

# **SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION**



## **ANNUAL ACCOUNTABILITY REPORT FISCAL YEAR 2007-08**

***September 2008***

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## South Carolina Commission on Higher Education

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Dr. Garrison Walters, Executive Director

September 15, 2008

The Honorable Mark Sanford, Governor  
Members of the General Assembly

The South Carolina Commission on Higher Education (CHE) is pleased to submit for your review this annual accountability report for Fiscal Year 2007-08. 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 2007-08 Accountability Report guidelines.

In addition to the Accountability Report, CHE also submits each year in January a separate report on the state's public institutions of higher education in accordance with South Carolina Code §59-101-350. The report details in a single source information and performance trends for key data for our state's public institutions. Until recently, this report, entitled "*A Closer Look at Public Higher Education in South Carolina: Institutional Effectiveness, Accountability, and Performance*," served as the annual accountability report for the public higher education institutions. In 2006 for the first time, each institution began submitting an Accountability Report under guidelines developed for higher education.

We are very proud of the work of the Commission on Higher Education in fulfilling its role as the state coordinating body for public higher education. If I can provide any additional information or material relating to our agency, please contact me at 737-2275.

Sincerely,

Garrison Walters  
Executive Director

Enclosure

## **Accountability Report Transmittal Form**

**Agency Name:**                    **The South Carolina Commission on Higher Education**

**Date of Submission:**           **September 15, 2008**

**Agency Director:**            **Dr. Garrison Walters**

**Agency Contact Person:**   **Ms. Julie Carullo**

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**Telephone Number:**        **(803) 737-2292**

*Note: In accordance with Budget and Control Board requirements, CHE 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](mailto:Krhinehart@budget.sc.gov)), 1201 Main Street, Suite 870, Columbia, SC 29201.*

*Electronic Filename: H03CHE\_FY0708\_AcctRpt\_Final091508*

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## SECTION I – EXECUTIVE SUMMARY

### Mission and Values

The South Carolina Commission on Higher Education (CHE) operates pursuant to the South Carolina Code of Laws, as amended, §59-103-5, et seq. CHE's website is [www.che.sc.gov](http://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 and 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 myriad issues to assure a balance between student and taxpayer interests 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 CHE can be categorized broadly into four areas including: advocacy and coordination, information services, accountability, and administration. These functions are carried out through activities of CHE and each of its divisions – Academic Affairs and Licensing; Finance, Facilities, and Management Information System; Student Services; and Access and Equity. In performing its responsibilities, CHE works closely with institutions to expand educational 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 underrepresented populations in South Carolina higher education.

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

To prevent or 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 by statute, are legitimate educational enterprises and that they are fulfilling their purposes.

## **Major Achievements from the Past Year**

- ◆ As one of its main goals, CHE continues to support the development of a statewide strategic plan for higher education. At the end of FY 2006-07, the Commission hired a new Executive Director, Dr. Garrison Walters who began on July 9, 2007, and who has worked throughout the year to continue CHE's mission work toward the development and implementation of a statewide higher education plan. As reported last year, the General Assembly authorized a Higher Education Study Committee (HESC) and directed CHE to staff the effort. The HESC follows a Governor's Task Force on Higher Education that released a report in September 2006 calling for the Governor and General Assembly to develop a statewide strategic plan for higher education. The HESC began its work in September 2007. Two of the agency's Commissioners, Dr. Layton McCurdy and Mr. Dan Ravenel, were appointed to this Committee. Mr. Dan Ravenel was selected as chair of the HESC. CHE staff worked throughout the year to support the activities of the HESC and continues to do so in FY 2008-09. The HESC is expected to release an initial plan on September 15 and a full report complete with implementation details by early December 2008. Under the new leadership, CHE is also pursuing activities to increase awareness in South Carolina of the value of higher education to the state and individuals.

- ◆ During 2007-08, CHE continued work to strengthen its relationship with key state partners in order to enhance and improve communications. CHE's director and staff participated in initiatives regarding statewide planning and K-20 issues by serving on the Competitiveness Council and its Education Task Force and other relevant committees. CHE's director continued serving on the oversight council formed in 2007-08 to ensure the implementation of the Education and Economic Development Act (EEDA) of 2005. CHE also continued to disseminate a newsletter relating to its activities and programs and began the electronic distribution of "E-Alerts" to provide information on the activity at CHE's regular monthly meetings. CHE also recently adopted a consent agenda format for its monthly meetings to provide additional time for discussions of important policy matters for higher education. Two such discussion sessions, referred to as CHE Forums, were held during the year. One focused on business and economic development and higher education and the other focused on the value of liberal arts education. The CHE Forums brought business and higher education leaders to the CHE meeting for these informative and thoughtful discussion sessions. CHE also continues to hold a few of its monthly meetings each year at institutions and will begin visiting businesses as well. Working with the SC Higher Education Foundation, CHE continues to hold an annual conference for College Trustees. In 2008, the event was moved from the spring and will be held in September. The Trustees Conference serves to provide a statewide professional development opportunity for college and university trustees and senior management. It will be held the day after the South Carolina Higher Education Foundation's second annual Higher Education Hall of Fame Banquet. The Honorable Richard W. Riley, former U.S. Secretary of Education under the Clinton Administration and former SC Governor, is the 2008 Hall of Fame Laureate.
  
- ◆ CHE continued to work in 2007-08 to secure recurring 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 (one-time) funds and has been funded each year since with non-recurring funds. Despite the efforts to maintain the \$2 million level of funding, the program received only \$200,000 in recurring funding for FY 2008-09. This funding level constitutes a 90% reduction in funds. CHE, along with colleges and universities, will continue to seek restoration of funds for this important statewide project. PASCAL (Partnership Among South Carolina Academic Libraries) has progressed in all three program areas that are basic to the statewide Higher Education Electronic Library. The existing large list of full-text, on-line databases has been enhanced by online subscriptions to three world-class nursing and allied health databases to provide digital access to 1,242 nursing and allied health journals, and several hundred electronic books and reports. The book delivery service has now been extended to 39 institutions. PASCAL staff managed local technology system upgrades for an additional 7 institutions to facilitate seamless participation in the statewide higher education electronic library for fall 2008. PASCAL will continue to extend this service to the remaining 13 public and private colleges and universities as well as the State Library and the two regional higher education centers. PASCAL is also cooperating with the State Library and the University of South Carolina-Columbia in the effort to preserve electronically South Carolina heritage by digitizing rare collections (often one-of-a-kind) held in South Carolina's academic libraries and elsewhere. PASCAL has worked with the State Library to coordinate collection development and integration of resources to secure the most amount of quality online publications at the best price for the maximum benefit of SC's residents and taxpayers.
  
- ◆ Adequate funding for South Carolina's public higher education institutions is critical for economic and cultural development. In 2007-08, CHE continued to advocate for operating funds for institutions and also worked to address issues related to institutional funding needs. CHE recommended increases in operating funds in line with the CHE request in the

prior year. The request took into account historic funding inequities and the need for increased institutional funds to keep pace with inflation. Staff continued to work with institutions in refining the Mission Resource Requirement (MRR) calculations. It should be noted the MRR was created in 1997 and considers institutional need based on steps that calculate financial requirements 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 are then deducted at an agreed upon rate from the calculated need determined for the aforementioned areas to arrive at state funding requirements 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. This policy change was enacted to reflect better the status of institutional funding in the state and in light of growing state support for students through state-funded scholarships and grants.

- ◆ CHE continued to advocate during FY 2007-08 for an increase in state need-based student aid. CHE also advocated for changes to the allocation methodology to ensure that funds are reaching the neediest students. While increases in need-based aid were not achieved, CHE, working with institutions, was successful in achieving a change to the allocation formula for distributing available need-based dollars to institutions so that funds are allocated across institutions based on Pell Grant recipients as a measure of student financial need, rather than enrollment, as has been required statutorily. As part of the FY 2008-09 Appropriations Act, the General Assembly approved the inclusion of a proviso to enable a phased-in change from the current methodology to the requested change as new monies become available. In the upcoming year, CHE will continue its activities to seek increases to need-based aid.

Sufficient support for need-based grants is vital to success in improving the number of South Carolinians who enter college and graduate. Need-based financial aid is a critical element for any state that seeks to enhance the participation of students who have limited financial means. In recent years, funding for merit-based scholarships has grown to keep pace with increased numbers of eligible students, but funding for need-based grants has not. This creates the appearance that the appeal of merit aid has diminished the perception of importance attached to need-based programs. As a result, a significant imbalance exists and continues to grow between merit-based and need-based student aid.

The state's merit programs (Palmetto Fellows, LIFE and HOPE) represented 67% of approximately \$307 million in dollars appropriated in FY 2008-09, whereas state need-based aid programs (CHE Need-based and Tuition Grants) represented 17%, and lottery tuition assistance at two-year institutions represented 15%. The Commission along with higher education institutions will continue to work to gain a substantial increase to need-based funding to ensure affordable and accessible education so that financial need does not become a barrier to enrolling and completing a degree program in a college or university.

## **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 2007-08 year and for the upcoming year are reflected 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 2007-08 and Upcoming Years:***

- 1) The Executive Director will continue efforts that were begun in 2003 to work cooperatively and collaboratively with institutional presidents and other relevant stakeholders to develop an Action Plan for Higher Education in South Carolina. The plan and its implementation will inform future work and direction of CHE. **Status:** *See also related report above under "Major Achievements." CHE will build on this work in 2008-09.*
- 2) Building on recent initiatives and planning considerations, CHE 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 CHE accountability in working toward and achieving goals of the statewide plan. **Status:** *CHE will continue discussions regarding the revised plan and accountability revisions in light of the development of an Action Plan.*
- 3) CHE will continue its work to strengthen CHE'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:** *CHE will continue efforts under this goal in 2008-09. See also related report above under "Major Achievements."*
- 4) CHE will continue to advocate for increased funding for need-based aid. **Status:** *See above under "Major Achievements" and item 1d below under "On-going and Future Program Management Objectives of the Agency" for additional information and details.*
- 5) CHE will work with PASCAL (Partnership Among South Carolina Academic Libraries) to ensure success of the statewide Higher Education Electronic Library initiative through monitoring continuing implementation of the statewide electronic library. Special emphasis in ensuring success focused on planning for the widespread installation of electronic databases, the development of the statewide union catalog, and rapid delivery of circulating volumes for all public and private institutions of higher education in South Carolina. Recurring funds of \$200,000 were secured for this important statewide collaborative initiative during the 2008 Legislative Session for FY 2008-09. However, as mentioned above, this level of funding represented a reduction in program funds of \$1,800,000. **Status:** *CHE will continue efforts to restore the lost funding and secure adequate recurring funding for this valuable project during 2008-09 to enable PASCAL to continue in FY 2009-10. See also report above under "Major Achievements."*
- 6) CHE will continue to work in cooperation with institutional finance officers and other institutional representatives to improve CHE's policies concerning recommendations for institutional operating funding and other budgetary requests for institutions by: a) continuing to refine the Mission Resource Requirements Funding Model (MRR) to ensure it is in keeping with best practices; b) reviewing and revising the criteria currently employed by CHE 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 ranking of institutional capital projects for the state's capital bond process. **Status:** *See also related report above under "Major Achievements." CHE will continue working with institutions in the upcoming year in developing a coordinated approach to higher education funding.*

