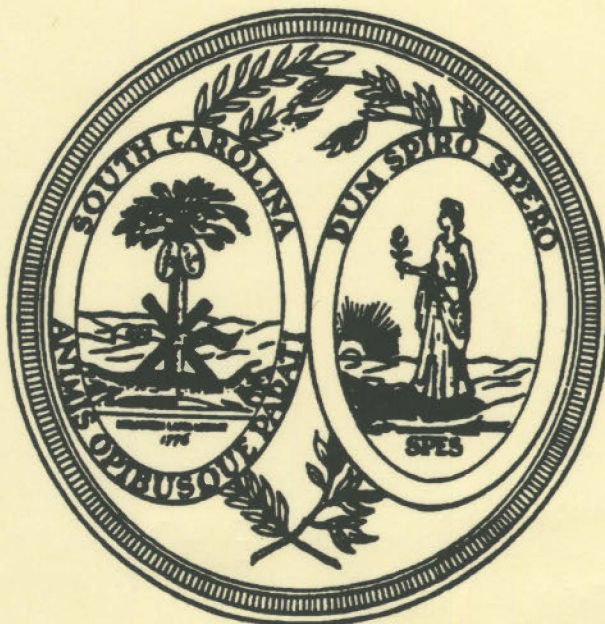


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S. C. Commission on Higher Education  
Annual Accountability Report  
Fiscal Year 1998-99

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**SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION**

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COLUMBIA, S.C. 29201

**RAYBURN BARTON**  
Executive Director

TELEPHONE  
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October 15, 1999

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

The S. C. Commission on Higher Education is please to submit for your review this annual accountability report for the fiscal year June 30 1999. This report includes an executive summary, the Commission's Mission Statement, and information pertaining to the Commissions programs and their performance. The activities of the Commission, including the mission, objectives, and performance measures are approved by the appointed Commission members as a component of the Executive Director's annual evaluation process. The institutions of higher education report separately in accordance with Code Section 59-101-350.

This past year, the Commission continued its role as the coordinating board for the State's 33 public institutions of higher education. These institutions provide post-secondary educational opportunities to over 150,000 students. Highlight activities of the Commission include final implementation of Performance Funding for the institutions, continued expansion of the Palmetto Fellows Scholarship program with 728 additional scholarships awarded, and implementation of the Legislative Incentives for Future Excellence (LIFE) Scholarship program providing 15,202 South Carolinians scholarship funds.

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

Cordially,

A handwritten signature in cursive script that reads "Rayburn Barton".

Rayburn Barton  
Executive Director

Enclosure

# S. C. Commission on Higher Education Annual Accountability Report Fiscal Year 1998-99

## Executive Summary

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

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

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

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

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

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

Student Services – The scholarship programs administered by the Commission provide an opportunity to recognize the achievements of students and provide direct financial incentives for high academic performance. The Palmetto Fellows and LIFE (Legislative Incentives for Future Excellence) programs provide a combined \$39 million in merit based scholarship funds. The Need-Based grant program also provides an additional \$12 million in financial aid funding.

Access & Equity – This area of work at the Commission strives to insure diversity in higher education and accessibility to all citizens of the State. In order to insure the quality of this program, the Commission has utilized the work of an Ad Hoc committee to review the program. The results of that review, along with a plan for increased funding will provide the ideas and resources for continued improvements in this area.

