The total includes a <\$129,187> National Guard program transfer to trust fund account, and transfers of \$37,654,931 and \$6,375,000 to SBTCE for the Lottery Tuition Assistance Program and the Lottery Funded Technology Program.

For FY05-06, a total of \$49,254,234 is not reflected above – The total includes a transfers of \$41,191,734 and \$8,062,500 to SBTCE for the Lottery Tuition Assistance Program and the Lottery Funded Technology Program.

Remainder of Expenditures: N/A	State:	State:
	Federal:	Federal:
	Other:	Other:
	Total:	Total:
	% of Total Budget:	% of Total Budget:

* Key Cross-References are a link to the Category 7 - Business Results. These References provide a Chart number that is included in the Business Results section of this document.

Section III – Elements of Malcolm Baldrige Award Criteria

The concepts of evaluation and continuous improvement are present within CHE's operations and activities. Provided below are descriptions of the agency's utilization of the Malcolm Baldrige Criteria concepts and principles.

Category 1. Leadership

The Commission on Higher Education is a 14-member lay board appointed by the Governor. CHE is responsible for the hiring of an Executive Director, who in turn is responsible for developing an appropriate staff and agency structure. CHE itself has a Chair, appointed by the Governor, a Vice-Chair, and representatives from Congressional Districts, institutional trustees, and the statewide citizenry. CHE utilizes a committee structure for the handling of business. An Executive Committee, including the Chair, Vice Chair, and all Committee Chairs, provides specific direction to the Executive Director for activities and issues to be addressed by the staff. The staff is organized along the lines of CHE's committee structure.

More specifically, the Executive Director utilizes an Executive Management Team consisting of division directors. Each division includes professional staff and appropriate support staff to perform the related functions. The Executive Management Team serves as the planning and evaluative group for CHE staff. All agency employees have input into CHE's activities through their respective division director.

The Executive Director meets with the Executive Management Team on a weekly basis. In addition, the Executive Management Team meets with the full Commission staff on regular basis to discuss current issues and activities of CHE. Further, individual divisions also meet regularly. These various meetings are designed to ensure the entire staff is aware of and involved in the activities of CHE. These meetings also provide a forum for the clear communication of the mission, vision, goals, and the process to achieve those goals throughout the entire organization.

The Internal Operations Director controls the fiscal activities of the agency. The Internal Operations Director is ultimately accountable to the Executive Director and the Board for the fiscal health of the agency. The legislature is responsible for determining legal and regulatory accountability of the agency by passing legislation and approving regulations.

Category 2. Strategic Planning

CHE relies heavily on strategic planning in all activities. CHE utilizes a bi-annual planning retreat for Commissioners to evaluate the programs and direction of the agency. During alternate years and also on a periodic basis, CHE's Executive Committee (Chair, Vice Chair, and all Committee Chairs) meets to review Commission initiatives and direction. 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 CHE. The Council of Public College and University Presidents works with CHE for the formal development and adoption of a Strategic Plan for Higher Education. Also, CHE staff's

Executive Management Team conducts periodic planning sessions and has regular team meetings to continuously evaluate the agency's activities.

CHE's planning activities are focused internally on the agency as well as externally on higher education. In order to implement higher education planning, CHE must gain consensus and support from the institutions, the executive and legislative branches, and other key state stakeholder and educational partners. CHE has recently undertaken efforts to revitalize statewide strategic planning for higher education. During 2004-05 and continuing into 2005-06, CHE's Executive Director met with institutional presidents of the public colleges to consider a revised strategic plan for higher education and a revised accountability system. The Executive Director and a small group of presidents, who were representative of the various sectors, worked to define goals and discuss considerations for accountability. From this work, the presidents of the public colleges adopted a set of revised goals for working consideration in 2005-06. Additionally, at the presidents' request, institutional representatives met and identified recommended measures for gauging progress toward the goals and objectives. Efforts to date have built upon the last strategic plan that was adopted in 2002 and more recent work that culminated in the receipt by CHE of a major external report on higher education in South Carolina. The report, *Foundations for the Future: Higher Education in South Carolina*, December 2003, in essence provided for CHE an up-to-date environmental scan, a series of recommendations to consider in future strategic planning efforts, and a recommended "public agenda" on which to base a revised accountability system. In 2006, the Governor issued an Executive Order (2006-01) appointing a Task Force on Higher Education. CHE is awaiting the recommendations of this Task Force and plans to move forward with statewide planning efforts in 2006-07, which will also be informed by the federal report released in August 2006 from the federal Commission on the Future of Higher Education.

CHE's specific goals are articulated on an annual basis through the Executive Director's evaluation process and this Accountability Report. Goals are reviewed on a periodic basis by the Executive Management Team with respect to status and progress towards achievement. Also, status and/or completion are reported to CHE members as a component of the Executive Director's annual evaluation.

Strategic Planning – SC Commission on Higher Education

Program Number and Title	Supported Agency Strategic Planning Goal/Objective	Related FY05-06 Key Agency Action Plan/Initiative	Key Cross References for Performance Measures*
<i>Executive Director's Objective 1</i>	1) Work in cooperation with institutions and other key stakeholders to develop a public agenda for higher education and to provide for a revised accountability program for higher education in light of the plan.	Work with the Governor's Higher Education Task Force in implementing any recommendations as appropriate. Continue to meet regularly with institutional presidents and other key stakeholders to make progress in planning efforts. In addition to the Task Force, <i>Foundation for the Future</i> report, FIPSE grant research, the National Commission on Accountability, and the	No Chart

Program Number and Title	Supported Agency Strategic Planning Goal/Objective	Related FY05-06 Key Agency Action Plan/Initiative	Key Cross References for Performance Measures*
		federal Commission on the Future of Higher Education will be among information to inform the process.	
<i>Executive Director's Objective 2</i>	2) Advocate for funding of institutional operating needs, cooperative initiatives for higher education including, for example, the statewide higher education electronic library, and for student programs to promote the accessibility and affordability of higher education for the state's citizens.	Coordinate and work with institutions to advocate for operating funding. Conduct work to develop recommendations to address parity funding issues for higher education institutions. Continue to advocate for and ensure success of statewide initiatives such as the electronic library. Continue to advocate for programs and funds to improve accessibility and affordability of higher education for the state's citizens. Work to develop a statewide mentoring initiative aimed at reducing the high school dropout rate.	No Chart
<i>Executive Director's Objective 3</i>	3) Strengthen the Commission's relationship with key state partners including the Department of Education and the Department of Commerce as well as to enhance and improve communications with all relevant stakeholders including but not limited to the Governor and General Assembly, institutions, students and their parents, the public, and business community.	The Executive Director will continue to improve institutional relations with CHE and to strengthen relations with other key constituencies including Commerce and K-12. Provide support in statewide educational and other related initiatives through participation in various statewide councils and task forces. Work in cooperation with key stakeholders in regard to the Education and Economic Development Act legislation.	No Chart
<i>Executive Director's Objective 4</i>	4) Continue to provide for the effective and efficient management of programs and initiative under the purview of the Commission.	Programs under the purview of CHE are managed efficiently and opportunities to improve are recognized and implemented.	<i>See 7.1-1 through 7.1-9</i>

* Key Cross-References are a link to the Category 7 – Business Results. These References provide a chart number that is included in the Business Results section of this document.

Category 3. Customer Focus

CHE 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 CHE is to consider all of these perspectives, which at times may be conflicting, in performing its various functions.

CHE's primary opportunity to interact with each of these groups is through one of its regularly scheduled Commission meetings or through numerous committee meetings. 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 for addressing CHE. Citizens can contact CHE directly, either through members or the staff, with issues or concerns that they would like to see considered. Also, citizens can provide input indirectly into CHE activities through either the General Assembly or the colleges and universities. CHE outreach efforts around the state, include scholarship and grant informational meetings at middle and high schools, college fairs, and guidance counselor workshops, and the Student Advisory Committee (with members ranging from 10th grade to college sophomores) allow for citizens and other stakeholders to interact with Commission staff. As an additional opportunity for citizens, CHE 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 online to our state's colleges and universities. Each division of CHE maintains information relevant to their programs. For example, Student Services provides information about scholarship and grant statistics, applying for federal and state financial aid, residency requirements, and scholarship/grant recipient demographics. Academic Affairs includes a summary of available degrees, information on academic policies such as those related to dual enrollment or transfer and articulation, as examples, and information on the Academic Common Market (SREB program that provides in-state tuition to students attending certain programs in other states). Also, Finance, Facilities, and Management Information Services includes information on the Mission Resource Requirement, Performance Funding, and the higher education data system (CHEMIS) and data reports. Finally, CHE's webpage details staff and committee information and includes numerous opportunities for communication directly to staff via e-mail.

The General Assembly works with CHE in one of the following manners: directives through legislation, contact directly with appointed Commissioners, or contact (directly or through legislative staff) with CHE staff. CHE maintains on its staff a legislative liaison that is charged with monitoring and providing coordination with this customer group. Certain other staff members whose areas 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 the House and Senate committees, legislative hearings on pending legislation, and informational presentations to ad hoc committees are a few of the formal interactions. Other formal assistance is provided by CHE staff in reviewing pending higher education legislation as requested by the State's Budget Office to determine the fiscal impact to higher education. Informal opportunities occur through information requests from individual senators and representatives, 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 CHE and its staff. The first area of interaction is the membership of CHE itself. With the passage of Act 137 of 1995, CHE 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 comprehensive institutions, and the technical colleges. Institutions have additional input into Commission activities through advisory committees. Each functional area of CHE has one or more advisory committees including representation from every public four-year institution and selected representatives from the public two-year institutions. These advisory committees provide valuable discussion and recommendations to CHE staff. Often, the recommendations of these committees are made directly to the Commission, with the support of CHE staff. Institutions have further access to CHE 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. Another key area of communication between the institutions and CHE is through the Council of Public College and University Presidents. The Council meets as a group and also meets with the Commission in order to provide coordination among the institutions and direct input into CHE's activities. Most recently, the CHE Executive Director has met with institutional presidents on an on-going basis. Representative Presidents have met with CHE in addition to individual presidents appearing before CHE to outline budgetary needs and provide updated institutional status information. CHE will work in upcoming years to encourage and re-establish the more formal Council of Presidents and annual meetings with the Commission.