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:** *In 2005-06, 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. In 2007-08, CHE staff, supported by institutions, continued the initiative by pursuing appropriate legislative changes. In the upcoming year, CHE and institutions will work to bring about recommended changes. CHE staff continues to work on quantifying the maintenance needs of higher education, continuing to publish the "Facilities Statistical Abstract" as a web publication, and providing training for institutional personnel in implementing changes pursuant to the "2006 Federal Facilities Inventory Classification and Reporting Manual."*

8) CHE will provide leadership in transfer and articulation under the terms of the Education and Economic Development Act (EEDA) by 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:** *Regular reports and presentations have been given by the "Articulation and Dual Enrollment, High School Graduation and Postsecondary Entrance Alignment Committee (Expanded- ACAP) to the Education and Economic Development Coordinating Council. Expanded-ACAP, through the CHE, negotiated a contract to conduct a statewide project to align high school course learning outcomes with entry-level collegiate course requirements. Under the direction of the CHE, the South Carolina Course Alignment Project (SC CAP) is the first statewide collaborative effort to bring together high school and college faculty to align high school exit courses with entry-level college courses. The Educational Policy Improvement Center (EPIC) at the University of Oregon – national and international leaders in the area of curriculum alignment – in partnership with the CHE, the South Carolina Department of Education, and the South Carolina Technical College System, is facilitating the project. Approximately 85 school districts and higher education institutions statewide are being recruited to participate in the alignment study. A project website that provides ongoing resources with project documents and updated information for the public and project participants has been completed and to serve as an interactive communication site about the issue of K-16 alignment. Additionally, a steering committee has been formed to provide ongoing support and guidance for the project. In further response to the EEDA, the CHE, in collaboration with the public institutions of higher education, developed a Request for Proposals for an automated course articulation and transfer system for statewide use by students. With assistance from the Information Technology Management Office, the RFP was awarded on June 28, 2008. This procurement action is currently under protest.*

9) CHE will 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 South Carolina Department of Education, CHE, and NCATE, including data collection, program reports, and site visits. **Status:** *The partnership with NCATE, SDE and CHE actively continues. Monitoring and reporting on visits to the public institutions (e.g., focus visit to The Citadel in fall 2007, a visit to USC Upstate in spring 2008, and an initial visit to USC Beaufort in spring 2008) demonstrate the vitality of this alliance. The next cycle will begin in spring 2010, and a new self-study document is has been completed for advanced programs in education that are not reviewed by a Specialized Professional Agency (SPA) or accrediting body. Current and new CHE staff members are staying up-to-date on NCATE standards and training.*

10) CHE will continue to evaluate program productivity under the formal policy on program productivity authorized by CHE to ensure increased program efficiency and cost effectiveness and reduced unnecessary duplication of academic programs. **Status:** *The second comprehensive evaluation of the productivity of the four-year institutions' academic programs (undergraduate, graduate, and first-professional) has been completed. Programs placed on provisional status (i.e., probation) at the time of the last report (2004) and remaining in that status for the second report will be recommended for termination if they are not in compliance at the time of the next report (spring 2009).*

11) CHE will complete the process of consolidating and merging deteriorating paper-based student records from closed colleges and universities into a comprehensive electronic database by mid-September 2008. In the past year, statutory change occurred in the recruiting activities to exempt from licensing accredited degree-granting institutions conducting occasional or incidental recruiting activities (e.g., high school recruiting fairs or seasonal recruitment advertising) and to exempt from agent- permitting certain institutional staff who make occasional or incidental informational public appearances (e.g., at high school recruiting fairs). Statutory and regulatory change occurred to enable CHE to use bond proceeds from schools that close to sponsor teach-outs or to recover the costs of administering records. Regulatory change also was made to require instate degree- granting institutions to gain candidate status and subsequent accreditation in order to maintain initial licensure; and institutions currently offering non-degree programs must become accredited prior to gaining licensure to offer degrees. **Status:** *CHE will continue to pursue statutory changes to make it unlawful for a person to knowingly issue, manufacture, or use an illegitimate academic credential.*

12) CHE will continue to improve accessibility of information and data products by: a) re-vamping CHE's website to provide a more user-friendly web presence that enhances the accessibility and availability of information about CHE, its work, and available data products and b) continuing efforts to automate the receipt of data electronically from the public institutions. **Status:** *CHE staff continues to work on improving the status of data accessibility. CHE received nonrecurring funding in FY 2007-08 in support of its requests for recurring funds for technology and these funds were not renewed in FY 2008-09. If possible under current funding constraints, CHE will also continue with efforts to move forward with an "Open Data Initiative" that will provide secure access to the data and benefit CHE staff, institutional personnel.*

13) CHE will continue to 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 for the Access and Equity program. **Status:** *CHE continues to make data more accessible. Additional program information is available in Section III, Category 7, Results.*

14) CHE will continue to ensure the strength of the Access and Equity Program through collaborative work with the colleges and universities to: a) ensure the efficient and prudent use of Access and Equity program funds; b) achieve more positive outcomes in expanding the pool of minority students who will be academically prepared and motivated to succeed in college, in increasing minority enrollments and graduation rates, in hiring of underrepresented faculty and professional staff (in conjunction with the SREB Doctoral Scholars Program) and in improving campus climates; c) challenge public and private institutions of higher learning to broaden their reach into secondary education schools in South Carolina through coordinated efforts to implement programs that identify, motivate, prepare, and provide assistance to underrepresented students in efforts to expand the pool of qualified applicants for college;

d) encourage two-year and baccalaureate degree granting institutions to engage in partnership activities to encourage more students to complete associate degree programs and to pursue baccalaureate degrees; and e) collaborate with other campus projects that have similar goals and objectives to advance the achievement of underrepresented populations. **Status:** *CHE is continually looking at alternative methods for allocation of Access and Equity funds despite budget cuts. An internal Access & Equity advisory committee was implemented to enable program input across the agency. The Access and Equity program uses 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. Again during the legislative session, CHE sought a program increase of \$400,000 for FY 2008-09 to support a statewide Access and Equity initiative to create a competitive grants program aimed at increasing underrepresented populations in healthcare. This requested increase in program funds was not supported. The annual Access and Equity Conference was held and sponsored by the CHE and the colleges and universities. CHE continues to serve as a lead agency in sponsoring this conference.*

15) CHE will 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:** *CHE organized and USC Beaufort hosted the ninth annual Campus Safety Conference in February 2008. Participation included campus safety officers, students, parents, student personnel, and college administrators from across the state. Planning for next year's conference is underway. The tenth annual Campus Safety Conference will be hosted by Coastal Carolina University in February 2009.*

### ***On-going and Future Program Management Objectives of the Agency***

1) CHE will provide management of the following programs under its purview:

- a) CHE will manage 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:** *In November 2008, the 20<sup>th</sup> annual awards will be made to two faculty members (one representing four-year and one representing two-year institutions) for Professor of the Year. In March 2008, Clemson University, Trident Technical College and Newberry College each received an award for Service Learning Excellence for their respective programs. The RFP is being prepared for the 2009 competition for EIA Centers of Excellence. A review panel will be selected to choose the institutional projects which will receive the funding. Budgets are being closely monitored for projects which were funded for the current and past years. CHE staff has been providing on-site technical assistance and leadership to campus personnel for meeting the goals stated in institutional grants. In FY 2007-08, staff worked with the Professors of Middle Level Education in hosting a research poster session to showcase the EIA Centers of Excellence. Staff plans to initiate a symposium for Centers of Excellence in Teacher Education for all the active centers in order to showcase their work with K-12 students and teachers. Also, this year CHE's Division of Academic Affairs and Licensing instituted technical assistance workshops for the federal ITQ grants. The technical assistance workshop was successful in establishing better communication between CHE staff and institutional faculty and administrators and in raising the quality of proposals for the projects submitted. For these reasons, the workshops will continue to be offered in the future.*

- b) CHE will manage two lottery-funded programs, the Centers of Economic Excellence (CoEE) and the Higher Education Excellence Enhancement program. For CoEE, ongoing activities include submission and evaluation of CoEE proposals (including coordination of proposal technical reviews and campus site visits), financial tracking of fund disbursements, certification of pledges for non-state matching funds to the three senior research universities, coordination of CoEE Review Board meetings and agenda, and the annual release of an audit and accountability report to the SC Budget & Control Board and SC General Assembly. The major new activity initiated in FY 2007-08 for CoEE was a contract signed with The Washington Advisory Group to conduct a comprehensive evaluation of CoEE for years 2003-2008 (to be released in January 2009). 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. Seven CHE staff members contributed varying percentages of compensated time ranging from 5% to 70% to staff the CoEE 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 sixth year. The CoEE Review Board continued its working relationship with the Clare Morris Agency, the program marketing firm. The CoEE Review Board also approved (and is set to release in October 2008) an audit and accountability report for FY 2006-07. In addition to its responsibilities for staffing the Centers of Economic Excellence program, CHE provides staff support to the Review Board under the SC Research University Infrastructure Act, which was a part of Act 187 of 2004. CHE staff assists the CoEE Review Board in certifying non-state matches and preparing the certification for the research infrastructure projects; each project must also be approved by the Joint Bond Review Committee and the SC Budget & Control Board. CHE continues to administer the Higher Education Excellence Enhancement Program as required and has worked to revise the audit program to review the expenditure of program funds as well as amounts and eligibility of participants.*
- c) CHE will manage 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 show continued growth with the addition of 20 new contract seats at Mississippi State University. Both the Contract Programs and the Academic Common Market continue to be administered in partnership with the SREB.*
- d) CHE will manage the state-supported scholarship, grant, and loan programs (Palmetto Fellows, LIFE, SC HOPE, SC Need-based Grants, Lottery Tuition Assistance, and National Guard Tuition Repayment Program) and improve information available about program participation. **Status:** *CHE continues to administer the programs as required and strives continually to improve information available about the programs to expand public/student awareness of eligibility requirements. Information regarding state scholarship programs and federal financial aid was provided through CHE's website. Additionally, during the year, CHE staff participated in college information sessions and financial aid workshops held at middle schools, high schools and higher education institutions throughout the state in order to reach students, parents, guidance counselors, and school administrators. Also, CHE staff held statewide workshops for financial aid representatives, admissions officers, and student personnel administrators. CHE also accomplished the following during the year in relation to the scholarship and grant programs:*

