FREE CONFERENCE COMMITTEE REPORT ADOPTED -- NOT PRINTED

May 7, 2015

**H. 3663**

Introduced by Reps. Bingham and Mitchell

S. Printed 4/16/15--S.

Read the first time March 24, 2015.

**A** **JOINT RESOLUTION**

TO REMOVE THE CURRENT MEMBERS OF THE BOARD OF TRUSTEES OF SOUTH CAROLINA STATE UNIVERSITY AND DEVOLVE THE BOARD’S POWERS UPON THE STATE BUDGET AND CONTROL BOARD AND DIRECT THE STATE BUDGET AND CONTROL BOARD TO REMOVE THE CURRENT PRESIDENT OF SOUTH CAROLINA STATE UNIVERSITY AND EMPLOY AN INTERIM CHIEF EXECUTIVE OFFICER WHO SHALL SERVE AT‑WILL AT THE PLEASURE OF THE BOARD TO AID IN DIRECTING THE UNIVERSITY IN A NEW DIRECTION WITH AN EMPHASIS ON ADDRESSING AND CORRECTING THE ONGOING FINANCIAL DIFFICULTIES OF THE UNIVERSITY IN ORDER TO KEEP THE UNIVERSITY FUNCTIONAL AND MAINTAIN ITS ACCREDITATION.

Whereas, the members of the General Assembly of the State of South Carolina recognize the rich and diverse history of South Carolina State University founded in 1896 in Orangeburg, South Carolina, and the significant contribution that the university has made to the higher education community as well as its current students and alumni; and

Whereas, on February 13, 2015, the Executive Director of the Executive Budget Office informed South Carolina State University that in its opinion the university would end the current fiscal year with another operating deficit; and

Whereas, eroding public trust and confidence in the willingness or ability of South Carolina State University to successfully operate within a balanced budget, coupled with ongoing accreditation concerns related to financial, governance, and other matters, are among factors adversely impacting university enrollment which is at a level greatly in need of stabilization; and

Whereas, the Southern Association of Colleges and Schools has expressed concerns regarding governing board conflicts of interests and board/administration structure as well as financial stability and controls of South Carolina State University, and the General Assembly recognizes that maintaining accreditation by the Southern Association of Colleges and Schools is of great importance; and

Whereas, in addition, the General Assembly recognizes and acknowledges the need to follow up on this temporary action that is so critical at this juncture with permanent, statewide legislation to restructure the Board of Trustees and general governance of South Carolina State University with particular emphasis on maintaining the institutional knowledge of members of the Board of Trustees going forward and staggering terms of newly appointed Board of Trustees members to maintain that essential consistency in the university’s governance as it seeks to accomplish its important educational mission. Now, therefore,

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. (A) Immediately upon the appointment of an Interim South Carolina State University Board of Trustees pursuant to subsection (B), the current members of the Board of Trustees of South Carolina State University are hereby removed from service, and their positions, powers, and duties are hereby transferred to the newly appointed Interim Board of Trustees pursuant to subsection (B).

(B) Section 59‑127‑20 of the South Carolina Code, relating to the South Carolina State University Board of Trustees, election, and term, is suspended until June 30, 2018. There is established a new Interim Board of Trustees of South Carolina State University, to be composed of:

(1) one member appointed by the Governor;

(2) one member appointed by the State Treasurer;

(3) one member appointed by the chairman of the Ways and Means Committee of the House of Representatives;

(4) one member appointed by the chairman of the Senate Finance Committee;

(5) one member appointed by the State Superintendent of Education;

(6) one member appointed by the chairman of the Ways and Means Higher Education and Technical Colleges Subcommittee;

(7) one member appointed by the chairman of the Senate Finance Higher Education Subcommittee; and

(8) the President of the South Carolina State University National Alumni Association, to serve ex officio and nonvoting;

(9) and the South Carolina State University Student Government Association President, to serve ex officio and nonvoting.

The members of the Interim Board of Trustees must be appointed no later than seven days following the effective date of this joint resolution. The Interim Board of Trustees shall meet as soon as practical and elect a chairman and other officers from its membership. Vacancies must be filled in the manner of the original appointment.

(C) Unless extended by the General Assembly, the Interim Board of Trustees established pursuant to subsection (B) shall serve until June 30, 2018, or until a full new Board of Trustees is elected and qualified pursuant to Chapter 127, Title 59. The term of office for each seat on the Board of Trustees shall be suspended as of the date of removal pursuant to subsection (A) until a new member of the Board of Trustees is elected to that seat pursuant to Chapter 127, Title 59, after June 30, 2018. Initial terms of the new members of the Board of Trustees shall be the unexpired term of the seat to which they are elected.

(D) The Interim Board of Trustees is responsible solely for the selection, periodic evaluation, and retention or termination of the university’s president.

(E) The Interim Board of Trustees shall ensure there is a clear and appropriate distinction between the policy‑making functions of the Interim Board of Trustees and the responsibility of the university’s president, administration, and faculty to administer and implement policies and that the university has a clearly defined organizational structure that delineates responsibility for the administration of policies.

(F) The Interim Board of Trustees shall ensure that the university has qualified administrative and academic officers with the experience and competence necessary to lead the university.

(G) Notwithstanding any other provision of law, the Interim Board of Trustees is authorized to develop programmatic, personnel, and related policies it deems necessary to ensure that the university operates within its appropriated and authorized budget. The policies the Interim Board of Trustees develops may be across all operations of the university including, but not limited to, administration, academics, auxiliary operations, public service activities, and athletics. Programmatic and personnel policies developed by the Interim Board of Trustees pursuant to this subsection must be reported as information to the Commission on Higher Education and the State Division of Human Resources, respectively, as soon as is practicable after implementation.

(H) The Interim Board of Trustees, in consultation with the president, shall review both the educational accreditation of the university and the past and current financial situation of the university and make recommendations regarding the path that the university must pursue in order to lead the university out of the current financial crisis with an emphasis on having the university return to the valuable and functional institution of higher learning that it has been in the past. Any recommendations made by the Interim Board of Trustees shall also be provided as information to the Executive Budget Office and made public on the university’s website.

(I) The Interim Board of Trustees shall be indemnified in the same manner as members of the Retirement System Investment Commission, mutatis mutandis.

SECTION 2. This joint resolution takes effect upon approval by the Governor.

/s/Sen. Robert W. Hayes, Jr. /s/Rep. James H. Merrill

/s/Sen. Darrell Jackson /s/Rep. Kenneth A. Bingham

/s/Sen. C. Bradley Hutto /s/Rep. Gilda Cobb‑Hunter

On Part of the Senate. On Part of the House.

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