Category 4. Measurement, Analysis and Knowledge Management

CHE has several activities that rely heavily on the use of data. The Commission on Higher Education Management Information System (CHEMIS) maintains data collected from institutions relating to scholarship/grant awards, 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 and responding to informational requests of CHE's various stakeholders. These data also provide the basis for CHE'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 CHE, the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) grant program, the Access & Equity program, and the Higher Education Awareness Program (HEAP).

In addition to the CHEMIS database, CHE also acts as the state-level coordinating body for the collection and submission of data for the Integrated Post-secondary Education Data System (IPEDS), which is maintained by the U.S. Department of Education for the federal government. Much of the IPEDS data required for federal reporting is collected as part of the CHEMIS database, and CHE can use the reported data to provide information for the federal reports. Additional data reported by institutions are used to meet the national statistical requirements and also provide CHE access to national comparative data. CHE is very cognizant of data requirements placed on institutions and works as much as possible to streamline data reporting requirements and eliminate unnecessary or duplicative reporting.

CHE uses the collected higher education data to inform policy recommendations and respond to needs for information. The accuracy of data is ensured by an audit process

implemented for the purpose of maintaining reliable data reporting and institutional compliance with program requirements. CHE staff regularly communicates and informs institutions and others of reporting requirements. CHE staff is encouraged to keep up-to-date policy and procedure manuals so that information is readily accessible.

Category 5. Human Resources Focus

As a state coordinating board, CHE's primary business focus is policy-oriented, rather than direct service or product delivery. As such, the people making up CHE 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. Of the 55 members of CHE staff as of fiscal year end, 9 have doctoral degrees, 16 have other graduate degrees, and 20 have baccalaureate degrees.

Along with the credentials the staff members bring to their positions, CHE provides opportunities for developing, enhancing, and refining skills. Courses available through the Budget and Control Board provide such opportunities. Annual conferences on programmatic areas ensure current knowledge of relevant issues. Each year, a member of the staff participates in the State Budget and Control Board'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 by the more senior staff members. In short, CHE places a very high value on the quality of its human resources and recognizes the importance of continual development.

Category 6. Process Management

Each area and program provided through CHE operates with the assistance of one or more advisory committees. Also, all meetings of CHE, 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 and/or institutional assessment officers. In each of these areas, and all others within CHE, processes are reviewed on a periodic basis to ensure both quality and efficiency, with input solicited from the participants, the business community, and other constituencies of higher education.

Category 7. Business Results

Provided on the following pages are a variety of data relating to CHE's programs and activities. These data are used within the respective programs as means of evaluating levels of activity, progress toward stated goals, or achievement of statewide objectives. All items presented relate to question 7.1, performance levels and trends for the key measures of mission accomplishment.

7.1-1: PRODUCTION OF ANNUAL REPORTS AND PUBLICATIONS PROVIDING INSTITUTIONAL DATA AND HIGHER EDUCATION FACTS AND FIGURES

Each year, CHE produces a number of reports and documents pertinent to higher education institutions, programs, and/or policies. A listing of these annual reports as well as other reports issued is available online at http://www.che.sc.gov/New_Web/Data&Pubs.htm. Most reports are accessible online or available by contacting CHE staff. A few of the more significant annual reports of institutional data are listed below:

- CHE produces annually the *South Carolina Higher Education Statistical Abstract* that contains the latest facts and figures for our state's higher education system. The current and past years' reports are available at <http://www.che.sc.gov/Finance/Stat.htm>. The 2006 publication marked the 28th year of this publication. It is noted that this publication was recognized by the South Carolina State Library as one of ten *Most Notable Documents of 2004*.
- CHE produces annually a report entitled, *A Closer Look at Public Higher Education in South Carolina: Institutional Effectiveness, Accountability, and Performance*, to meet its legislated mandate per South Carolina State Code §59-101-350. This report is submitted each January to the Governor's Office and General Assembly. Each year through 2005, this report has served as the agency accountability report for each of the state's 33 public institutions of higher education. The report pulls together data from the Performance Funding process, institutional assessment activities, and other required reporting as legislated. Copies of the present and recent past reports are located on CHE's website at http://www.che.sc.gov/New_Web/Rep&Pubs/ACL.htm.
- Annual institutional report cards produced as a result of the Performance Funding process are also found on the CHE's website along with additional data and information on this process. Institutional reports were not produced in 2005-06, but data were monitored instead by posting results for applicable indicators on CHE's website. All current and past information reports are available online at http://www.che.sc.gov/New_Web/Rep&Pubs/Perf_Fund.htm.

7.1-2, DATA SUPPORT ACTIVITIES FOR HIGHER EDUCATION

Another key responsibility of CHE is the collection and management of higher education data and information. CHE developed and supports a data management information system known as CHEMIS. CHE staff use the data regularly in responding to questions regarding South Carolina's higher education systems. See Section 4 (i.e., Category 4, Measurement, Analysis and Knowledge Management) for additional details. During the year, staff respond daily to requests for information. In addition, staff respond to numerous special requests throughout the year for data outside of regular reporting and/or readily available data reports. Complete statistics on the frequency of special requests that are outside routine data production are not yet available. However, recent monitoring indicates an average of 200 special requests annually.

7.1-3: SCHOLARSHIP AND GRANT PROGRAMS

CHE is responsible for administration of the majority of higher education scholarship and grant programs made available by the General Assembly. South Carolina provides funding for several undergraduate scholarship programs. Three programs (Palmetto Fellows, LIFE, and HOPE) are merit-based programs. Students must meet criteria based on grades, class rank, and/or college entrance exam scores to earn merit awards and on grades for continued eligibility. Another program, Lottery Tuition Assistance, provides funds for students at two-year institutions enrolled in degree programs. The state also supports need-based student aid programs. These programs provide funds to students based on their need. The need-based programs (CHE Need-based and SC Tuition Grants) include funds provided to CHE to disperse to public and independent institutions and funds appropriated to the SC Tuition Grants program which is a need-based aid program for independent institutions. Of the funds dispersed to CHE, approximately 20% goes to the independent institutions through the SC Tuition Grants program. Unless specified, Tuition Grant dollars are not reflected in the information that follows. In brief, for the merit awards and lottery tuition assistance:

Palmetto Fellows requires that students at a minimum meet an SAT score of 1200, a class rank in the top 6% (or for classes in which the top 6% is not a whole number, the next student), and a high school grade point average of 3.5 on the uniform grade point average. Alternatively, students may meet a 1400 SAT/or ACT equivalent and a high school grade point average of 4.0 on the uniform grading scale. This award is provided for eight semesters provided students maintain eligibility. Students must be enrolled in four-year institutions.

LIFE requires for initial eligibility that students meet two of three criteria: 1100 SAT/ACT equivalent; class rank in the top 30%, or high school grade point average of 3.0 on the uniform grading scale. This award is provided for eight semesters provided students maintain eligibility. Students may be enrolled in two- or four-year institutions.

SC HOPE requires that students have a 3.0 high school grade point average on the uniform grading scale and be enrolled in a four-year institution. The award is for the freshman year only.

Lottery Tuition Assistance program is aid for eligible students at two-year institutions. Students must be degree-seeking and enrolled in a minimum of six hours courses to be eligible.

Students may not receive more than one of the merit awards or Lottery Tuition Assistance at the same time but may earn in addition to these awards need-based grant aid.

The table below reflects some of the staff activity in regard to disseminating information and responding to student appeals. On the following pages, data are provided to illustrate the volume of scholarship and grant aid provided to South Carolina students.

Table 7.1-3a, Staff Activity regarding Scholarship/Grant Awareness and Appeals

Staff Activity	2003-04	2004-05	2005-06
Number of events staff participated in to provide scholarship and grant program updates to students, parents, and guidance counselors and to increase awareness	26	47	44
Workshops hosted for financial aid representatives to review regulations and program changes to ensure proper administration	3	1	1
Number of student scholarship/ grant appeals processed for which decisions were rendered	236	245	240

Table 7.1-3b, State Appropriations for Undergraduate Scholarship and Grant Programs

Initial General Fund and Lottery Appropriations for the State Undergraduate Scholarship/Grant Programs

FYs since Education Lottery Began, 2002-03 through 2006-07

	FY2002-03	FY2003-04	FY2004-05	FY2005-06	FY2006-07	% Increase FY07 over FY06
(1) Palmetto Fellows Total	\$17,259,618	\$19,567,906	\$23,176,712	\$26,381,991	\$29,830,758	13.1%
<i>portion from State General Funds</i>	\$5,989,059	\$12,721,188	\$6,480,281	\$10,417,054	\$10,786,212	
<i>portion from Bamwell Revenues</i>	\$6,270,560	\$1,846,718	\$5,519,719	\$1,582,946	\$1,213,788	
<i>portion from Lottery Revenues</i>	\$5,000,000	\$5,000,000	\$11,176,712	\$14,381,991	\$17,830,758	
(1) LIFE Total	\$94,610,414	\$111,520,063	\$122,374,744	\$134,929,425	\$141,333,829	4.7%
<i>portion from State General Funds</i>	\$54,610,414	\$71,520,063	\$29,646,795	\$27,631,335	\$53,422,193	
<i>portion from Lottery Revenues</i>	\$40,000,000	\$40,000,000	\$92,727,949	\$107,298,090	\$87,911,636	
(2) HOPE Total	\$5,787,600	\$6,500,000	\$6,183,017	\$6,673,826	\$7,144,909	7.1%
(2) Lottery Tuition Assistance (2-yr) Total	\$34,000,000	\$29,000,000	\$39,750,000	\$43,000,000	\$47,600,000 *	10.7%
CHE Need-based Grants Total	\$12,478,497	\$15,478,498	\$22,438,427	\$23,246,093	\$23,246,093 **	0.0%
<i>portion from State General Funds</i>	\$6,207,938	\$10,631,780	\$6,480,281	\$10,417,054	\$10,786,212	
<i>portion from Bamwell Revenues</i>	\$6,270,560	\$1,846,718	\$5,519,719	\$1,582,946	\$1,213,788	
<i>portion from Lottery Revenues</i>	n/a	\$3,000,000	\$10,438,427	\$11,246,093	\$11,246,093	
(3) Tuition Grants Total	\$19,369,269	\$22,325,740	\$23,322,247	\$23,322,247	\$27,088,851	16.2%
<i>portion from State General Funds</i>	\$19,369,269	\$19,325,740	\$19,322,247	\$19,322,247	\$19,322,247	
<i>portion from Lottery Revenues</i>	n/a	\$3,000,000	\$4,000,000	\$4,000,000	\$7,766,604 ***	
TOTAL All Programs	\$183,505,398	\$204,392,207	\$237,245,147	\$257,553,582	\$276,244,440	7.3%

NOTE: The appropriations above represent only initial program funds as provided per the Appropriations Act. State General Funds and Lottery Funds are included. In addition, Bamwell Revenues that are appropriated for the Education Endowment are included. The Education Endowment for higher education is funded at \$24,000,000 annually through a combination of Bamwell Nuclear Waste Facility revenues and State General Funds. The Education Endowment funds are split equally between the Palmetto Fellows and Need-based Grant programs.