*In May 2007, the SC General Assembly passed Act 115, which established the new LIFE Scholarship and Palmetto Fellows Scholarship Enhancements. Scholarship Enhancements are awarded to eligible students majoring in approved mathematics and science programs at eligible four-year institutions in the state beginning in their second/sophomore year of college enrollment (freshman are not eligible for Enhancement funds). Staff worked with institutions to implement the new enhancements. Eligible students may apply LIFE and Palmetto Fellows Scholarship and Scholarship Enhancements funds toward the cost-of-attendance at an eligible four-year institution in South Carolina. With the Palmetto Fellows Scholarship Enhancement, students receive up to \$10,000 (\$7,500 Palmetto Fellows Scholarship award combined with additional \$2,500 Enhancement funds) per academic year. For the LIFE Scholarship Enhancement, eligible sophomores, juniors and seniors may receive up to \$7,500 (\$5,000 LIFE Scholarship award combined with \$2,500 additional Enhancement funds). During fall 2007, 1,544 students received a Palmetto Fellows Scholarship Enhancement award at a total disbursement of \$2,501,902. The Palmetto Fellows recipients earning the enhancement in fall 2007 represented 30% of all Palmetto Fellows recipient. For LIFE, 4,085 students at four-year institutions received a LIFE Scholarship Enhancement award at a total disbursement of \$5,086,792. These students represented 14.2% of fall 2007 LIFE recipients at four-year institutions.*

*CHE sponsored three South Carolina Scholarship Day celebrations during National Scholarship Month to encourage academic achievement and recognize scholarship recipients, parents, school officials and members of the legislature. The Scholarship Day events were held at The Citadel, the University of South Carolina and Clemson University.*

*CHE received a planning grant from the Lumina Foundation to establish College Goal Sunday activities in underserved areas along the I-95 corridor by providing workshops and financial aid information and by collaborating with school districts, financial aid officers and community leaders in the targeted areas. CHE will continue to expand this program from the current 9 to 12 sites in 2007-08.*

*In 2006, the South Carolina Association of Student Financial Aid Administrators Advisory Committee was formed to advise CHE on statewide issues related to the scholarship/grant programs. The Committee met periodically throughout 2007-08 to address changes to the state Scholarship and Grant programs, in particular the newly developed Palmetto Fellows and LIFE Scholarship Enhancements and to advise on methodology changes for the allocation of Need-based Grant program funds. As reported previously, CHE sought but did not receive an increase in funds, but did receive approval by the General Assembly to implement a desired change in the allocation method for distributing funds to institutions. At year-end due to a FY 2007-08 budget proviso, the program received just over \$3.4 million in one-time funds from the balance of excess unclaimed lottery prize funds. These funds were available for FY 2008-09 and enabled an initial implementation of the change in methodology. In requesting funds for need-based aid, CHE seeks increases based on an the new allocation methodology in an attempt to begin equalizing the level of funding available at an institution for the need-based eligible students to a percentage of an institution's tuition and fees.*

- 2) CHE will continue efforts through the Higher Education Awareness Program (HEAP) and Gaining Early Awareness and Readiness for 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 during the year. Additional program details are found in the “Results” section of this report.*

3) CHE will ensure required reports and publications such as the agency accountability report and institutional effectiveness report that must be submitted to the General Assembly are completed and properly disseminated. CHE staff will conduct any necessary work to integrate legislative changes as applicable into Commission’s policies and procedures. **Status:** *CHE Staff completed and disseminated all reports as required, and accomplished work to integrate legislative changes into CHE policies and procedures as applicable.*

## 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 and 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 myriad issues to assure a balance between student and taxpayer interests 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.

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 CHE to look very critically at how functions are performed. Every process is being reviewed continuously for potential efficiencies. Like other state agencies, CHE faces further reductions in funding, losing available carry-forward funds as well as absorbing nearly 6% budget reductions for FY 2008-09. 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 CHE 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. CHE appreciates the current budget climate for the state, but will continue to seek necessary agency support to carry out mission critical responsibilities. CHE will continue to seek additional support for technology to improve data accessibility and appropriate administration support to carry-out planning activities related to the implementation of a statewide Action Plan. Needless to say, CHE will also continue to explore its operational requirements to ensure the agency’s mission is carried out most efficiently and effectively.

CHE continued to experience significant changes in leadership. During the year, CHE welcomed a new Executive Director, Dr. Garrison Walters, and a new Director of Finance, Facilities, and MIS, Mr. Gary Glenn. In regard to the CHE board, CHE welcomed two new Commissioners. All seats on the CHE board are currently filled except one which was vacated recently and is expected to be filled soon. Over the past four years, CHE has had a total of thirteen newly appointed members including the appointment of a new chair in 2005. Additional changes in membership may take place in the upcoming year as nine commissioners are serving in terms

that have expired. Changes in membership and staffing leadership require a renewed focus on planning and professional development activities.

In the upcoming year, CHE will continue to seek necessary support to maximize statewide capacity in higher education and to promote statewide programs to improve the quality and effectiveness with which higher education is delivered and to ensure accessibility of higher education opportunities for all eligible South Carolinians. Funding priorities will continue to be targeted to ensure adequate state operating support for higher education institutions and to provide for important collaborative statewide programs that will enhance the state's capacity in competing in the new economy (e.g., research initiatives, technology initiatives, and statewide electronic library).

CHE's top priorities will continue to be increased funding of core operating needs, including capital, for public higher education, increased need-based grant funding increases, and recurring support for the state's higher education electronic library, PASCAL. CHE also continues to support full funding of the state's other scholarship and grant programs, the restoration of Centers of Economic Excellence funding lost in FY 2008-09, funding of the SC LightRail project, and appropriate funding of other collaborative statewide education programs funded through CHE's budget or institutional budgets including needed increases for SREB Programs and Services, SC GEAR UP, Access and Equity, EPSCoR, University Center of Greenville, the Lowcountry Graduate, SC Manufacturing Extension Partnership, Critical Needs Nursing Initiative, and SC Alliance for Minority Participation. As was already mentioned above, CHE's administrative request will continue to focus on improvements to agency technology and necessary resources to carry out the agency's mission.

## **Use of Accountability Report to Improve Organizational Performance**

CHE uses 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 CHE's operations.

## **SECTION II – ORGANIZATIONAL PROFILE**

### **Major Products and Services and Delivery Method**

The major programs operated by CHE fall within the structure of the divisions as described on page 16 and illustrated through the organizational chart on page 17. 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 *Results* section of this report.

Outlined below are the major programs and functions of CHE categorized broadly into four areas including: Advocacy and Coordination, Information, Accountability, and Administration.

#### ***Advocacy and Coordination***

- Promote statewide higher education action planning and policies to optimize the efficiency and collaboration with which South Carolina colleges and universities are meeting state needs.

- 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-based 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 by 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 educational providers of higher education programs that desire to provide higher education programming in South Carolina.

### ***Administration***

- Oversee the awarding of over \$280 million in state merit-based and need-based scholarship, grant, and loan programs including Palmetto Fellows, LIFE, HOPE, Lottery Tuition Assistance, Need-based Grants, National Guard Student Loan Repayment, National Guard Tuition Assistance Program, and Access & Equity programs including

Graduate Incentive Scholarships, Undergraduate Scholars Program, and SREB Doctoral Scholars 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 Early Awareness and Readiness for Undergraduate Programs (GEAR UP), College Goal Sunday, Go Alliance, and Passport to Opportunity.
- Oversee other state lottery-funded programs including the South Carolina Research Centers of Economic Excellence, the South Carolina Higher Education Excellence Enhancement Program, and the 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 underrepresented populations 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,
  - 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, CHE 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, CHE 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, CHE and its staff are organized along functional lines into the following divisions: Academic Affairs & Licensing; Finance, Facilities, and Management Information System; Student Services; and Access & Equity. Customers are also served by staff responsible for coordinating communications efforts, governmental relations and administrative functions.

## Other Key Stakeholder Groups

CHE also interacts regularly with other key stakeholders whether it be in policy development or constituent services. Key among these are the K-12 community and the business community. Focus on taxpayer interests and student concerns and interests is 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 used 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 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 uses external firms for the development, production, and dissemination of program materials for the higher education awareness programs (e.g., *Higher Education Awareness Program* – HEAP, *Gaining Early Awareness and Readiness for Undergraduate Programs* – GEAR UP, *College Goal Sunday*, *Go Alliance*, *PassPort to Opportunity*, and 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](http://www.che.sc.gov).

## Number of Employees

As of the end of fiscal year 2007-08, CHE has 22 full-time employees (20 classified and 2 unclassified), 3 part-time employees; and 31 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, CHE 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 Laws 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](http://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.

## **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.

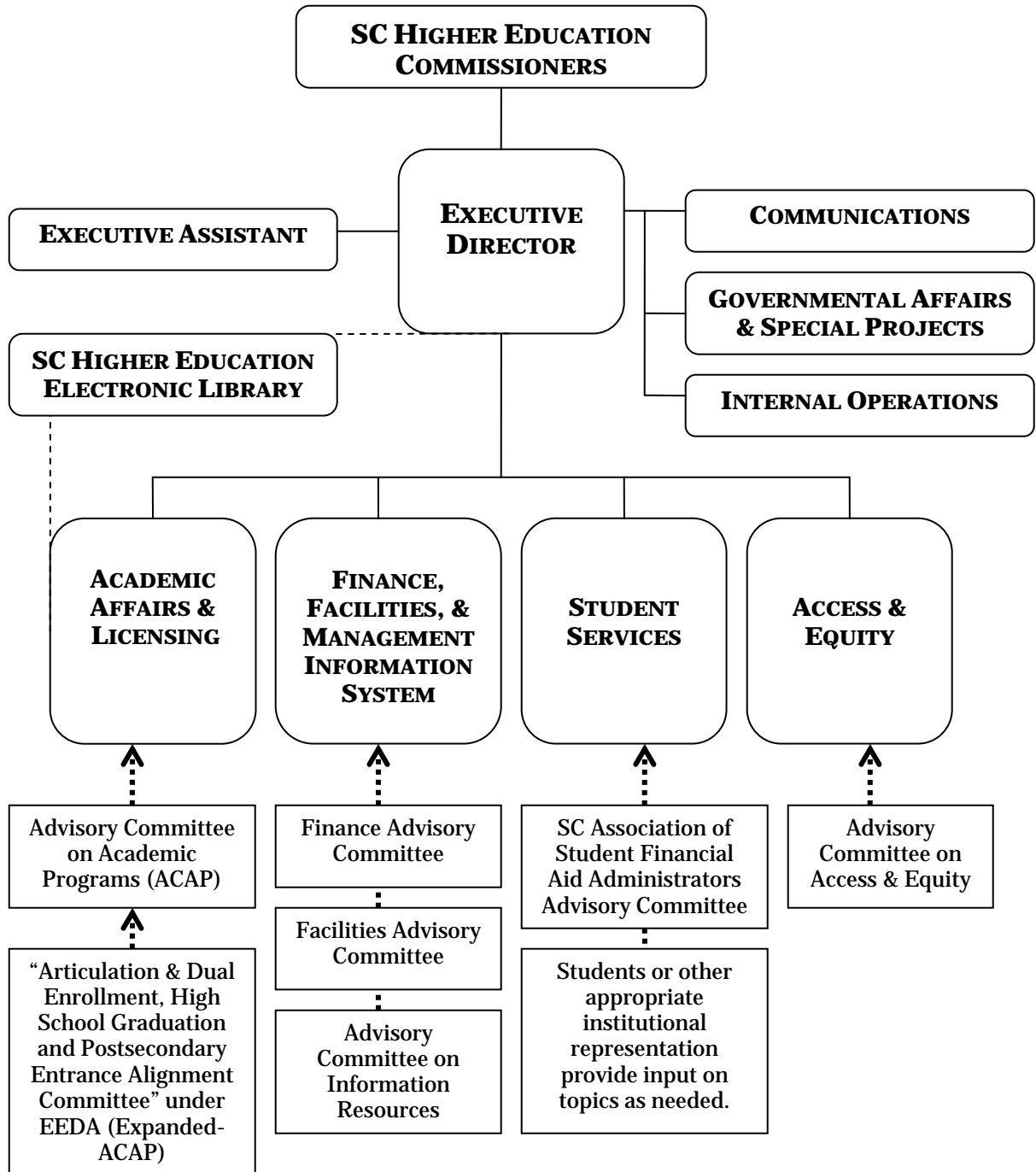
CHE conducts its business through committees organized along the functional lines of Academic Affairs and Licensing, Finance and Facilities, and Student Services and Access and Equity. CHE's Chair, Vice Chair, and Committee Chairs make up the Executive Committee of CHE.