# S. C. Commission on Higher Education

## Mission Statement

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

Approved by the Commission March 5<sup>th</sup>, 1998

# S. C. Commission on Higher Education

## Leadership System

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

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

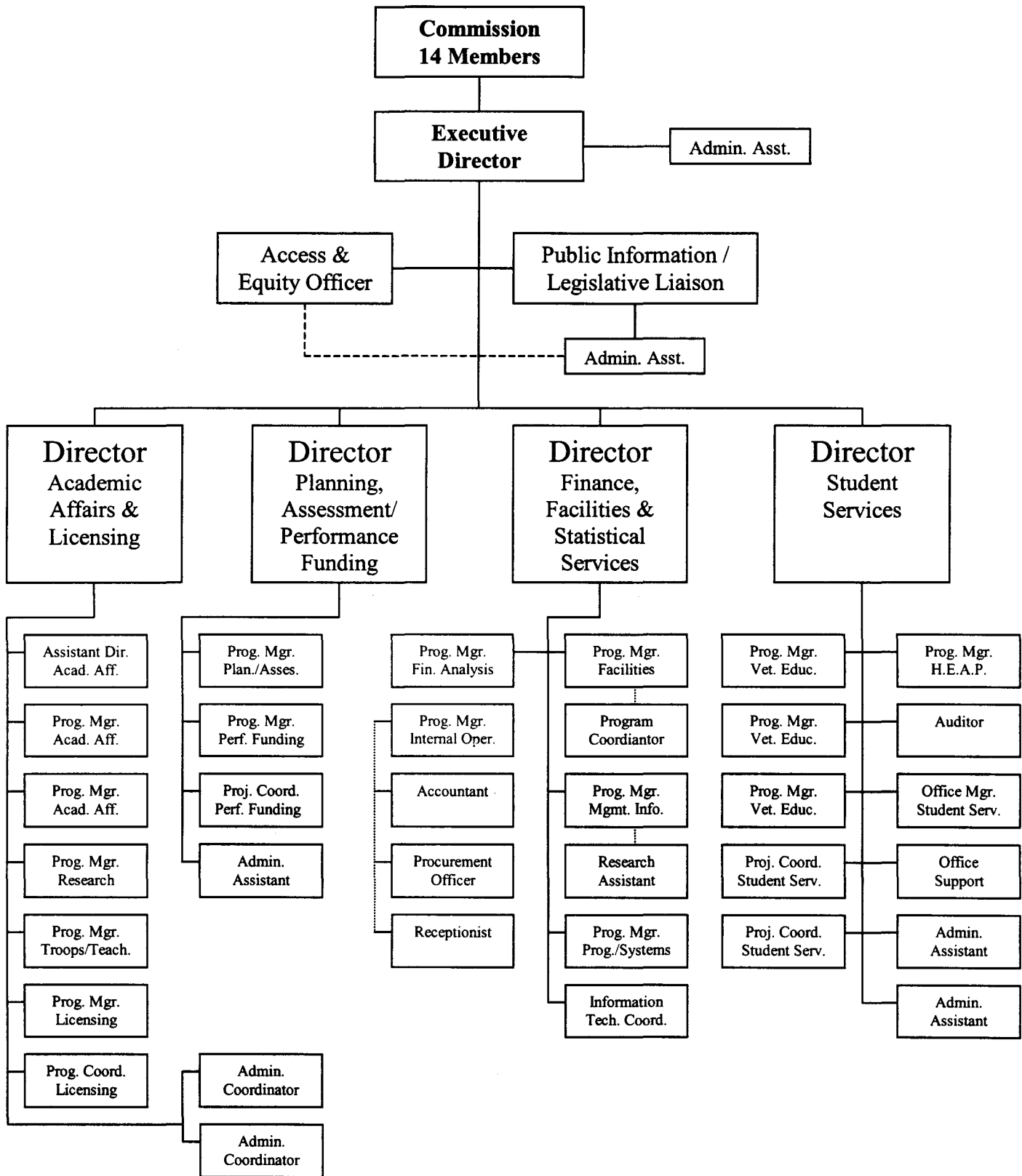
The Commission's values include the importance of quality higher education, the accessibility of this education to the citizens of the State, and the accountability of the institutions to their students and the General Assembly. The Commission expects excellence on the part of its staff in performing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

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

# S. C. Commission on Higher Education

## Organizational Chart

### As of June 30, 1999



# S. C. Commission on Higher Education

## Customer Focus and Satisfaction

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

The citizenry of the State has a variety of means of addressing the Commission. Citizens can contact the Commission directly, either through members or the staff, with issues or concerns that they would like to see considered. Further, the Commission maintains a website with opportunities for communication via e-mail. Also, citizens can utilize either of the other two customer groups to provide input into Commission activities.

