

LAC

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A Sunset Review of the South Carolina Educational Television Commission



The sunset law (§1-20-10 *et seq.* of the South Carolina Code of Laws) requires that the State Reorganization Commission determine annually which agencies or programs are scheduled for termination. The reorganization commission selected the South Carolina Educational Television Commission (SCETV) for our

FY 94-95 review.

SCETV's statutory mission is to develop and promote educational programs to meet the needs of the state and its citizens. This audit focused on the delivery of services and opportunities for revenue recovery and enhancement. In addition, we examined SCETV administrative operations.



Service Delivery

We reviewed issues related to the efficiency and cost effectiveness of service delivery. We found that SCETV could

save state funds by using alternative means to provide services and by assisting in determining the need for studios at other state agencies.

- ❑ SCETV operates four television production stations (Beaufort, Rock Hill, Spartanburg, and Sumter) in addition to its main station in Columbia. The use of transmitters which are already operated at these locations would result in annual savings to the state of \$1.7 million.
- ❑ The state has not exercised oversight to ensure that state agency studios do not duplicate others located within the same geographical area. SCETV offers teleconferencing services that reduce the need to travel to a central location and thus result in savings. As of December 1994, 18 studios were established at state agencies while 16 others were planned. In Columbia, a total of 11 studios are established or planned. Based on cost estimates to establish a studio, the 16 proposed sites could amount to more than \$1.9 million.
- ❑ SCETV's unreimbursed production costs for four instructional courses for the Satellite Educational Resources Consortium (SERC) have steadily increased since FY 92-93.

Unreimbursed Production Costs

FY 92-93	\$368,000
FY 93-94	\$513,000
FY 94-95	\$601,000 (projected)

Both declines in enrollment and increased production costs have contributed to this problem. In addition, SCETV has not kept track of the resources used for the SERC project.

- ❑ SCETV and SDE, through a joint agreement between the two agencies, operate the ITV system. According to the agreement, SDE's role is to be responsible for "the development, acquisition, scheduling and utilization of instructional television and radio resources to be used in the public schools" SCETV is to provide technical support for ITV programs. The structure of instructional television is fragmented between the two agencies reducing accountability.

SCETV has not established a formal budget for ITV functions at SCETV.



SCETV has not made a complete study of the use of educational television and its adaptation for instructional purposes in all of the public schools as required by law.

According to SDE, 1992 changes in their law give the State Board of Education the sole responsibility to select and approve instructional technology resources, including video and broadcast resources. It is unclear how this responsibility coincides with SCETV's responsibility for providing a statewide educational communications network.

SDE has not conducted utilization surveys for use of ITV. Therefore, no formal measures of program outcomes exist.



Administrative Issues

Strategic Planning

SCETV, with such a broad statutory mandate, bears considerable responsibility in determining the scope and nature of the services it will provide. In order to maintain its position as a major educational resource, it must be a principal player in emerging technologies for providing educational services. However, SCETV has not developed and implemented a comprehensive strategic plan that would allow the best possible use of its resources in the future. Also, the agency has not made a complete study of the use of educational television and has not established advisory committees as required by law. The absence of an integrated planning process may have contributed to some of the problems we identified in our report.

We reviewed the relationship between SCETV and the SCETV Endowment including reimbursement from the endowment for staff support and fundraising activities. We also reviewed contracts between the two parties. We found no material problems.

Agency comments to the audit begin on page 71.



Revenue Opportunities

Services Billed

In FY 93-94, SCETV billed state agencies and other organizations over \$3.9 million; 61% was billed to private non-profit organizations. A key element affecting both SCETV's delivery of services and its revenue opportunities is the lack of consistent and detailed tracking of SCETV resources devoted to these projects. SCETV also discounts charges for production services to clients. If SCETV fails to identify all time chargeable to a project, or sets fixed rate agreements at levels that do not cover SCETV costs, revenues are reduced.

SCETV organizational and administrative practices may affect its ability to realize revenue. The pursuit of other revenue sources is important considering the decline in federal and state resources. Our review revealed the following.

- SCETV's current marketing practices do not adequately promote the extensive and comprehensive array of services that the agency can provide to various state agencies, schools, and businesses. One state that has developed an integrated marketing approach posts an average 20-25% annual return to the state.
- A lack of streamlining and coordination in the management and administration of grants may have resulted in decreased grant awards and reduced cost recovery for SCETV. There is no agency-wide system for ensuring that the director of grants reviews all agency projects for potential grant funding and gathers data to evaluate the agency's effectiveness in its efforts to secure grant funding.

Copies of all LAC audits are available to the public at no charge. If you have additional questions, please contact George L. Schroeder, Director.