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 System; 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, 2008



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	06-07 Actual Expenditures		07-08 Actual Expenditures		08-09 Appropriations Act	
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personal Service	\$3,182,213	\$1,971,632	\$2,135,161	\$1,865,657	\$2,185,878	\$1,898,341
Other Operating	\$918,492	\$333,312	\$1,179,707	\$609,836	\$1,549,300	\$409,997
Special Items (1)	\$243,744,240	\$86,270,017	\$276,976,087	\$122,603,718	\$333,795,702	\$118,424,383
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	\$761,068	\$502,029	\$905,143	\$588,441	\$655,608	\$480,587
Non-recurring (2)	\$4,109,988	\$4,019,988	\$7,253,165	\$7,253,165	\$0	\$0
<b>Total</b>	<b>\$252,716,002</b>	<b>\$93,096,977</b>	<b>\$288,449,263</b>	<b>\$132,920,817</b>	<b>\$338,186,488</b>	<b>\$121,213,308</b>

(1) FY09 Appropriations include \$200,641,598 in lottery funds.

### Other Expenditures

Sources of Funds	06-07 Actual Expenditures	07-08 Actual Expenditures
Supplemental Bills	\$4,109,988	\$7,253,165
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	FY 06-07 Budget Expenditures		FY 07-08 Budget Expenditures		Key Cross References for Financial Results*
	Operations	State:	\$5,400,681	State:	\$5,552,571	7.1-1, 7.1-2, 7.1-4, 7.1-6, 7.1-7, 7.1-8, 7.9 and 7.10
		Federal:	\$1,251,221	Federal:	\$1,253,855	
		Other:	\$1,449,204	Other:	\$1,753,800	
		Total:	\$8,101,106	Total:	\$8,560,226	
		% of Total Budget: 3%		% of Total Budget: 3%		
	Flow-Through Funds	State:	\$10,584,308	State:	\$16,786,759	7.1-5
		Federal:	\$2,733,562	Federal:	\$2,864,810	
		Other:	\$30,107,411	Other:	\$24,263,423	
		Total:	\$43,425,280	Total:	\$43,914,992	
		% of Total Budget: 17%		% of Total Budget: 15%		
	Scholarship and Grant Programs:	State:	\$77,111,989	State:	\$110,581,487	7.1-3, 7.1-4, and 7.6
		Federal:	\$0	Federal:	\$0	
		Other:	\$124,077,627	Other:	\$125,392,558	
		Total:	\$201,189,616	Total:	\$235,974,045	
		% of Total Budget: 80%		% of Total Budget: 82%		
	Total	State:	\$93,096,977	State:	\$132,920,817	
		Federal:	\$3,984,782	Federal:	\$4,118,665	
		Other:	\$155,634,242	Other:	\$151,409,781	
		Total:	\$252,716,002	Total:	\$288,449,263	

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

For FY07-08, a total of \$49,700,782 is not reflected above – The total includes transfers of \$44,325,782 and \$5,375,000 to the Technical College System for the Lottery Tuition Assistance Program and the Lottery Funded Technology Program.

	FY 06-07	FY 07-08
<b>Remainder of Expenditures:</b>	<b>State:</b>	<b>State:</b>
	<b>Federal:</b>	<b>Federal:</b>
	<b>Other:</b>	<b>Other:</b>
	<b>Total:</b>	<b>Total:</b>
<b>N/A</b>	<b>% of Total Budget:</b>	<b>% of Total Budget:</b>

\* Key Cross-References are a link to the Category 7 – Results. These References provide a Chart number that is included in the 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 use of the Malcolm Baldrige Criteria concepts and principles.

### **Category 1. Senior Leadership, Governance, and Social Responsibility**

CHE 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 uses 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 uses 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 a 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 manages 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 uses a planning retreat for Commissioners to evaluate the programs and direction of the agency and meets on a periodic basis with CHE's Executive Committee (Chair, Vice Chair, and all Committee Chairs) 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. Under the newly appointed Executive

Director, CHE will continue work on agency planning in concert with efforts to develop an Action Plan for Higher Education in South Carolina. CHE's work in this regard will build on recent initiatives including: CHE's work with institutional presidents to recommend a revised accountability system, work that culminated in the receipt by CHE of a major external report (*Foundations for the Future: Higher Education in South Carolina*, December 2003) on higher education in South Carolina, and work of the Governor's 2006 Task Force on Higher Education. Additionally, CHE is working with a recently appointed Higher Education Study Committee (HESC) charged by the General Assembly to build on work of the Governor's Task Force and recommend a statewide plan by September 15, 2008. It is expected that the HESC will release a statewide plan in September with a full report complete with implementation details in December 2008.

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. The goals reported herein will be re-visited in the upcoming year under the direction of the agency's new executive officer.

#### **Strategic Planning – SC Commission on Higher Education**

<b>Program Number and Title</b>	<b>Supported Agency Strategic Planning Goal/Objective</b>	<b>Related FY07-08 Key Agency Action Plan/Initiative</b>	<b>Key Cross References for Performance Measures*</b>
<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.	Continue to work in concert with state efforts to develop a higher education plan which includes the recently appointed Higher Education Study Committee charged with recommending a statewide plan. Continue to meet regularly with institutional presidents and other key stakeholders to make progress in planning efforts.	No Chart
<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 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.	No Chart

<b>Program Number and Title</b>	<b>Supported Agency Strategic Planning Goal/Objective</b>	<b>Related FY07-08 Key Agency Action Plan/Initiative</b>	<b>Key Cross References for Performance Measures*</b>
<i>Executive Director's Objective 3</i>	3) Strengthen CHE's relationship with key state partners including the Department of Education and the Department of Commerce as well as 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 efficient and effective management of programs and initiatives under the purview of CHE.	Programs under the purview of CHE are managed efficiently and opportunities to improve are recognized and implemented.	<i>See 7.1-1 through 7.1-10</i>

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

### **Category 3. Customer and Market 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 board 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 including scholarship and grant informational meetings at middle and high schools, college fairs, guidance counselor workshops, and the Student Advisory Committee (with members ranging from 10<sup>th</sup> 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 System 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 a legislative liaison 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 CHE 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 CHE, 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 CHE 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 CHE 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 CHE.

#### **Category 4. Measurement, Analysis and Knowledge Management**

CHE has several activities that rely heavily on the use of data. CHE 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, and for GEAR UP, HEAP, and the Access & Equity program.

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. Workforce 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 56 members of CHE staff as of fiscal year end, 8 have doctoral degrees, 20 have other graduate degrees, and 21 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. This past year, CHE filled a staff position to focus on human resource management to provide better assistance and information for CHE employees. In short, CHE places a very high value on the quality of its human resources and recognizes the importance of continual development.

Staff has received training recently on the state's Employment Policy Management System (EPMS), the Freedom of Information Act (FOIA), and Agency Records Management and Retention. Again for the second year, CHE participated in The Urban League's summer internship program hosting a number of interns in each of the divisions over the summer. The program provides staff an opportunity to mentor high school and college students.

### **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. 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 annual and other CHE reports are available at [http://www.che.sc.gov/New\\_Web/Data&Pubs.htm](http://www.che.sc.gov/New_Web/Data&Pubs.htm). Two notable recent reports include a special report, *Retaining Graduates of South Carolina Public Colleges and Universities, November 2007*, (see [http://www.che.sc.gov/Finance/CHEMIS/CHE\\_SpecialReport\\_110207.pdf](http://www.che.sc.gov/Finance/CHEMIS/CHE_SpecialReport_110207.pdf)), and a report released in May 2007, *Summary Report on South Carolina Scholarships and Grants, 1988-2005*, (see <http://www.che.sc.gov/StudentServices/ScholarshipsandGrantsReport.pdf>). Most CHE 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 *SC Higher Education Statistical Abstract*. Now in its 30<sup>th</sup> year, this report contains the latest facts and figures for our state's higher education system. Current and past years' reports are available at <http://www.che.sc.gov/Finance/Stat.htm>. CHE also produces a *Higher Education Facilities Abstract on SC Public Colleges and Universities*. The 2008 version is found at [http://www.che.sc.gov/Finance/FacilitiesInformation/2008\\_Facilities\\_Abstract.pdf](http://www.che.sc.gov/Finance/FacilitiesInformation/2008_Facilities_Abstract.pdf).
- CHE produces annually a report entitled, *A Closer Look at Public Higher Education in SC: Institutional Effectiveness, Accountability, and Performance*, to meet its legislated mandate per SC State Code §59-101-350. This report is submitted each January to the Governor's Office and General Assembly. Prior to 2005, this report served as the agency accountability report for each of the state's 33 public higher education institutions. The report pulls together data from the Performance Funding process, institutional assessment activities, and other required reporting as legislated. See [http://www.che.sc.gov/New\\_Web/Rep&Pubs/ACL.htm](http://www.che.sc.gov/New_Web/Rep&Pubs/ACL.htm) for the present and past reports.
- 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 have not been produced in since 2004-05, but data have continued to be monitored and are posted on CHE's website. All current and past information reports are available online through the following link [http://www.che.sc.gov/New\\_Web/Rep&Pubs/Perf\\_Fund.htm](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 responds daily to a routine requests as well as numerous special requests that are outside of regular reporting and/or readily available data reports.

### 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, which is managed by the SC Tuition Grants Commission. 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 (GPA) of 3.5 on the uniform grading scale (UGS). Alternatively, students may meet a 1400 SAT/or ACT equivalent and a high school GPA of 4.0 on the UGS. This award is provided for eight semesters provided students maintain eligibility. Students must be enrolled in four-year institutions. In 2007-08, a new initiative passed by the General Assembly was implemented that provides recipients beginning in the sophomore year an enhanced award for majoring in math, science, engineering and health-related areas.