(1) For the Palmetto Fellows and LIFE programs, additional amounts above the appropriations may be provided since these are "open-ended" programs and qualified students are provided the awards. Any funds appropriated above those in the Appropriations Acts are not reflected here.

(2) HOPE and Lottery Tuition Assistance for 2-Year Institutions have been funded to date only with lottery revenues.

(3) Program managed by the South Carolina Tuition Grants Commission. Includes state funds for need-based grants to qualified students at SC's Independent Colleges and Universities.

* Includes \$2.6 million to be awarded dependent on the availability of unclaimed prize funds in excess of \$8.85 million.

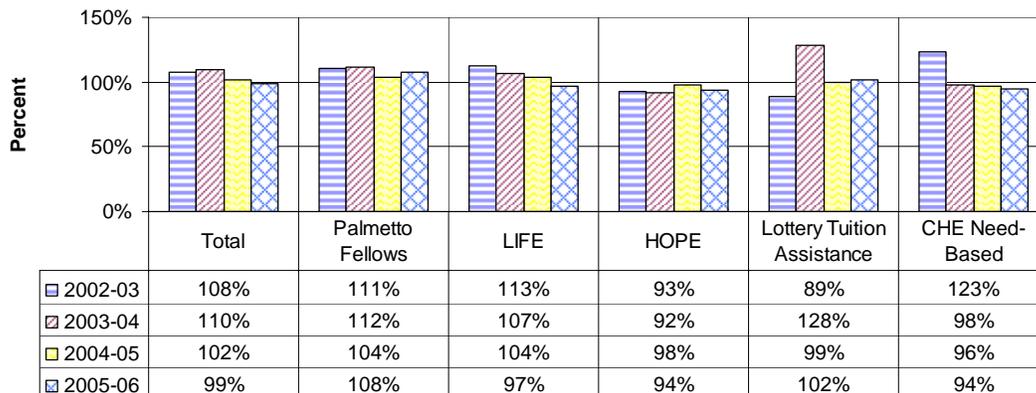
** A portion of the funds appropriated as Need-based Grants are allocated to the independent institutions based on the undergraduate enrollment. Per statutory provisions, approximately twenty percent of the funds are shifted to the Tuition Grants program. For example, of the \$23.2 million allocated for FY 2006-07, approximately \$18.4 million will be allocated to the public institutions and \$4.8 million will be allocated to the Tuition Grants program for students attending independent institutions.

*** Tuition Grants program will additionally receive any remaining unclaimed prize funds after the allocation of \$11.45 million in unclaimed prize funds for other projects.

Source: Data pulled from appropriation acts for FY04, FY05, FY06 and FY07

Graph 7.1-3c, Comparison of Annual State Appropriations for Undergraduate Scholarship and Grant Programs to Year-End Dollars Awarded*

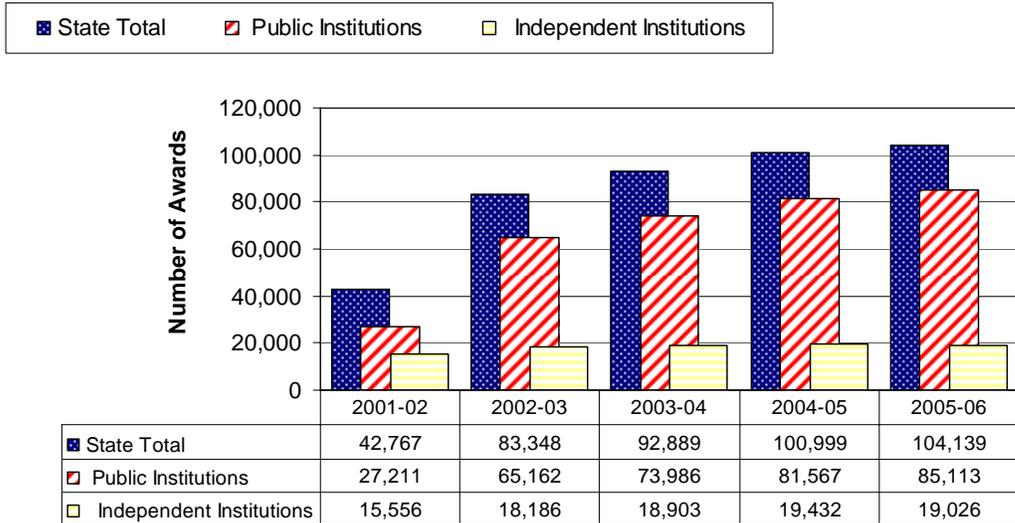
**Year-End State Scholarship Dollars Awarded as a Percentage of State Appropriations,
Total and by Program (Palmetto Fellows, LIFE, HOPE, LTAP, and Need-Based)**



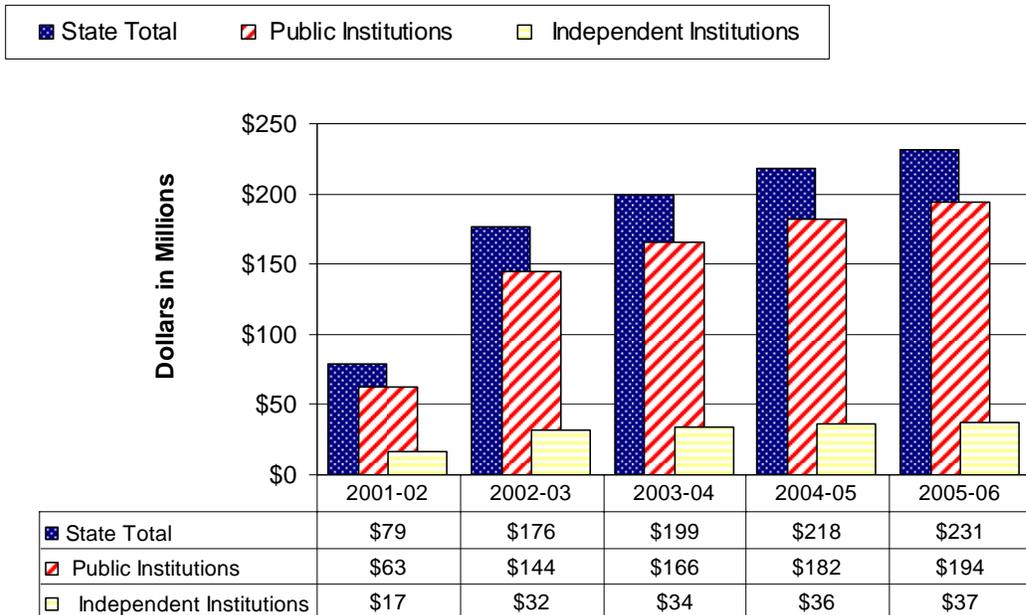
*Appropriations include lottery and general funds as indicated in the annual budget acts. Year-end data are taken from annual unduplicated scholarship reports. Need-based includes all funds appropriated to CHE for allocation.

**Graph 7.1-3d, Annual Awards for State Undergraduate Scholarship and Grant Programs
Type Institution (Public or Independent) by Year, FY02 to FY06**

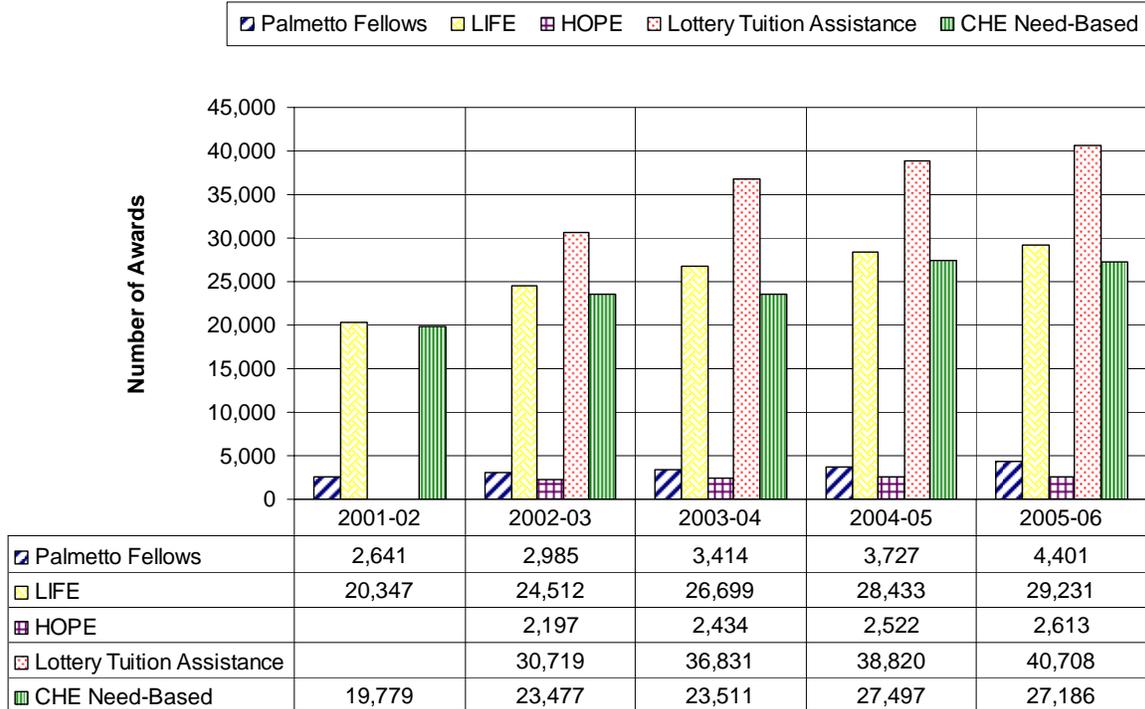
**Number of Undergraduate Scholarships and Grants
(Palmetto Fellows, LIFE, HOPE Lottery Tuition Assistance, and CHE Need-Based Grants)**