The General Assembly works with the Commission in one of the following manners: directives through Legislation, contact directly with appointed Commissioners, or contact (directly or through Legislative staff) with the Commission staff. The Commission maintains on its staff a Legislative Liaison that is charged with monitoring and providing coordination with this customer group. Certain other staff members whose area of responsibility may relate to Legislative activity also work with this customer group.

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



# S. C. Commission on Higher Education

## Description of Programs

Provided below and on the following pages are descriptions of the Commission's programs along with related goals and activities. The programs are presented within the context of the Commission's divisional organization. The divisions are presented in the following order: Academic Affairs & Licensing; Planning, Assessment & Performance Funding; Finance, Facilities & Statistical Services; and Student Services. Also included is the Access & Equity program, which is not included within a division because the program reports directly to the Executive Director.

For each program/division, the following items are included: 1) Summary of major goals and objectives for 1998-99, 2) description of program effectiveness, 3) discussion of costs efficiency, and 4) discussions of other measures.

### In the area of Academic Affairs and Licensing:

#### **Major Goals**

- ◆ Conduct statewide academic program reviews in nursing, business, home economics and foreign languages.
- ◆ Implement new competitive grant programs in research, instructional technology, and foreign language development for teachers.

#### **Program Effectiveness**

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

#### **Cost Effectiveness**

The purpose of the CHE Research Grants Program is to promote the economic development of the State of South Carolina by providing support for research projects conducted by public colleges and universities based upon the expertise of their faculty members. This support is two-

fold: 1) to supply initial “seed money” funding to begin research and 2) to provide a mechanism for “leveraging” additional external support for research projects. Basic and applied research are both allowable under the program.

On recommendation of the South Carolina Commission on Higher Education, the State of South Carolina’s General Assembly in 1999 appropriated funds for the purpose of providing small grants to public institutions of higher education in the State to support development of technology-delivered coursework. The objective is to help institutions speed their progress to offer a broader and qualitatively improved range of coursework and programs by way of technology, whether through synchronous or asynchronous modes. This grant program is intended to: 1) Increase access for students to educational programs, 2) Maximize the rate and quality of student learning, 3) Spur creativity and to insure rewards for faculty productivity, and 4) Control costs.

### **Other Measures**

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

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

### **Major Goals**

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

### **Program Effectiveness**

Through the passage of Act 359 of 1996, the General Assembly mandated that 100% of each institution’s State funding be based on 37 performance indicators by 1999-2000 as a means of insuring efficiency and quality. Full implementation was achieved with the completion of the rating process in the spring of 1999.

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

### **Cost Efficiency**

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

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

### **Other Measures**

Full implementation of Performance Funding will:

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

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

**In the area of Finance, Facilities and Statistical Services:**

### **Major Goals**

- ◆ Conduct a validation study of the Mission Resource Requirement (MRR), the higher education model and a subsequent study of the funding levels for the colleges and universities.
- ◆ Develop and publish a Facilities Statistical Abstract.

### **Program Effectiveness**

As the higher education coordinating agency, the Commission on Higher Education (CHE) has a legislative mandate which requires that it, in part, requires the public colleges and universities, including the technical colleges, to submit their appropriation requests for State funding to the Commission. The Commission, in turn, adopts and/or modifies those requests and submits its

recommendations to the Governor's office and appropriate committees of the General Assembly on behalf of all of the institutions.

The requests are based on a determination of need model called the Mission Resources Requirement (MRR) which identifies the total amount of money the institutions should receive, based on nationally and regionally comparable costs for institutions of similar mission, size, and complexity of programs, minus student support. The CHE has approved a study of the MRR, which would identify regional and national sector peers as well as individual institutional peers. Also the contractor will evaluate the current (October 1, 1998) MRR model and make recommendations for revisions if necessary. Following validation of the MRR, CHE will work with the Southern Regional Education Board staff to conduct a study to determine how well South Carolina institutions are funded compared to regional and national counterparts.

A Facilities Statistical Abstract will provide coherent, concise data in a single compilation. It will provide a building-by-building data that will alert the State to the magnitude of deferred maintenance problems.