**LIFE** requires for initial eligibility that students meet two of the following three criteria: 1100 SAT/ACT equivalent; class rank in the top 30%, or high school GPA of 3.0 on the UGS. This award is provided for up to eight semesters provided students maintain eligibility. Students may be enrolled in two- or four-year institutions. The new initiative described above for Palmetto Fellows recipients for math, science, engineering and health-related majors was also implemented for LIFE.

**SC HOPE** requires that students have a 3.0 high school GPA on the UGS, be enrolled in a four-year institution, and not be receiving the LIFE or Palmetto Fellows Scholarship. The award is for the freshman year only. Students may become eligible for the LIFE Scholarship in subsequent years.

**SC Need-based Grant** provides additional financial assistance to residents who demonstrate a financial need at an eligible two- or four-year institution. Students must be degree-seeking and enrolled in a minimum of six hours to be eligible.

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

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

The table below reflects some of the staff activity in regard to disseminating information and responding each year to student scholarship appeals. In subsequent tables and charts are data on the state's scholarship and grant programs.

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

Staff Activity	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08
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	32	33
Workshops hosted for financial aid representatives to review regulations and program changes to ensure proper administration	3	1	1	5	13
Number of student scholarship/grant appeals processed for which decisions were rendered	236	245	240	230	219

**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  
Fiscal Years 2003-04 through 2008-09**

	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY 2007-08	FY 2008-09	Annual Change FY09 to FY08	
							Difference	%Change
(1) <b>Palmetto Fellows Total</b>	<b>\$19,567,906</b>	<b>\$23,176,712</b>	<b>\$26,381,991</b>	<b>\$29,830,758</b>	<b>\$40,915,490</b>	<b>\$42,277,240</b>	<b>\$1,361,750</b>	<b>3.3%</b>
<i>portion from State General Funds</i>	\$12,721,188	\$6,480,281	\$10,417,054	\$10,786,212	\$10,786,212	\$10,786,212		
<i>portion from Barnwell Revenues</i>	\$1,846,718	\$5,519,719	\$1,582,946	\$1,213,788	\$1,213,788	\$1,213,788		
<i>portion from Lottery Revenues</i>	\$5,000,000	\$11,176,712	\$14,381,991	\$17,830,758	\$28,915,490	\$30,277,240		
(1) <b>LIFE Total</b>	<b>\$111,520,063</b>	<b>\$122,374,744</b>	<b>\$134,929,425</b>	<b>\$141,333,829</b>	<b>\$147,727,542</b>	<b>\$156,288,989</b>	<b>\$8,561,447</b>	<b>5.8%</b>
<i>portion from State General Funds</i>	\$71,520,063	\$29,646,795	\$27,631,335	\$53,422,193	\$85,123,335	\$81,032,307		
<i>portion from Lottery Revenues</i>	\$40,000,000	\$92,727,949	\$107,298,090	\$87,911,636	\$62,604,207	\$75,256,682		
(2) <b>HOPE Total</b>	<b>\$6,500,000</b>	<b>\$6,183,017</b>	<b>\$6,673,826</b>	<b>\$7,144,909</b>	<b>\$7,767,606</b>	<b>\$8,076,110</b>	<b>\$308,504</b>	<b>4.0%</b>
<b>Sutotal Merit Programs</b>	<b>\$137,587,969</b>	<b>\$151,734,473</b>	<b>\$167,985,242</b>	<b>\$178,309,496</b>	<b>\$196,410,638</b>	<b>\$206,642,339</b>	<b>\$10,231,701</b>	<b>5.2%</b>
<i>portion from State General Funds</i>	\$84,241,251	\$36,127,076	\$38,048,389	\$64,208,405	\$95,909,547	\$91,818,519		
<i>portion from Barnwell Revenues</i>	\$1,846,718	\$5,519,719	\$1,582,946	\$1,213,788	\$1,213,788	\$1,213,788		
<i>portion from Lottery Revenues</i>	\$51,500,000	\$110,087,678	\$128,353,907	\$112,887,303	\$99,287,303	\$113,610,032		
(2) <b>Lottery Tuition Assistance (2-yr) Total</b>	<b>\$29,000,000</b>	<b>\$39,750,000</b>	<b>\$43,000,000</b>	<b>\$47,600,000</b>	<b>\$47,000,000</b>	<b>\$47,000,000</b>	<b>\$0</b>	<b>0.0%</b>
(3) <b>Need-based Grants Total</b>	<b>\$15,478,498</b>	<b>\$22,438,427</b>	<b>\$23,246,093</b>	<b>\$23,246,093</b>	<b>\$27,109,837 <sup>(6)</sup></b>	<b>\$23,631,566 <sup>(7)</sup></b>	<b>-\$3,478,271</b>	<b>-12.8%</b>
<i>portion from State General Funds</i>	\$10,631,780	\$6,480,281	\$10,417,054	\$10,786,212	\$10,786,212	\$10,786,212		
<i>portion from Barnwell Revenues</i>	\$1,846,718	\$5,519,719	\$1,582,946	\$1,213,788	\$1,213,788	\$1,213,788		
<i>portion from Lottery Revenues</i>	\$3,000,000	\$10,438,427	\$11,246,093	\$11,246,093	\$15,109,837 <sup>(6)</sup>	\$11,631,566 <sup>(7)</sup>		
(4) <b>Tuition Grants Total</b>	<b>\$22,325,740</b>	<b>\$23,322,247</b>	<b>\$23,322,247</b>	<b>\$32,055,784 <sup>(5)</sup></b>	<b>\$29,568,851</b>	<b>\$29,560,426</b>	<b>-\$8,425</b>	<b>0.0%</b>
<i>portion from State General Funds</i>	\$19,325,740	\$19,322,247	\$19,322,247	\$19,322,247	\$21,802,247	\$21,793,822		
<i>portion from Lottery Revenues</i>	\$3,000,000	\$4,000,000	\$4,000,000	\$12,733,537 <sup>(5)</sup>	\$7,766,604	\$7,766,604		
<b>TOTAL All Programs</b>	<b>\$204,392,207</b>	<b>\$237,245,147</b>	<b>\$257,553,582</b>	<b>\$281,211,373</b>	<b>\$300,089,326</b>	<b>\$306,834,331</b>	<b>\$6,745,005</b>	<b>2.2%</b>
<i>portion from State General Funds</i>	\$114,198,771	\$61,929,604	\$67,787,690	\$94,316,864	\$128,498,006	\$124,398,553		
<i>portion from Barnwell Revenues</i>	\$3,693,436	\$11,039,438	\$3,165,892	\$2,427,576	\$2,427,576	\$2,427,576		
<i>portion from Lottery Revenues</i>	\$86,500,000	\$164,276,105	\$186,600,000	\$184,466,933	\$169,163,744	\$180,008,202		

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, Barnwell 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 Barnwell Nuclear Waste Facility revenues and State General Funds. The Education Endowment funds are split equally between the the Palmetto Fellows and Need-based Grant programs.

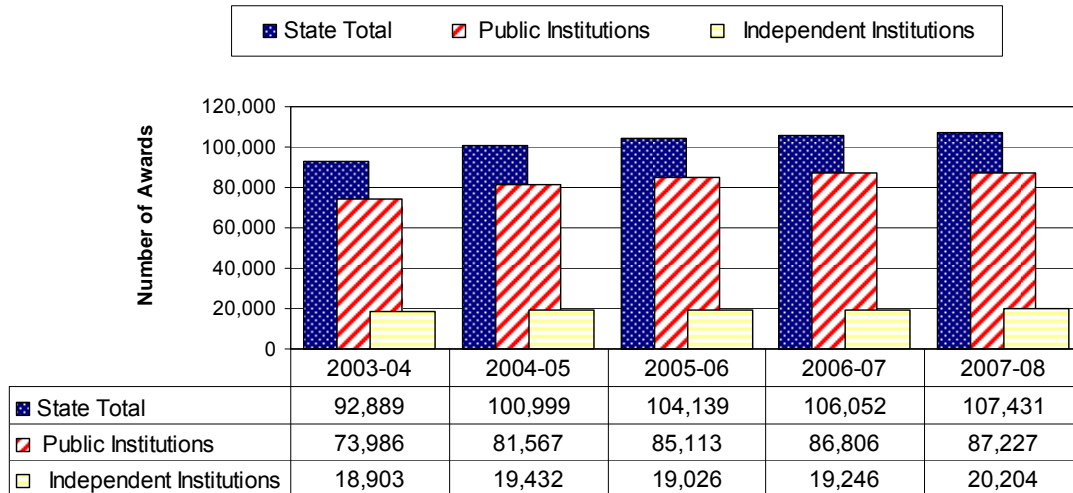
- (1) For the Palmetto Fellows and LIFE programs, additional amounts above the appropriations may be provided since these are "open-ended" programs and qualified students are provided the awards. Any funds appropriated above those in the Appropriations Acts are not reflected here. Note that for Palmetto Fellows and LIFE, the General Assembly passed legislation effective FY2008-09 that provided additional stipends beginning in the sophomore year to recipients of Palmetto Fellows and LIFE who are majoring in identified math, science, engineering and health-related majors and that increased the amount of the Palmetto Fellows award beginning in the second year for all recipients.
- (2) HOPE and Lottery Tuition Assistance for 2-Year Institutions have been funded to date only with lottery revenues.
- (3) Note for CHE Need-based Grants, a portion of the funds are allocated to independent institutions based on the undergraduate enrollment per a statutory provision that results in approximately twenty percent of the funds from this program shifting to the Tuition Grants program. For example, of the \$23.6 million allocated for FY 2007-08, approximately \$18.9 million will be allocated to public institutions and \$4.7 million will be allocated to the Tuition Grants program for students attending independent institutions. See note 4 regarding Tuition Grants.
- (4) Tuition Grants is a program managed by the South Carolina Tuition Grants Commission and provides need-based grants to qualified students at SC's Independent Colleges and Universities. Based on a provision in the lottery funding appropriation for FY 2006-07 which dedicated excess unclaimed prize funds to Tuition Grants, this program additionally received \$4,966,933 at year end in FY 2006-07 which is not reflected above as initial appropriations.
- (5) Includes \$4,966,933 from excess unclaimed prize funds received at year end due to a proviso to allocate balance of any excess funds to Tuition Grants.
- (6) Includes \$3,478,271 from excess unclaimed prize funds received at year end due to a proviso to allocate balance of any excess funds to CHE Need Based.
- (7) Need-based Grants may additionally receive in FY 2008-09 the balance of any unclaimed prize funds in excess of the first \$13.4 million.

Source: Data pulled from appropriation acts for FY04 through FY09 and [www.budget.sc.gov](http://www.budget.sc.gov) for balance of excess unclaimed prize funds.