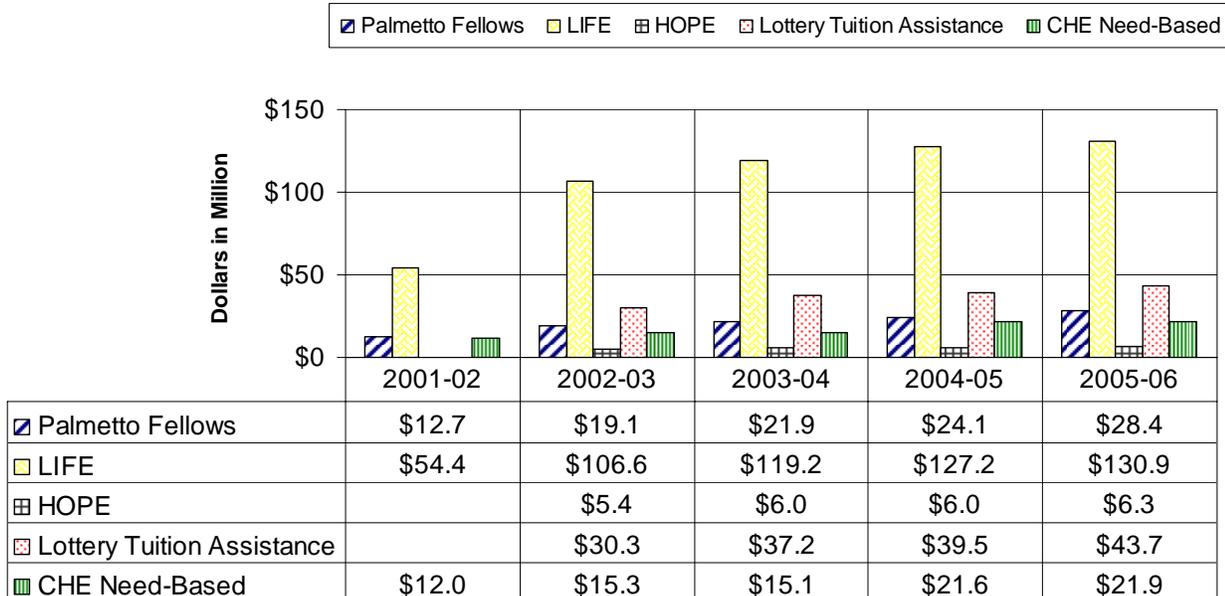
**Total Dollars Awarded Undergraduate Scholarships and Grants
(Palmetto Fellows, LIFE, HOPE, Lottery Tuition Assistance, and CHE Need-Based Grants)**



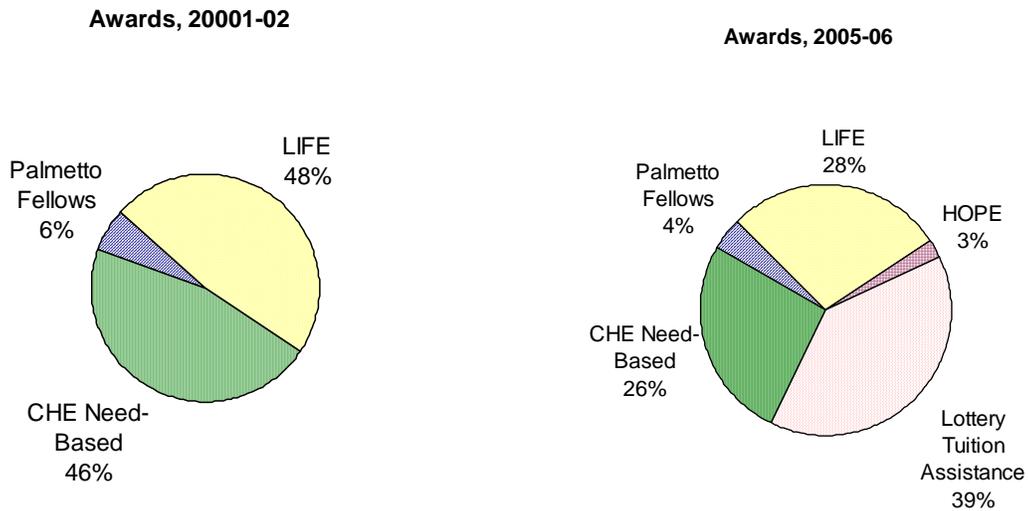
Graph 7.1-3e, Scholarship Awards by Program, Academic Years 2001-02 to 2005-06



Graph 7.1-3f, Scholarship Dollars Awarded by Program, Academic Years 2001-02 to 2005-06

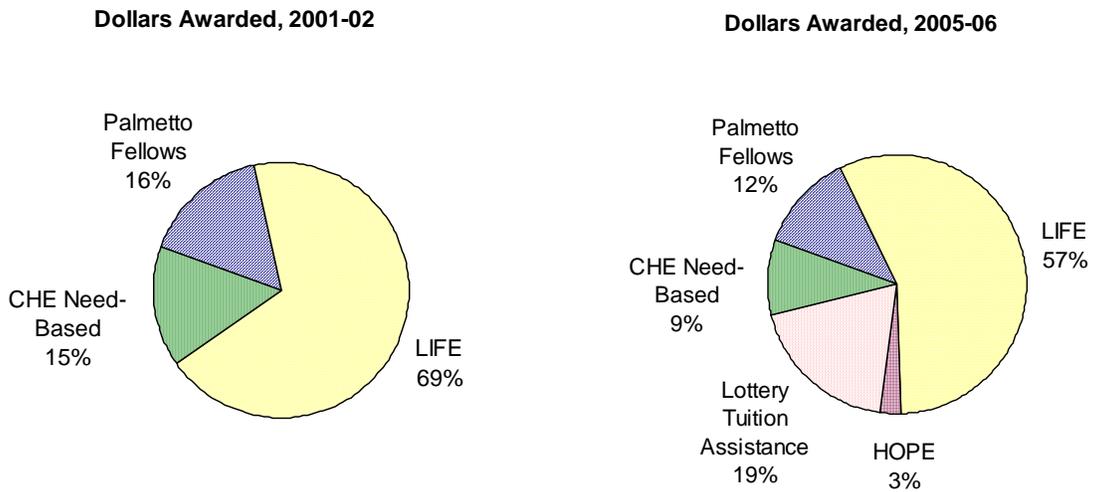


Graph 7.1-3g, Percentage of State Undergraduate Scholarship and Grant Awards by Program, Academic Years 2001-02 and 2005-06



HOPE and Lottery Tuition Assistance not applicable in 2001-02.

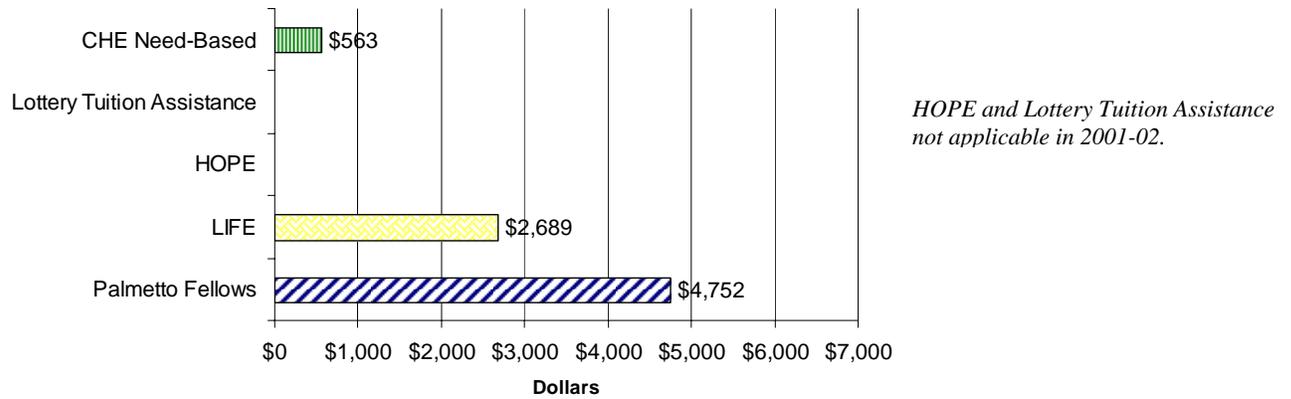
Graph 7.1-3h, Percentage of State Undergraduate Scholarship and Grant Dollars Awarded by Program, Academic Years 2001-02 and 2005-06



HOPE and Lottery Tuition Assistance not applicable in 2001-02.

Graph 7.1-3i, Average Award Amounts by Program, Academic Years 2001-02 and 2005-06

Average Awards by Program, 2001-02



Average Awards by Program, 2005-06

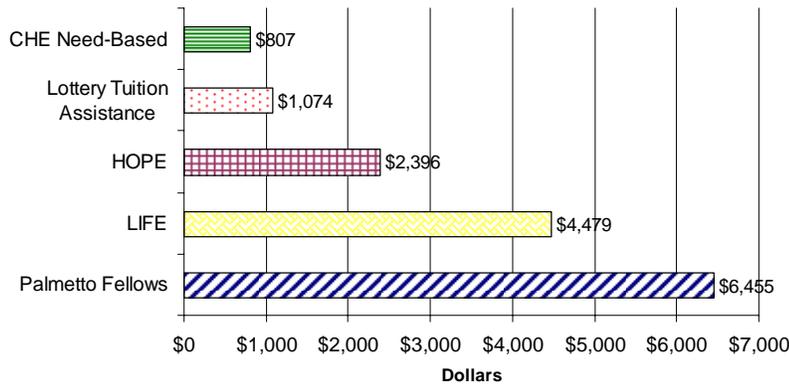


Table 7.1-3j, Lottery-Funded Teaching Scholarship Grants Program, Awards and Dollars

In 2001, as part of the South Carolina Education Lottery Act, the General Assembly passed legislation for a Teaching Scholarship Grants program. The purpose of this program is to support classroom teachers in their efforts to improve their content knowledge by completing coursework and degree programs. The program, authorized in §59-150-380 of the SC Code, provides teachers who hold a professional certificate and teach in the public schools of the state will be awarded grants not to exceed \$1,000 per year to attend the state’s public and independent colleges and universities for the purposes of upgrading existing core content area skills or obtaining a master’s degree in the teacher’s core content area. If there are insufficient funds for these grants for eligible recipients for a particular year, priority must be given to those classroom teachers (i.e., not administrators, counselors, media specialist, or other support personnel) whose teaching areas are critical need subject areas as defined by the State Board of Education. Program funding totaled \$2,000,000 in each of FY 2002-03, FY 2003-04 and FY 2004-05. There were no funds provided for the program for FY 2005-06 or FY 2006-07, and the program was closed in June 2006. (See also pages 9-10 for additional explanation.)