### **Cost Efficiency**

The primary purpose of the Facilities Statistical Abstract is to provide higher education administrators with a detailed statistical profile of the facilities on public college and university campuses in South Carolina. There is currently no publication that provides in a single compilation data on all of the state facilities on the 33 state-supported college and university campuses in South Carolina. The proposed Facilities Statistical Abstract will provide a building by building inventory of physical facilities on these campuses and it will provide information that will be useful in identifying the magnitude of deferred maintenance needs at many of the institutions. The state has made a significant financial investment in the physical facilities on each public college and university campus. Because of the high costs involved in constructing and maintaining these buildings, it is essential to review statistics reflecting the allocation and utilization of space in order to determine if the state is maximizing its resources and is accomplishing its objectives in the areas of instruction, research, and public service.

### **Other Measures**

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

In the area of Student Services:

### **Major Goals**

- ◆ Continue the improvement and refinement of the Palmetto Fellow, LIFE, and Need-Based Grants and Scholarship programs.
- ◆ Develop marketing campaign for low-recipient counties for the Palmetto Fellows, LIFE, and Need-Based Grants programs.

### Student Services Major Goals (continued)

- ◆ Develop audit procedures for scholarship programs (approve and implement) and develop quarterly audit schedule.
- ◆ Gain approval of the LIFE and Palmetto Fellows Appeals Regulations.
- ◆ Plan for and seek to obtain a GEARUP grant from the Department of Education. This program will involve: working with higher education institutions and schools to plan programs and recruit participants for Weekend Academies and Summer Institutes, development of a Seventh-grade Awareness Program, and work with the SC chamber of Commerce for the recruitment of businesses for “High-Powered Partnerships”.
- ◆ Seek assistance in the development of an Accelerated Teacher Certificate Program for Troop-to-Teachers program and develop a Transition Assistance Program (TAP) presentation for military personnel.

### **Program Effectiveness**

In 1998-99, all student services programs administered by CHE were organized under a single division. The Student Services Division is now responsible for the administration of the Legislative Incentive for Future Excellence (LIFE) Scholarship Program, Palmetto Fellows Scholarship Program, SC Need Based Grants Program, Higher Education Awareness Program (HEAP), Troops-to-Teachers Program, and the Veterans Training and Education Program. The Division is also responsible for the evaluation of program objectives and budgetary oversight of four teacher recruitment initiatives in SC: SC Center for Teacher Recruitment; Minority Access for Teacher Education; Program for Reconciliation and Retention of Minority Students; the African American Teacher Loan Program, and review of program objectives and administrative budget oversight for the South Carolina Teacher Loan Program.

### **Cost Effectiveness**

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

In addition, a new federally funded program, GEARUP, will be administered by the Division. This statewide program for Seventh-grade students, in coordination with the South Carolina Department of Education and the State Chamber of Commerce, will provide informational programs about preparing for higher education, academic programs (Saturday Academies/Summer Institutes), and school district/business partnerships (mentoring/tutoring programs) to GEARUP eligible schools in the State. The monetary and in-kind match for the grant will come from the state legislature (\$1 million for 1999-2000 proposed in the state budget), the business community (\$12 million projected over the five-year grant), and community organizations in the State.

### **Other Measures**

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

### **In the area of Access and Equity:**

#### **Major Goals**

- ◆ Implement CHE-approved recommendations of the Access and Equity Ad Hoc Advisory Committee adopted by the Commission on Higher Education.
- ◆ Develop guidelines for and implement an allocation plan for the Access and Equity funds appropriated by the General Assembly.

#### **Program Effectiveness**

In August, 1998, the Commission on Higher Education approved a recommendation to establish an ad hoc advisory committee to review and make recommendations on the Access and Equity Program. The committee prepared a report reviewing the existing program and recommending improvements. All of the recommendations of the group have been considered by the Commission, with several items having been implemented and others under further review.

#### **Cost Effectiveness**

During the 1999 session, the General Assembly appropriated an additional \$500,000 for Access and Equity. These funds will be allocated based upon a combination of student FTE and competitive grants. Proposals judged to have greatest potential impact and most cost-effective use of State dollars will be funded.

#### **Other Measures**

Increased matriculation and graduation of minority students and employment of increased numbers of minority faculty and administrators by the public colleges and universities are measures by which the success of access and equity activities may be judged.