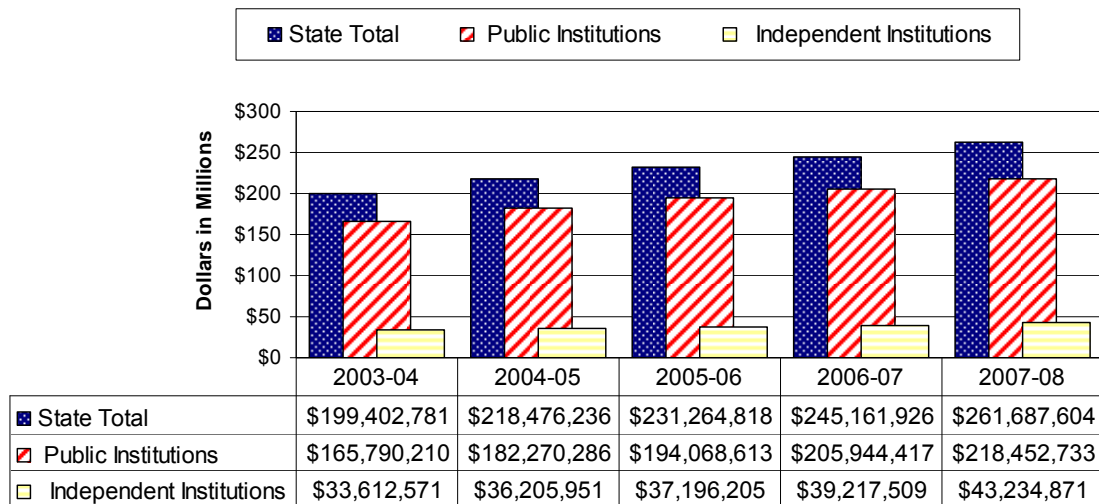
8/30/08, rev.

**Graph 7.1-3c, Annual Awards for State Undergraduate Scholarship and Grant Programs  
Type Institution (Public or Independent) by Year, Fiscal Years 2003-04 - 2007-08**

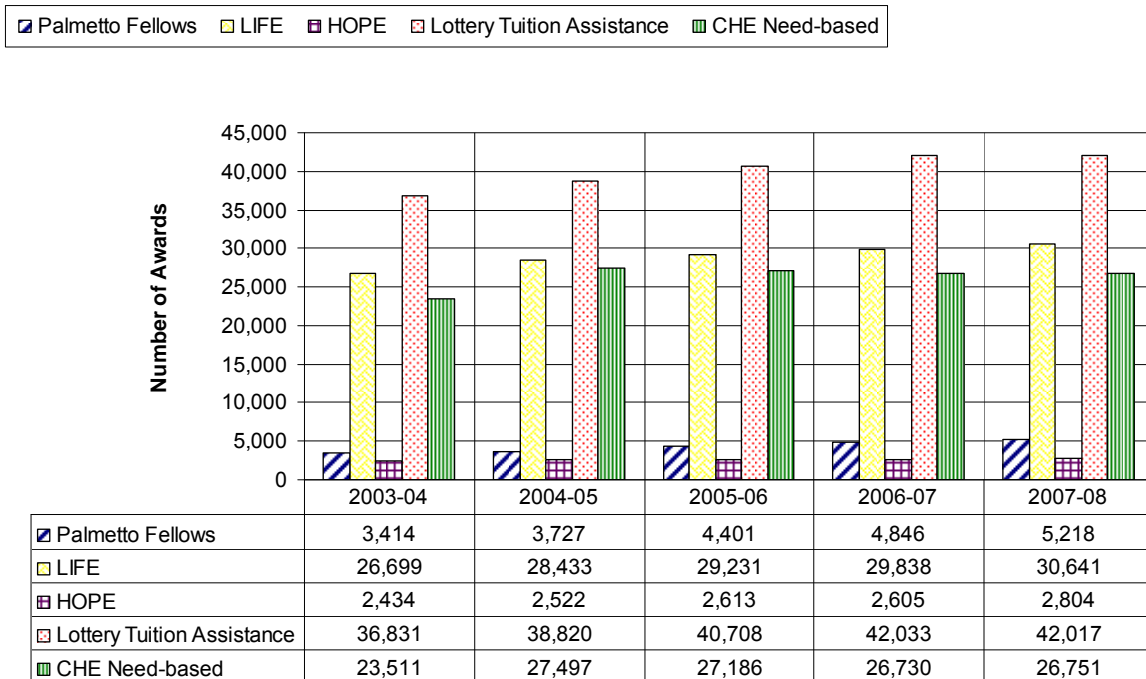
**Number of Undergraduate Scholarships and Grants  
(Palmetto Fellows, LIFE, HOPE Lottery Tuition Assistance, and CHE Need-based Grants)**



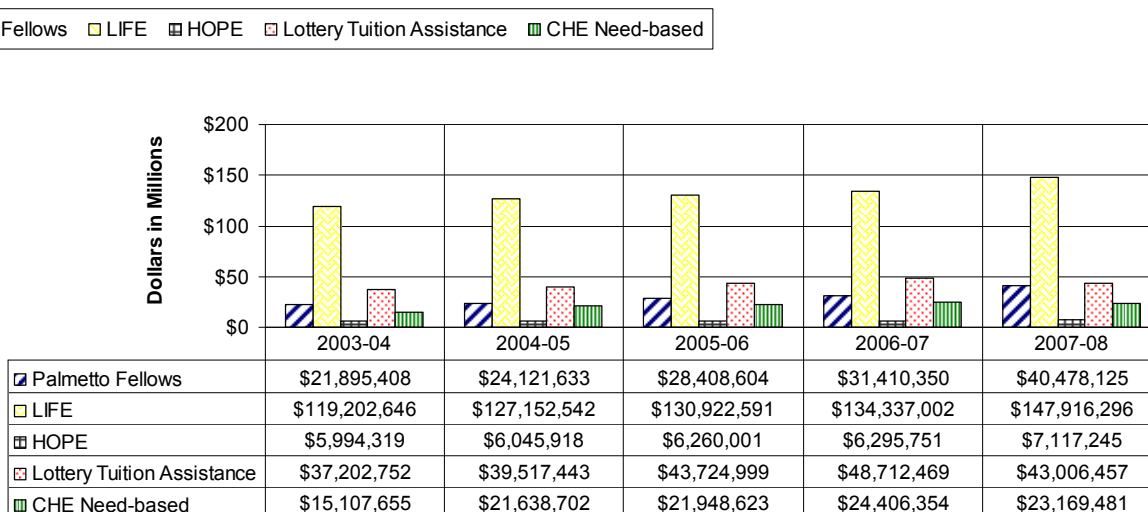
**Total Dollars Awarded in Undergraduate Scholarships and Grants  
(Palmetto Fellows, LIFE, HOPE Lottery Tuition Assistance, and CHE Need-based Grants)**



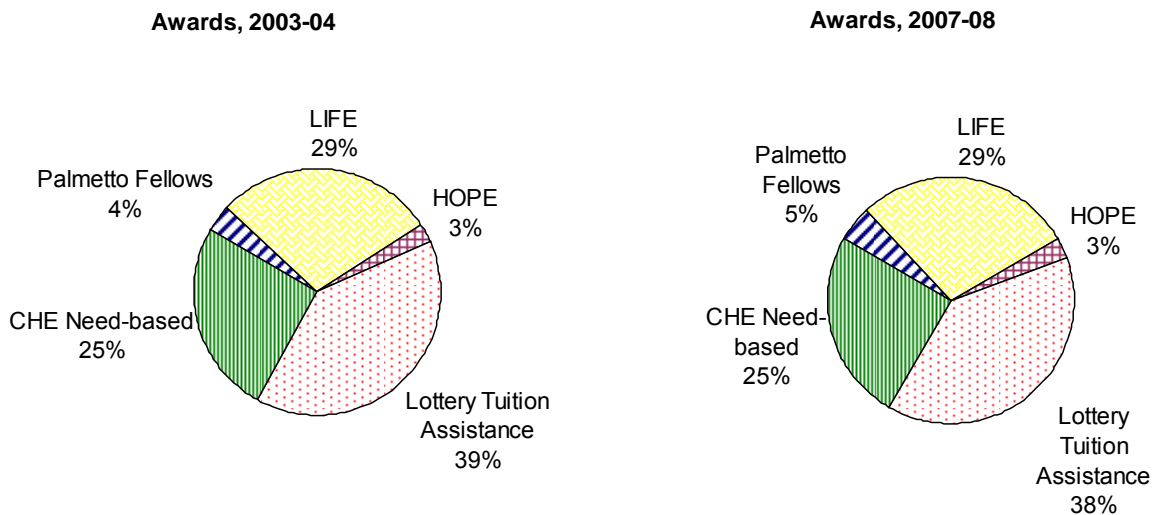
**Graph 7.1-3d, Scholarship Awards by Program, Fiscal Years 2003-04 - 2007-08**



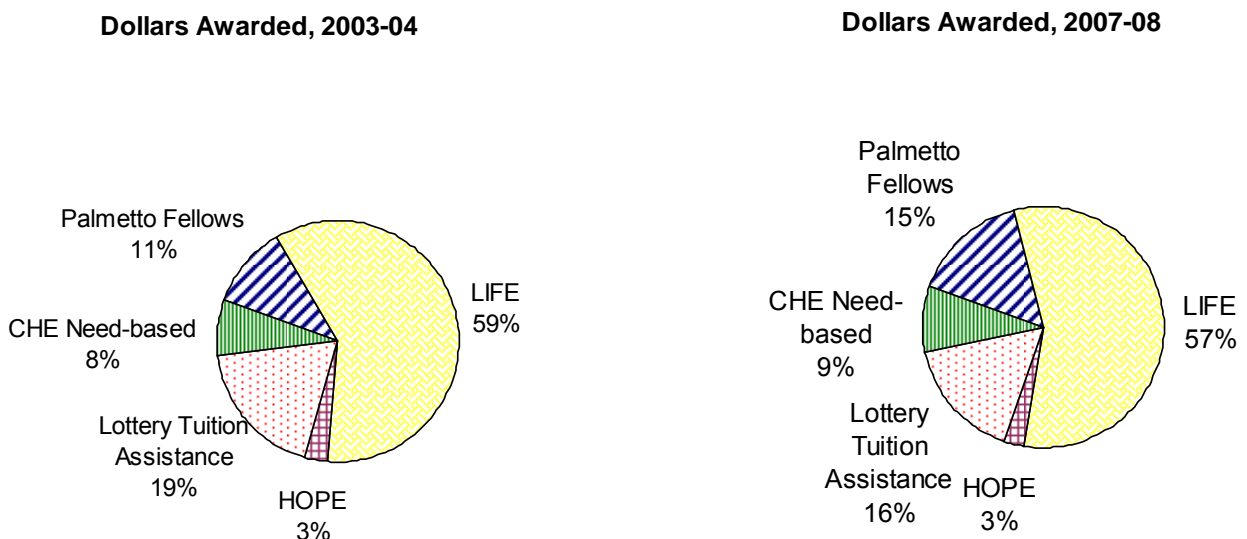
**Graph 7.1-3e, Scholarship Dollars Awarded by Program, Fiscal Years 2003-04 - 2007-08**