Teaching Grants Program Activity	2002-03	2003-04	2004-05	2005-06*
Total Awards	339	548	815	789

*Program ended June 20, 2006

Table 7.1-3k, National Guard Student Loan Repayment Program

During the 2001 legislative session, the General Assembly approved Act 41 which authorized the development of the National Guard Student Loan Repayment program. CHE, in consultation with the South Carolina Student Loan Corporation, developed this loan repayment program for providing incentives, by repayment of eligible student loans, for enlisting or remaining a minimum of six years in either the South Carolina Army or Air National Guard (SCNG) in areas of critical need. CHE, along with the SCNG, administer this student loan repayment program. Below is a chart of the program to date.

	Funds Available <i>(Note 1)</i>	Funds Obligated <i>(Note 2)</i>	Number of Awards	Payment on Awards	Aggregate of Payments	Aggregate Obligated Funds On Hand <i>(Note 3)</i>	Aggregate Number of Awards <i>(Note 4)</i>
FY03	\$1,350,000	\$1,350,000	100	\$0.00	\$0.00	\$1,350,000	100
FY04	\$1,697,399	\$1,674,000	124	\$32,923	\$32,923	\$2,961,399	205
FY05	\$1,688,570	\$1,674,000	138	\$113,560	\$146,483	\$4,603,751	343
FY06	\$2,152,268	\$2,151,000	169	\$203,441	\$349,924	\$5,795,236	512

Note 1: Funds available are the annual appropriation, less CHE administrative fees, plus interest on the fund. Funds available are also subject to increase when a Guard member does not fulfill his/her obligations to qualify for payment.

Note 2: Funds obligated are based on an award of either \$9,000 or \$18,000 to repay student loans on a future date. The Guard member must meet certain military service obligations over a two- to six-year period from inception. The earliest any partial payment of an award can occur is on the first anniversary of the award.

Note 3: Based on current levels of funding, the program is projected to make payments that equal the annual appropriation in FY08.

Note 4: Of the 100 awards in FY2002-03, 19 Guard members failed to meet their obligations and lost their awards. This allowed 19 additional awards in either FY04 or FY05. Interest on the funds allowed the remaining new awards to be made in those fiscal years.

ITEM 7.1-4, PROGRAM PARTICIPATION, SOUTHERN REGIONAL EDUCATION BOARD (SREB)

The Southern Regional Education Board (SREB) was founded more than 50 years ago specifically to help states improve and share resources in higher education. Today, SREB continues to organize and administer regional arrangements to avoid costly duplication and expensive development of new programs including the Academic Common Market which provides access to undergraduate and graduate programs in specialized areas by waiving out-of-state tuition. SREB data collection, SREB policy documents, comparative research, and publications on K-20 issues, as well as participation in several other programs, are benefits of South Carolina’s membership in this 16 state consortium. CHE coordinates South Carolina’s participation in higher education programs under the SREB. Data provided below include participation trends in student participation in programs made available through South Carolina’s participation in SREB.

Table 7.1-4a, South Carolina Students Certified for Participation in SREB Programs

Program	2001-02	2002-03	2003-04	2004-05	2005-06
1) NC School for the Arts	6	6	7	7	4
2) Contract Programs for Veterinary Medicine and Optometry	90	90	102	104	107
3) Academic Common Market Program (<i>Note: SREB reported Apr 1 to Mar 31 timeframe</i>)	101	102	125	121	130
4) Doctoral Scholar Participants (Total New and Continuing)	9	6	3	10	17

1) North Carolina School for the Arts is a conservatory-based high school program that provides for the training of professionals in the arts. Through SREB contractual arrangements, students from South Carolina are able to attend this school with tuition assistance.

2) Under the SREB contract programs for veterinary medicine and optometry, spaces are made available for South Carolina residents at the in-state rate at five partner programs. Through this program, South Carolina is able to maintain availability of these programs for our citizens while the state avoids the expense of building and staffing these professional schools. Optometry programs for South Carolina residents at in-state rates are made available at Southern College and University of Alabama. Veterinary Medicine programs are available at Tuskegee University, University of Georgia, and Mississippi State University.

3) The SREB Academic Common Market was established in 1974 by SREB to share between states specified degree programs located at southern public colleges and universities through an exchange of students across borders at in-state rates. As a cooperative agreement among states, the Academic Common Market seeks to eliminate unnecessary duplication of degree programs among states while supporting those programs which are able to serve additional students. The program allows residents of the 16 participating states (Alabama, Arkansas, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia) to pay in-state tuition rates while enrolled in certain degree programs at participating out-of-state colleges and universities. Florida, North Carolina, and Texas participate at the graduate level only.

4) The SREB Doctoral Scholars program provides financial assistance and academic support to minority students who are admitted to doctoral programs.

ITEM 7.1-5, ACCESS AND EQUITY – MINORITY PARTICIPATION IN PUBLIC INSTITUTIONS

From 1981 to 1986, (Era of Compliance), South Carolina implemented a federally-mandated desegregation plan designed to: (1) enhance the state's public historically black colleges, (2) desegregate student enrollments at the state's baccalaureate degree-granting public colleges and universities, (3) desegregate faculties, staffs, and governing bodies of all public colleges and universities in South Carolina. In 1985, CHE adopted the *South Carolina Plan for Equity and Equal Opportunity in Public Institutions of Higher Education – 1986-87 and Beyond*, which over a three-year period, provided funds to support (1) a Graduate Incentive Fellowship Program, (2) an Other Race Grants Program, (3) a Minority Recruitment and Retention Grants Program, and (4) programs to enhance the state's two public historically black institutions.

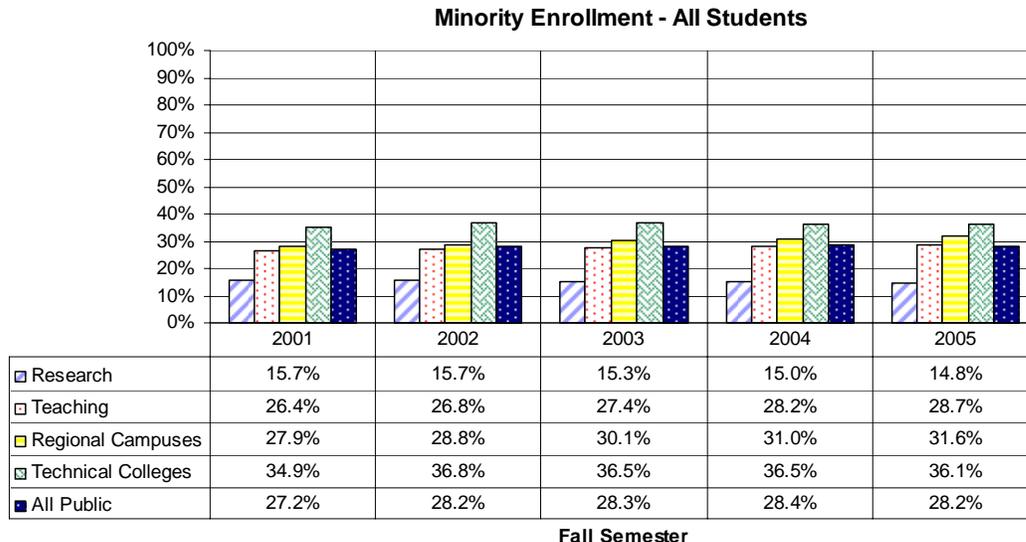
In February 1988 (Era of Commitment), CHE approved guidelines for the Access and Equity Program. Implementation of the program began on July 1, 1989, allowing funds to be awarded to institutions with well-planned activities that (1) flow from the institution's mission and address the recruitment and retention of minority students and employees, (2) meet specific institutional requirements related to the characteristics of students and faculty, (3) are carefully conceptualized, and (4) are linked to guidelines to emphasize the need to achieve campus climates and academic settings that encourage participation and achievement by African American students.

CHE provides statewide governance to 33 public institutions in the area of Access & Equity. Ensuring educational equity for all students and faculty in higher education is one of the primary functions of CHE. The vision of Access & Equity is to achieve educational equity for all students and faculty in higher education. Minority enrollment should be at least proportional to the minority population in South Carolina and minority graduation rates should be comparable to the graduation rates of other students. Progress in the recruitment and retention of minority faculty should be made to enhance diversity among those who convey knowledge to our students.

Additional details are available in the publication entitled, *The SC Access and Equity Program: A Fresh Approach, 2004*. The report is accessible at http://www.che.sc.gov/AccessEquity/A_Fresh_Approach.pdf

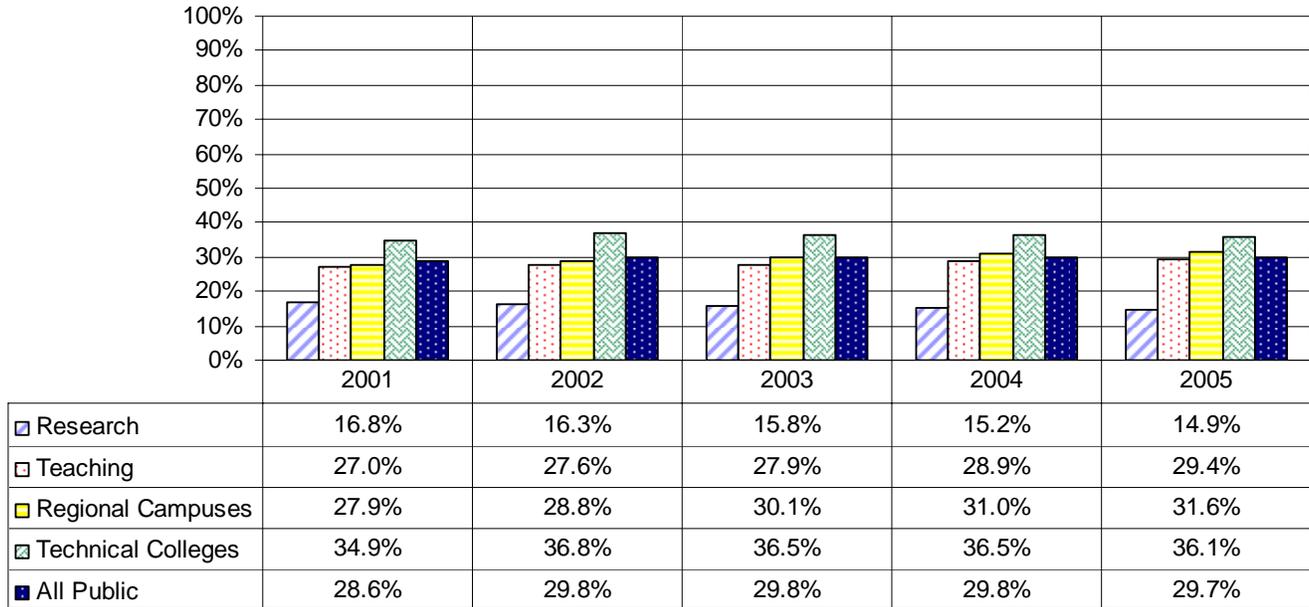
Graph 7.1-5a, Minority Enrollment in South Carolina Public Colleges by Sector by Level, Fall 2001 – Fall 2005

The data in the three graphs that follow show trends for minority headcount enrollment including all students, undergraduate, and graduate/first professionals. According to Census 2000 data, South Carolina’s minority population was 32.7%.



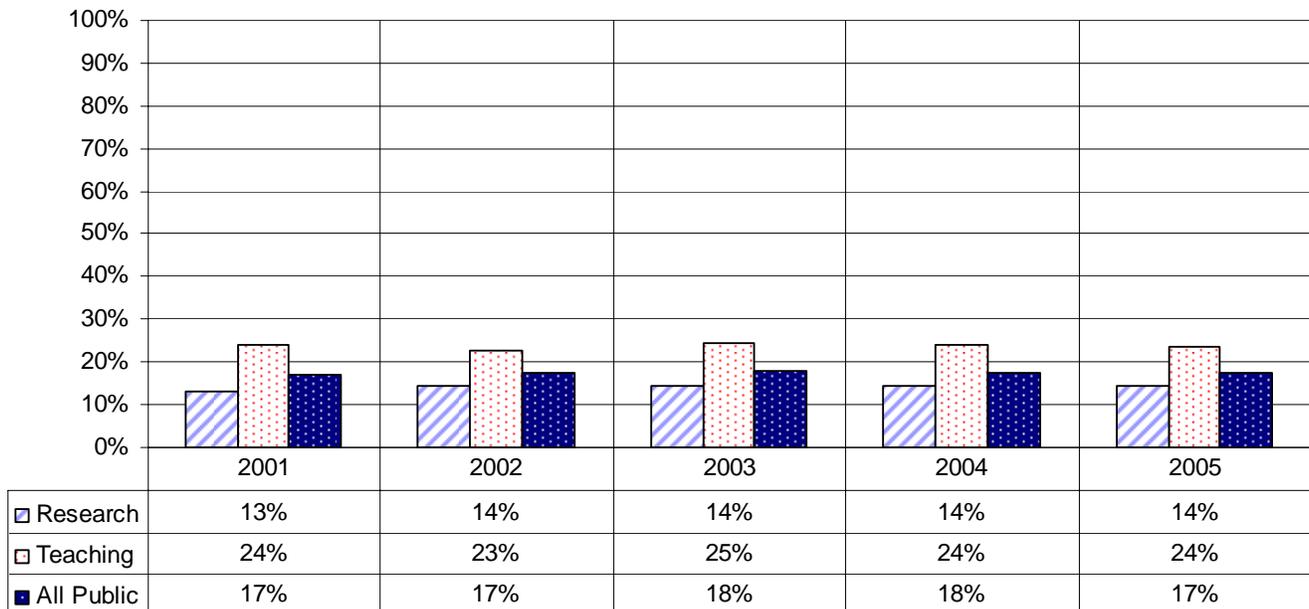
Percent Minority Enrollment in South Carolina Public Colleges by Sector and Level, *continued*

Minority Headcount Enrollment - Undergraduates



Fall Semester

Minority Headcount Enrollment - Graduate and First Professional Students

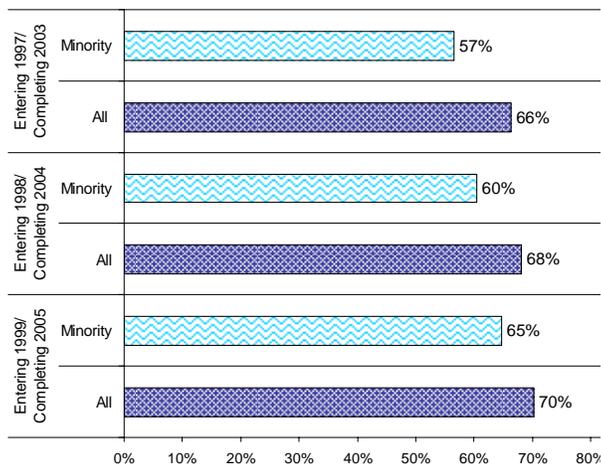


Fall Semester

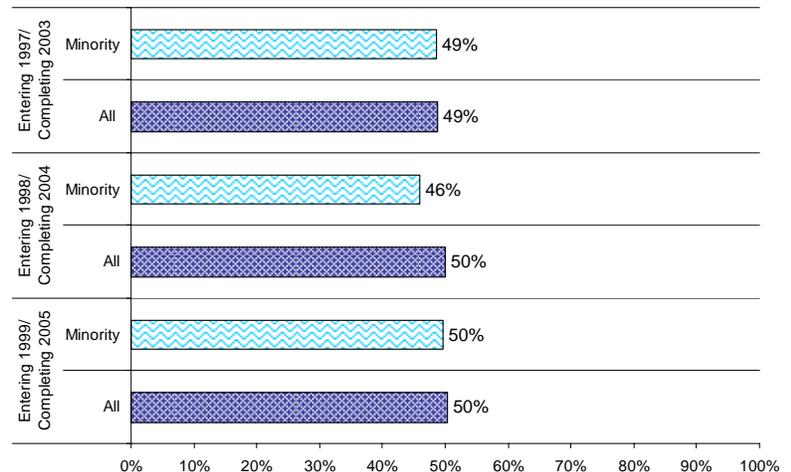
Graph 7.1-5b, Graduation Rates of Minority Students Compared to All Students by Cohort, South Carolina Public Institutions by Sector

The charts below illustrate the graduation rate of minority students compared to all students at the state’s four-year institutions (research institutions and comprehensive teaching institutions) and two-year institutions (two-year regional campuses of USC and technical colleges). USC Beaufort is excluded from comprehensive teaching as it recently transitioned from two- to four-year status. Graduation rates are measured here by considering an incoming cohort of students and measuring the percent who graduate within 150% of their normal program time which is six years for baccalaureate degree programs and three years for associate degree programs. The data below are from IPEDS Graduation Rate Survey information and include rates for the three most recent cohorts for South Carolina Public Colleges and Universities.

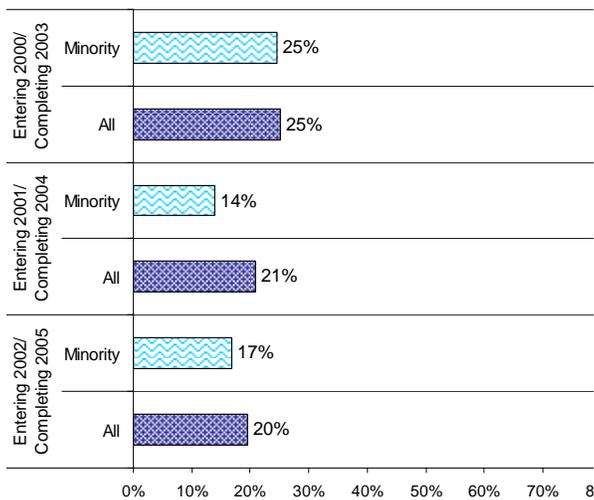
**Graduation Rate in 150% of Normal Program Time
Research Institutions (USC Columbia and Clemson)**



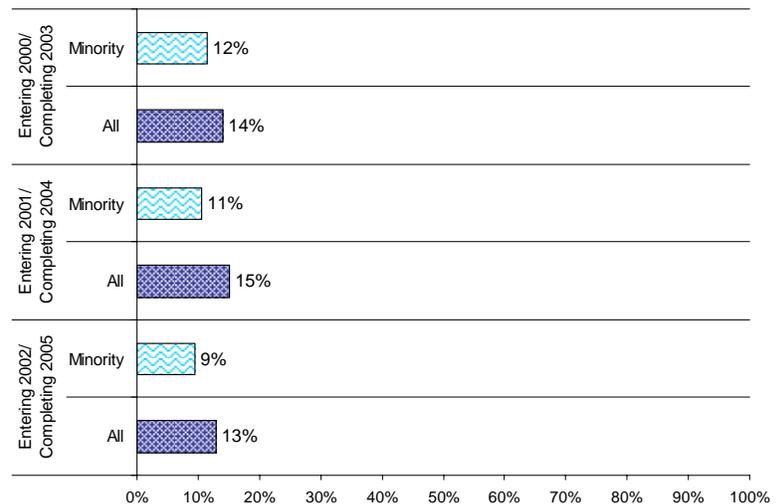
**Graduation Rate in 150% of Normal Program Time
Comprehensive Teaching Institutions**