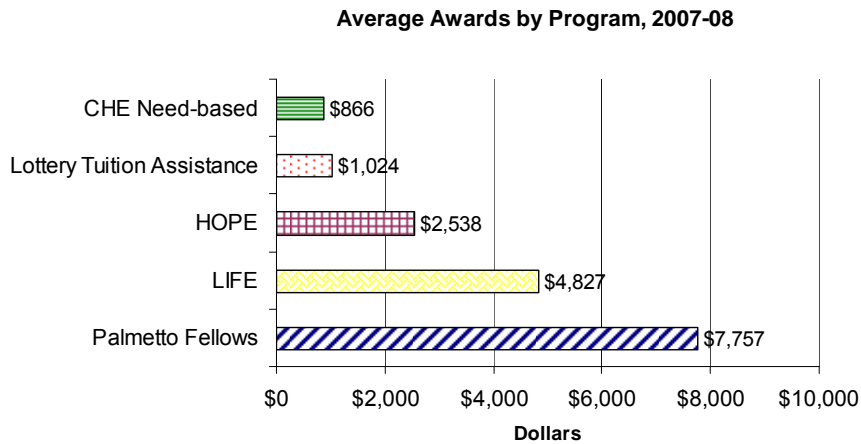
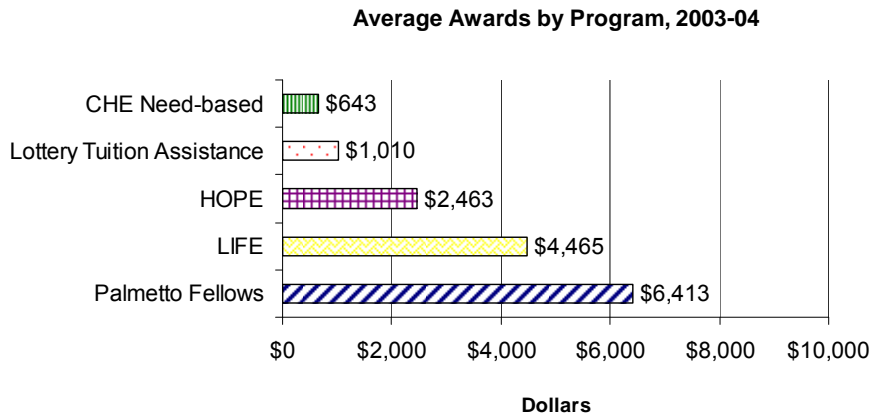
**Graph 7.1-3f, Percent of State Undergraduate Scholarship and Grant Awards by Program, Fiscal Years 2003-04 and 2007-08**



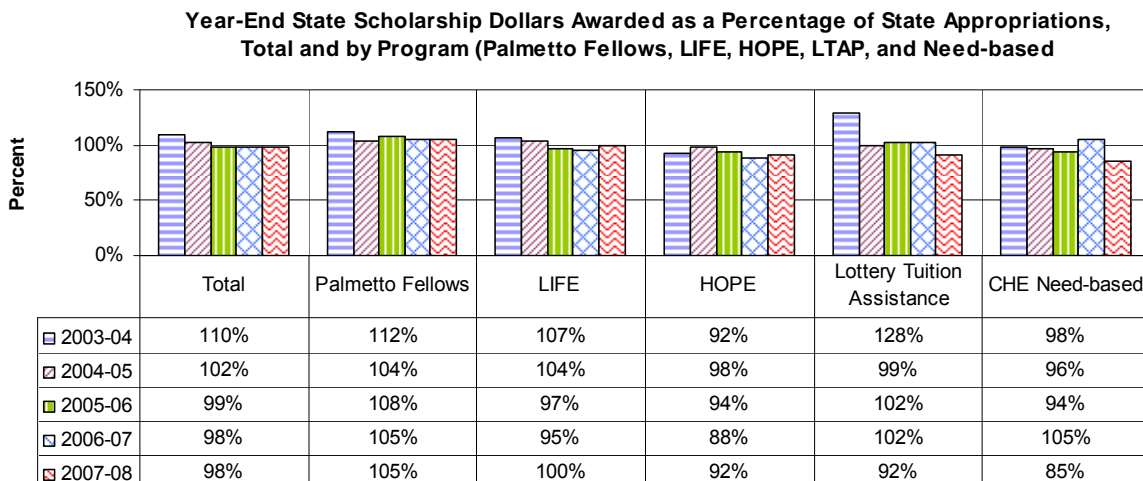
**Graph 7.1-3g, Percent of State Undergraduate Scholarship and Grant Dollars Awarded by Program, Fiscal Years 2003-04 and 2007-08**



**Graph 7.1-3h, Average Award Amounts by Program, Fiscal Years 2003-04 and 2007-08**



**Graph 7.1-3i, Comparison of Annual State Appropriations for Undergraduate Scholarship and Grant Programs to Year-End Dollars Awarded\*, Fiscal Years 2003-04 - 2007-08**



\*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.

NOTE: FY 2007-08 CHE Need-based State Appropriations includes a one-time, year-end appropriation of \$3,478,271 from balance of excess unclaimed prize funds.

**Table 7.1-3j, 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.

Legislation passed during the 2007 Session (Act 40 of 2007, Senate Bill S.322 enacted June 4, 2007), closes out the National Guard Loan Repayment Program effective fall 2007. The program is being replaced with a National Guard Tuition Assistance Program. The South Carolina National Guard College Assistance Program (SCNG CAP)-a new program of financial assistance to members of the South Carolina Army and Air National Guard- is for providing incentives for enlisting or remaining for a specified time in both the South Carolina Army or Air National Guards (SCNG). The changes made to this program were sought by the National Guard in order to improve educational incentives for guard members. The efforts of the Guard were supported by CHE. The CHE along with the National Guard worked during FY 2007-08 to implement this new program. All obligations for loan repayment for members participating prior to fall 2007 will be met. Any remaining program funds are to be used for the new tuition assistance program for Guard members.

	<b>Funds Available</b> <i>(Note 1)</i>	<b>Funds Obligated</b> <i>(Note 2)</i>	<b>Number of Awards</b>	<b>Payment on Awards</b>	<b>Aggregate of Payments</b>	<b>Aggregate Obligated Funds On Hand</b> <i>(Note 3)</i>	<b>Aggregate Number of Awards</b> <i>(Note 4)</i>
<b>FY02-03</b>	\$1,350,000	\$1,350,000	100	\$0	\$0	\$1,350,000	100
<b>FY03-04</b>	\$1,697,399	\$1,674,000	124	\$32,923	\$32,923	\$2,961,399	205
<b>FY04-05</b>	\$1,688,570	\$1,674,000	138	\$113,560	\$146,483	\$4,603,751	343
<b>FY05-06</b>	\$2,152,268	\$2,151,000	169	\$203,441	\$349,924	\$5,795,236	512
<b>FY06-07</b>	\$1,659,455	\$1,656,000	184	\$228,216	\$578,140	\$7,447,346	696
<b>FY07-08*</b>	\$1,615,000	0	0	\$289,658	\$867,798	\$7,157,688	696

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. Although funds were appropriated to the Loan Repayment Program these funds were used for the National Guard new tuition assistance program because new participants are no longer accepted into the Loan Repayment program.

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.

\*Note regarding FY 07-08 Funds: SC Code Section 59-111-75, as amended, relating to the Loan Repayment Program for members of the National Guard serving in areas of critical need, so as to provide that the SC National Guard Loan Repayment Program may not accept new participants, to provide that members of the South Carolina National Guard who have received loans before the 2007-08 academic year may continue to receive their loans and have their loans forgiven, and any funds remaining in the loan repayment program shall be transferred to the college assistance program.

#### 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 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**

<b>Program</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
1) NC School for the Arts (Note: reported Jan 1 to Dec 31 timeframe)	7	7	4	2	4
2) Contract Programs for Veterinary Medicine and Optometry (Note: reported Jan 1 to Dec 31 timeframe)	102	104	107	102	115
3) Academic Common Market Program (Note: SREB reported Apr 1 to Mar 31 timeframe)	125	121	130	113	109
<b>Program</b>	<b>FY 2003-04</b>	<b>FY 2004-05</b>	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>
4) Doctoral Scholar Participants (Total New and Continuing )	3	10	17	16	15

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. Currently, South Carolina institutions have made 76 programs available through the Academic Common Market, and South Carolina residents have ACM access to 360 out-of-state programs.

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

### 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, and (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.

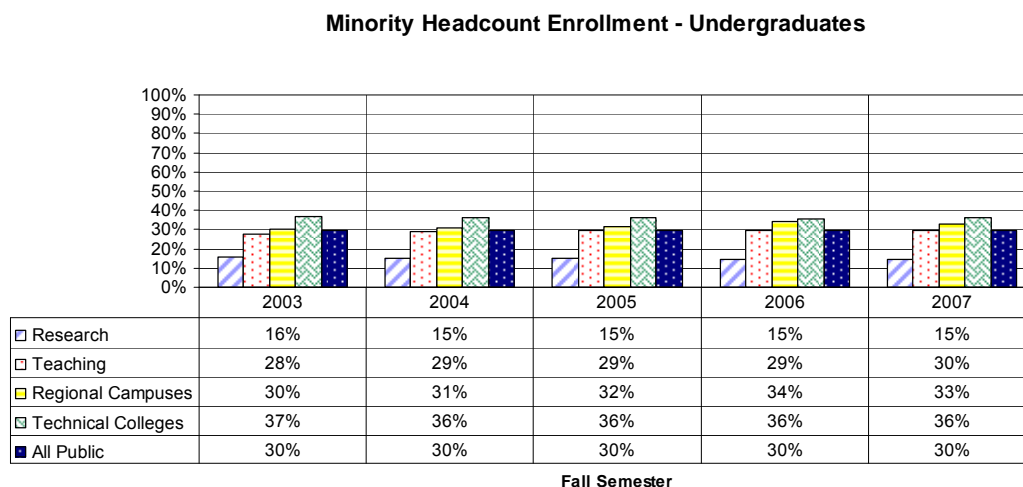
In February 1988 (Era of Commitment), CHE approved guidelines for the Access and Equity Program. Implementation of the program began on July 1, 1989, allowing funds to be awarded to institutions with well-planned activities that (1) flow from the institution's mission and address the recruitment and 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 coordination 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, 2006*. The report is accessible at [http://www.che.sc.gov/AccessEquity/A\\_Fresh\\_Approach.pdf](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 2003 – Fall 2007