**Graduation Rate in 150% of Normal Program Time
Regional Campuses of USC**

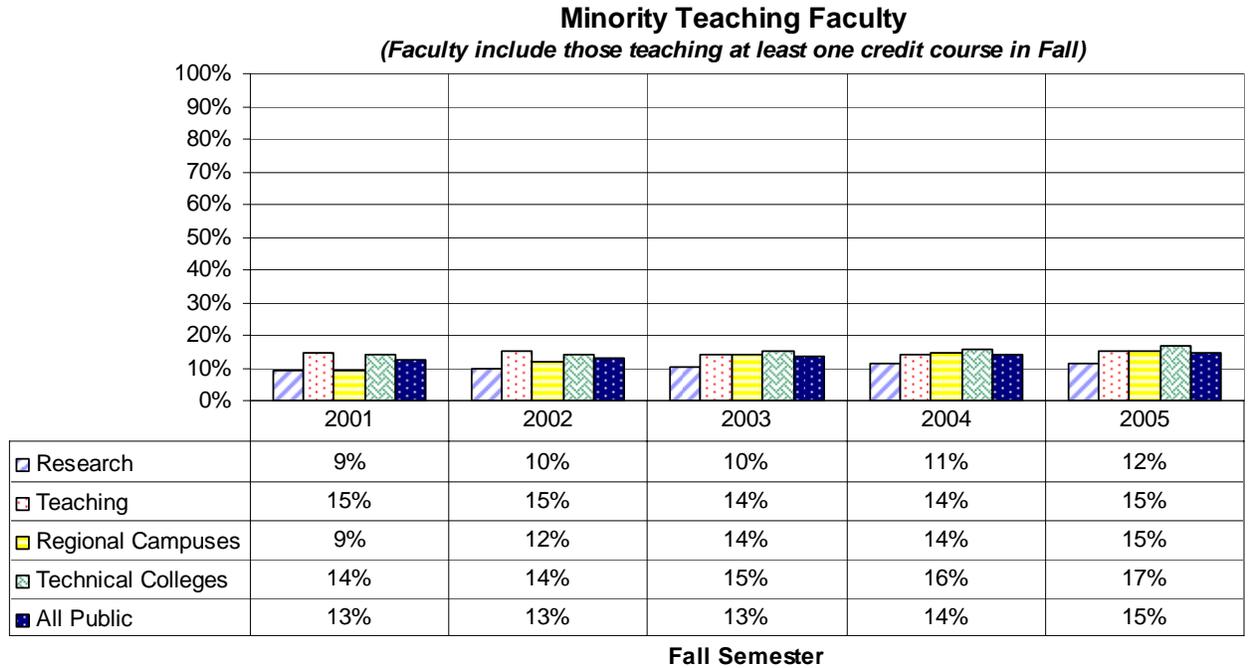


**Graduation Rate in 150% of Normal Program Time
Technical Colleges**



Graph 7.1-5c, Percent of Minority Faculty Teaching in South Carolina’s Public Institutions

The data in the chart below show the percent of those teaching in the fall who are minority. These data are used for Performance Funding Indicator 8C4, Percent of Minority Teaching Faculty.



ITEM 7.1-6, VETERANS EDUCATION AND TRAINING PROGRAMS

CHE has been designated by the Governor’s Office as the State Approving Agency for Veterans Education and Training. As the State Approving Agency, the CHE staff is responsible for approval of academic and on-the-job training programs for the purpose of enabling veterans to receive federal educational benefits. These activities includes the approval of degree, diploma, and certified programs at the public and independent colleges and universities in South Carolina.

Related Activity	2002-03	2003-04	2004-05	2005-06
Number of Programs Approved at Public and Independent Colleges at which Degree, Diploma, and Certificate	98	98	146	120
Number of Business/Organizations across SC involved in On-the-Job Training Apprenticeship programs	94	128	147	112
Number of Veterans Who Were Enrolled in Career Training Programs	358	417	415	284
Number of Career Training Objectives in which Veterans Participated	172	218	314	156

ITEM 7.1-7, PROGRAMS FOR PROMOTING EARLY AWARENESS OF HIGHER EDUCATION AND PREPARATION FOR PARTICIPATION IN HIGHER EDUCATION

7.1-7a, Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)

On August 18, 2005, CHE was officially notified that the U.S. Department of Education awarded the Commission \$2.4 million per year for six years for a SC GEAR UP grant. GEAR UP is a national grant program to support early college preparation and awareness activities for rural and low-income students.

South Carolina GEAR UP is providing direct services to 22 schools, both rural and low-income, in the Pee Dee region of our state to give students the skills and support they need to prepare for, enter, and succeed academically in postsecondary education. This year SC GEAR UP helped 4,333 students and families in our state to pursue their dream of attaining postsecondary education. All students participating in GEAR UP programs take rigorous college-prep courses in order to meet college admission requirements. In addition, the Commission will partner with the South Carolina Chamber of Commerce, the State Department of Education, the two SC Governor's Schools, and the Southeast Center for Ocean Sciences Education Excellence to provide programs and activities to help students improve their college readiness. By working together toward common goals, SC GEAR UP will ensure that students stay in school, raise their academic and career aspirations, succeed in challenging courses, and receive quality counseling from middle school through high school as they prepare for postsecondary education.

In Year 1 (2005-06) of the state's second GEAR UP grant, the SC GEAR UP staff provided organization and information to the partners and school districts. All partners signed a Memoranda of Understanding and began to implement the grant. An external evaluator was hired.

The business and education portion of the SC GEAR UP program is coordinated through the SC Chamber of Commerce with two staff members. The Chamber is charged with improving academic achievement by partnering businesses with the 22 schools in the SC GEAR UP cohort. During this first year of the grant, the Chamber staff developed and provided information for business partnerships. Each partnership will be unique and will be supported by the Chamber staff as well as the SC GEAR UP staff.

SDE implemented professional development seminars for SC GEAR UP teachers and provided a laptop computer for each of the 22 schools. A mentoring training program was implemented in the 16 SC GEAR UP school districts. Housed at SDE, this program provides extensive mentor training support to the Chamber's business and education program as well as to the paid mentors and tutors hired by the school districts.

As part of the SC GEAR UP program evaluation, an Annual Performance Report (APR) is prepared to show its success and progress for the U. S. Department of Education. The APR is used by the Department to determine whether substantial progress has been made toward meeting the goals and objectives of the program and used to collect data addressing the performance of SC GEAR UP. Below are data from the SC GEAR UP statistical sample provided in the APR that demonstrate the intensity of services provided to SC GEAR UP students, parents, and educators for the 2005-06 school year. This information is for Year 1, the initial year of the grant. Subsequent reports will show the full impact of the implementation of the SC GEAR UP program

Services Provided

<i>Type of Service Provided to STUDENTS</i>	Number of Students Who Received Service	Average Hours of Service Per Student Receiving the Service Per Year
Tutoring/academic enrichment	1241	62.3
Computer-assisted lab	363	10.7
Mentoring	1234	118.6
Advising/academic and career planning	511	19.1
College visit/college student shadowing	69	0.1
Job site visit/job shadowing	15	0.4
Summer programs	0	0.0
Educational field trips	120	0.2
Workshops	79	1.1
Family events	110	1.1
Cultural events	0	0.0

<i>Type of Service Provided to PARENTS</i>	Number of Parents Who Received Service	Average Hours of Service Per Participant Receiving the Service Per Year
Workshops on college prep/financial aid	25	2.0
Counseling/advising	74	1.4
College visits	0	0.0
Family events	7	0.9

Number of TEACHERS Who Taught SC GEAR UP During the Reporting Period	Average Hours of Professional Development Per Participating Teacher
145	0.0

7.1-7b, Higher Education Awareness Program (HEAP)

The Higher Education Awareness Program (HEAP) is funded through the efforts of the South Carolina Legislature to provide early awareness opportunities for all South Carolina 8th graders. CHE coordinates HEAP and serves approximately 55,000 students. HEAP serves all South Carolina middle schools with an 8th grade student population.

As outlined in Act 271 of 1992, the mission of the HEAP initiative is to provide information about higher education to 8th grade students and their parents, to increase student and parent/guardian knowledge about the availability of postsecondary education options, and to motivate students to aspire for higher education. In 1991-92, HEAP served 7 schools, 1,100 students and 6 higher education partners. That number increased in the 1992-93 school year to include 96 schools, 18,200 students and 37 higher education partners. Currently, HEAP provides educational support to 263 schools, approximately 55,000 8th grade students, and 54 higher education partners. HEAP serves roughly 49% female and 51% male students with ethnic distributions of 33.4% African American, 58.5% White, and 8.1% Other.

The middle schools and higher education institutions receive support services included in three components which address middle and high school pathways to success and college and career exploration through:

- a) Educational CD-ROMs addressing high school preparation and college awareness,
- b) Partnerships connecting middle schools and institutions of higher education for college and career awareness, and
- c) Sub-grants to middle schools which provide an array of activities for middle school students ranging from motivational speakers to college tours.

Each year, CHE distributes a CD-ROM-based curriculum that encourages students to prepare for postsecondary education. In the 2005-06 school year, 55,000 CD-ROMs were distributed to 263 middle schools for guidance counselors to use as part of their college awareness program. Additionally, partnering institutions work with middle school guidance counselors to coordinate speaker presentations, campus visits, and other college awareness activities. Annually, HEAP allows middle schools the opportunity to apply for sub-grants up to \$1,000 that allow funding for other activities in addition to the CD-ROM and partnership activities.

CHE will continue to serve the students of South Carolina through SC GEAR UP and HEAP by providing academic preparedness and early awareness for postsecondary education. Instead of traditional 12th grade college counseling, which is often too late, HEAP begins providing information and resources to 8th graders and their parents on the benefits of taking rigorous curricula and exploring postsecondary options. SC GEAR UP continues the effort, set forth by HEAP, to provide 9th through 12th grade students college awareness activities. Together, these programs address the importance of attaining a high school diploma to succeed. According to a recent 2005 SREB report, the high school graduation rate for South Carolina is about 50%. This means that 50% of South Carolina students do not graduate from high school (*Getting Serious About High School Graduation*, SREB, 2005). It is imperative for programs such as HEAP and SC GEAR UP to reinforce the importance of staying in school and enrolling in higher education.

In order to advance in today's job market, some postsecondary education or training is needed, and it can be attained in South Carolina. According to statistics from the 2001-02 school year, 42.5% of students who graduated from a SC high school entered the freshman class of a 4-year college, 3.4% entered a 2-year college, and 17.2% entered a technical college degree program, while the remaining 21.1% entered the job market or the military (as reported in the SC Higher Education Statistical Abstract, 2005). Both HEAP and SC GEAR UP provide state-specific information about financial aid, scholarships, and grants. In 2003-04, 92,889 South Carolina students received \$199,402,781 in scholarships and grant funding. Therefore, if students and parents receive college awareness information and resources early and students prepare themselves by taking rigorous courses and making good grades, they will have numerous options to meet financial need for postsecondary education. HEAP and SC GEAR UP will continue to meet the needs of South Carolina students in preparing them to be contributing members of our communities.

ITEM 7.1-8, ENSURING QUALITY ACADEMIC PROGRAMS

Table 7.1-8a, Academic Program Review

Ensuring academic program quality is one of the primary functions of CHE. Statewide academic program review involving objective outside consultants provides a means of providing assurances of quality to the state. Decreased state funding in recent years has virtually eliminated this quality control initiative. The Commission has been unable to conduct its on-going process for the statewide review of academic programs. The last reviews completed as part of this process included: a review of Nursing and Engineering/Engineering Technology programs completed in 2000-01 and a review of Computer Science programs completed in 2001-02. CHE has maintained its participation as part of its responsibilities under the three-way partnership of CHE, the State Department of Education, and NCATE (National Council for the Accreditation of Teacher Education) in the review of teacher education programs. The review of existing education programs was completed in 2004-05 as reflected in the table below.

2003-04	2004-05	2005-06
All education programs at 6 public institutions were reviewed	All education programs at the remaining 5 public institutions were reviewed. This year marked the completion of the 2.5 year cycle.	No visits to public institutions in 2005-06. Focus visit to one institution in fall 2006.

Table 7.1-8b, Academic Program Approval and Review Activity

CHE is responsible for the approval of new academic degree programs at the associate degree level and higher. Thorough analysis of new program requests to ensure that programs are well developed, provide adequate resources, and are not unnecessarily duplicative is another major responsibility of ensuring academic program quality. The following table summarizes activity in this area.

Academic Program Approval and Review					
Related Activity	2001-02	2002-03	2003-04	2004-05	2005-06
Number of Program Planning Summaries Reviewed:	22	27	40	39	22
Number of New Program Proposals Reviewed:	16	39	24	27	16
Number of Existing Programs Terminated:	65	5	26	18	14
Number of Program Modifications Reviewed:	6	7	4	5	2
Number of Existing Centers Terminated	n/a	n/a	13	1	2
Number of Notification Changes in Program Status Reviews	not collected	not collected	not collected	70	46

Table 7.1-8c, Academic Policy Development and Participation in Advisory Activities

The following table summarizes other important work of the CHE in light of the CHE’s advisory role in regard to academic policies. As a note, members of CHE’s division of Academic Affairs and Licensing serve as liaison in FY 2006-07 to more than 29 statewide committees and organizations, national and regional organizations, and governmental agencies, all of which are stakeholders in higher education. This liaison activity involves not only attendance at meetings but on occasion participating in interviews, reading grant proposals, and participating in other specific activities.

Related Activity	2001-02	2002-03	2003-04	2004-05	2005-06
Number of NEW Academic Policies Developed:	1 (Expanded Statewide Agreement on Nursing Articulation)	1 (Program Productivity Standards)	3 (Nursing Agreement, Expansion of Transfer Articulation Courses; “Standards for University Success” and Dual Enrollment)	–	1 (Mission Statement Approval)
Number of NEW Grant Proposals or Guidelines Developed:	2	5	3	–	–
Number of Reports, Articles, Presentations Prepared on Academic Issues:	27	11	9	12	10
Participation in Interagency Taskforces & Committees: (# of Taskforces/Committees)	26	15	27	34	29

Table 7.1-8d, Competitive Grant Programs for Public Institutions

As part of its responsibilities, CHE acts to foster an environment for research, teacher improvement, and technology initiatives through administering several competitive grants programs. CHE has administered in the past a state-funded competitive grant program for four-year institutions that was aimed at increasing research activities of these institutions. Considerable energy and attention are also directed toward improving teacher education and engaging in K-20 activities through activities related to the state’s partnership with the National Council for the Accreditation of Teacher Education, the activities of the State Department of Education , and several grant programs administered by CHE which are designed to provide enhanced professional development opportunities for pre-service and in-service teachers. The following tables provide information regarding several of the competitive grant programs administered by CHE’s Academic Affairs and Licensing Division.

<i>The data shown here as #/# reflect the # Granted / # Submitted</i>					
Competitive Grant Program	2001-02	2002-03	2003-04	2004-05	2005-06
Improving Teacher Quality Program ⁽¹⁾	13 / 17	21 / 22	8 / 15	1 / 7	6 / 19
Research Incentive Program (Funds not provided after 2002)	33 / 86	N/A	N/A	N/A	N/A
Professor of the Year: # of Submissions	39	37	37	38	38
# of Finalists	10	10	10	10	10
# of Top Award	2	2	2	2	2
Service Learning Competition # Submissions	20	17	23	14	11
# Awards ⁽²⁾	2	2	3	3	3
Centers of Teacher Excellence Program	1 / 4	2 / 3	2 / 4	2 / 4	1 / 5
Technology Incentive Grant Program (This program is no longer funded)	13 / 20	N/A	N/A	N/A	N/A

(1) The program was known as the Eisenhower Grant Program in FY01 and FY02.

(2) Awards provided to a Public Senior Institution, a Public Two-Year Institution and an Independent Institution. Independent Institutions joined the competition in 2002-03.

Table 7.1-8e, Competitive Grant Program for Public Institutions – Dollars Awarded

The following table details the dollars awarded through the various competitive grants shown in 7.1-8d.

Program	2002-03	2003-04	2004-05	2005-06
Improving Teacher Quality Program	\$943,132	\$963,146	\$959,261	\$1,168,188
Professor of the Year Program	Each of the two award winners receives a \$5,000 prize. Each finalist receives \$500.			
Centers of Teacher Excellence Program	\$500,226	\$500,226	\$662,953	\$709,100

Table 7.1-8f, Institutional Program Licensing Activity

A major area of endeavor for CHE is the licensing of degree-granting and non-degree institutions, profit and not-for-profit, seeking to operate in the state. This process is designed to provide consumer protection by ensuring that minimum standards are met which have been increasingly aligned to the standards of the regional accrediting body, the Southern Association of Colleges and Schools (SACS).

Institutional Program Licensing Activity					
Related Activity	2001-02	2002-03	2003-04	2004-05	2005-06
New Agent Permits:	93	115	62	68	70
Transcripts Requested:	252	335	343	311	278
<i><u>New Licenses – Degree Granting:</u></i>					
Initial Licenses	6	4	2	4	3
Amendments to Licenses	2	12	5	14	12
Non-Degree Granting Licenses Issued:	167	164	168	148	166
Licenses Relinquished, Deferred, Denied, or Revoked	2	4	7	4	8
Student Complaints	64	40	30	25	34

ITEM 7.1-9, RESEARCH CENTERS OF ECONOMIC EXCELLENCE

In 2002, the General Assembly passed the Research Centers of Economic Excellence Act to create a program to build areas of research excellence focused around endowed professorships. Oversight of the program is provided by a separately appointed board, the Research Centers of Economic Excellence Review Board. Per the program legislation (SC State Code, as amended, §2-75-05, *et seq.*), CHE is required to provide staff and support for the operations of the Review Board, and CHE must approve the budget for the board’s operations. Education lottery funds in the amount of \$30 million per year have been appropriated for the program since FY 2002-03. Over the last four years, 31 research proposals totaling \$125 million have been approved for funding. Institutions are required to raise equal matching funds in order to access state funding and have been moving forward successfully. The most current information is available at <http://www.endowedchairs.org/>. A listing of funded proposals follows:

Summary of Funded Proposals

2002-03			
Institution	Funding Yr	Proposal Title	Proposal Amount
Clemson	2002-03	Automotive Systems Integration	\$5 million
Clemson	2002-03	Automotive Manufacturing	\$5 million
Clemson	2003-04	Automotive Design & Development	\$5 million
USC	2002-03	Nanostructures	\$4 million
MUSC and College of Charleston*	2002-03	Marine Genomics	\$4 million
MUSC	2002-03	Proteomics	\$4 million
MUSC	2002-03	Neuroscience	\$3 million
MUSC/USC	2002-03	Brain Imaging	\$5 million
MUSC/Clemson/USC	2003-04	Regenerative Medicine	\$6 million
Total in 2002-03			\$30 million
Total 2003-04 Funding approved in 2002-03			\$11 million
2003-04			
Institution	Funding Yr	Proposal Title	Proposal Amount
Clemson	2003-04	Photonics Materials	\$5 million
Clemson	2004-05	Restoration	\$3 million
Clemson	2003-04	Vehicle Electronic Systems	\$3 million
USC	2003-04	Polymer Nanocomposite	\$3.5 million
USC	2003-04	Hydrogen Fuel Cell Economy	\$2.5 million
USC	2004-05	Hydrogen Fuel Cell Economy	\$2.5 million
MUSC and USC	2003-04	Translational Center Therapeutics	\$5 million
USC and Coastal Carolina*	2004-05	Travel & Tourism Technology	\$2 million
MUSC and USC	2004-05	Drug Discovery in Cancer	\$5 million
Total in 2003-04			\$19 million
Total 2004-05 Funding approved in 2003-04			\$12.5 million
2004-05			
Institution	Funding Year	Proposal Title	Proposal Amount
Clemson	2004-05	Electron Imaging	\$5 million
Clemson	2005-06	Supply Chain, Optimization & Logistics	\$2 million
Clemson	2005-06	Urban Ecology and Restoration	\$2 million
USC	2004-05	Fuel Cells/Hydrogen Economy	\$3 million
MUSC	2004-05	Gastrointestinal Cancer Diagnostics	\$5 million
MUSC/USC	2004-05	Vision Science	\$4.5 million
MUSC/USC/Clemson	2005-06	Clinical Effectiveness & Patient Safety	\$6 million
Total in 2004-05			\$17.5 million
Total 2005-06 Funding approved in 2004-05			\$10 million
2005-06			
Institution	Funding Year	Proposal Title	Proposal Amount
Clemson	2005-06	Advanced Fiber-Based Materials	\$4 million
Clemson	2005-06	Molecular Nutrition	\$2 million
USC	2005-06	Oxide Fuel Cells	\$3 million
USC/MUSC and GHS*	2005-06	Childhood Neurotherapeutics	\$6 million
MUSC/USC	2005-06	Molecular Proteomics	\$5 million
MUSC/USC/Clemson and HSSC*	2006-07	Center for Healthcare Quality	\$5 million
Total in 2005-06			\$20 million
Total 2006-07 Funding approved in 2005-06			\$5 million
Total Since Inception of the Program			\$125 million

*Participating partner. (GHS is Greenville Hospital System and HSSC is Health Sciences South Carolina)