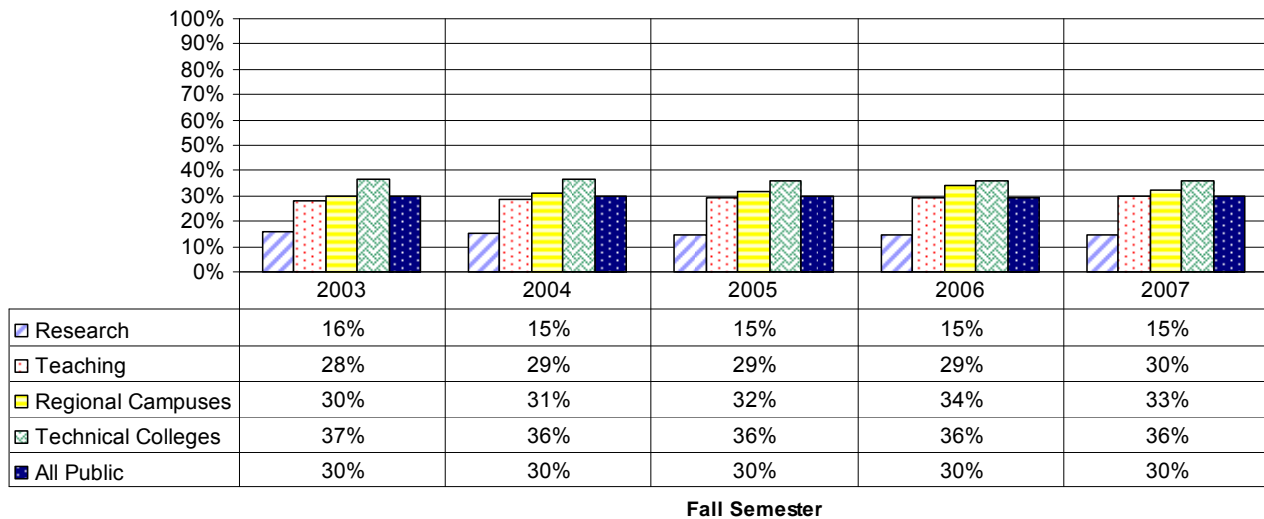
The data in the three graphs that follow show trends for minority headcount enrollment including all students, undergraduate, and graduate/first professionals. South Carolina's minority population was 32.7% according to United States 2000 Census data.



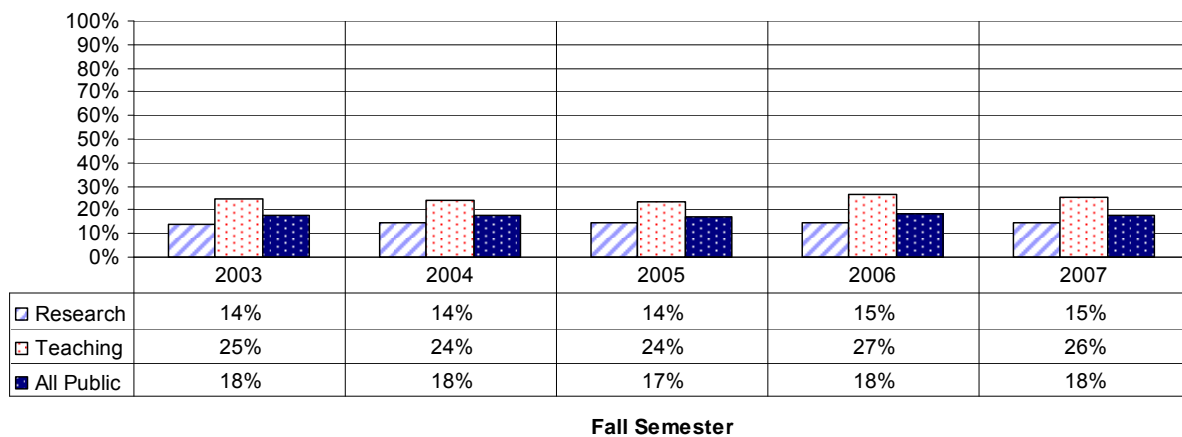
**7.1-5a, Minority Enrollment in South Carolina Public Colleges by Sector and Level,**  
*continued*

The following two charts display the percentage of minority headcount enrollment for undergraduate and graduate/first professional students for the fall semesters, 2003 – 2007.

**Minority Headcount Enrollment - Undergraduates**



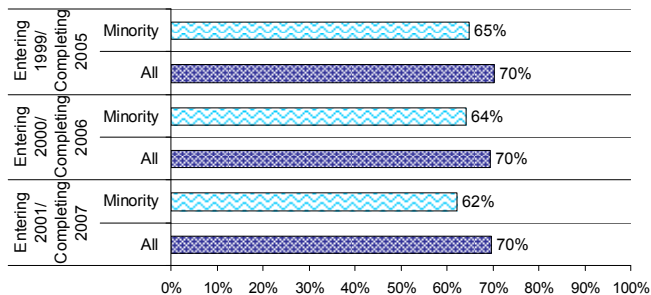
**Minority Headcount Enrollment - Graduate and First Professional Students**



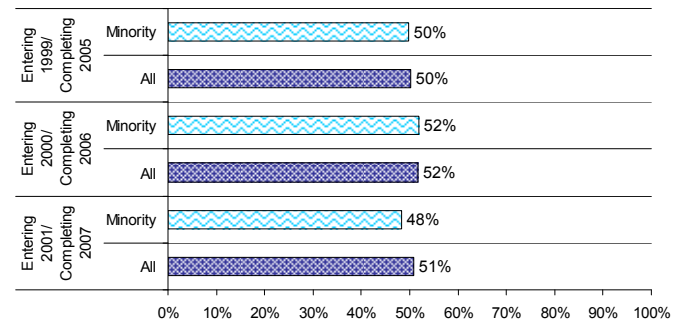
## Graph 7.1-5b, Graduation Rates of Minority Students Compared to All Students by Cohort, South Carolina Public Institutions by Sector

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 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.

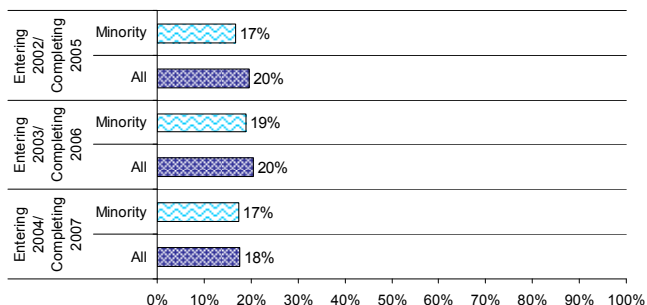
Graduation Rate in 150% of Normal Program Time  
Research Institutions (USC Columbia and Clemson)



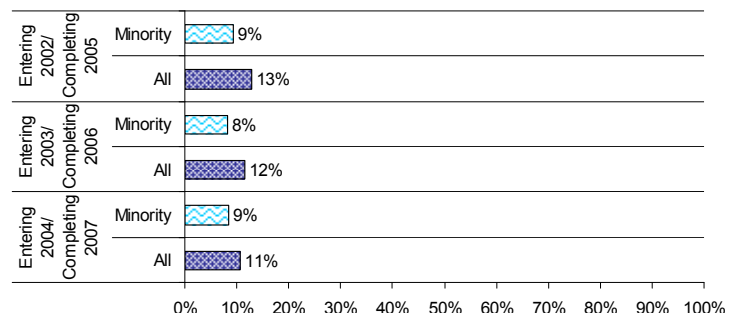
Graduation Rate in 150% of Normal Program Time  
Comprehensive Teaching Institutions



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



Graduation Rate in 150% of Normal Program Time  
Technical Colleges

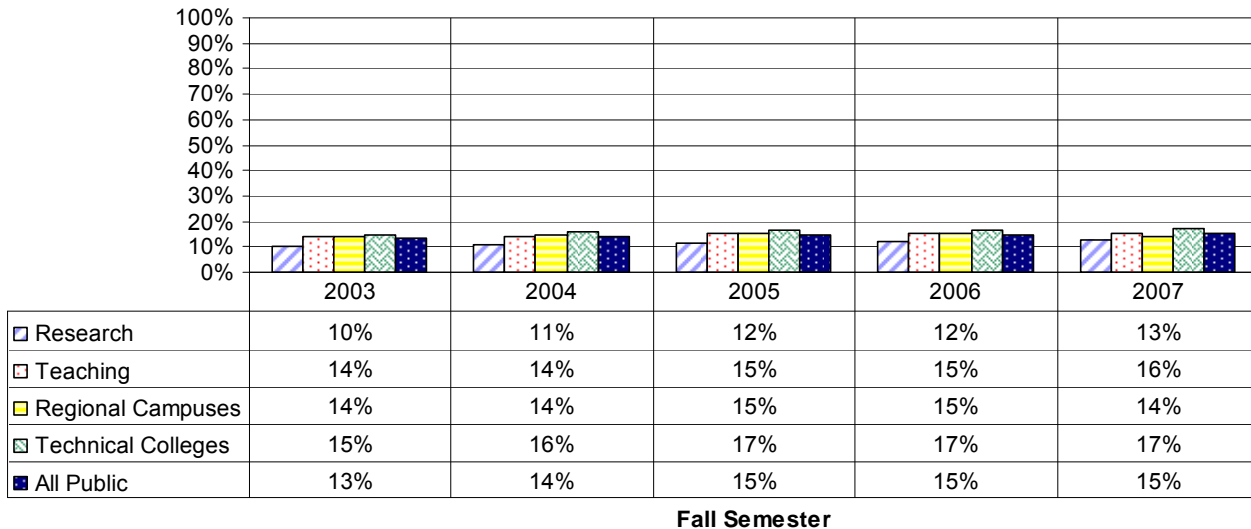


**Graph 7.1-5c, Percent of Minority Faculty Teaching in South Carolina's Public Institutions, Fall 2003 - Fall 2007**

The data in the chart below show the percent of those teaching in the fall who are minority. Data exclude graduate student teachers. Minority includes African American, American Indian/Alaskan Native, Asian/Pacific Islander and Hispanic. These data are used for Performance Funding Indicator 8C4, Percent of Minority Teaching Faculty.

**Minority Teaching Faculty**

(Faculty include those teaching at least one credit course in fall, excluding graduate students)



**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, 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 include the approval of degree, diploma, and certified programs at the public and independent colleges and universities in South Carolina.

Related Activity	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08
Number of Program Approvals for degree(s), diploma(s), and certificate(s) at each school approved for veterans benefits	*	*	*	3,441	3,604
<b>On-the-Job Apprenticeships and Training:</b>					
Number of Business/Organizations across SC involved	128	147	112	158	139
Number of Veterans enrolled in Career Training Programs	*	*	*	169	348
Number of Approved Career Training Objectives (i.e., types of available jobs)	218	314	156	182	224
Number of the Types of Career Training Objectives in which Veterans Participated	*	*	*	47	78

\* Comparable trend data are not available.

## **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)**

In August 2005, the United States Department of Education awarded CHE a second, six-year GEAR UP grant in the amount of \$2.4 million per year for a total of \$14.8 million. GEAR UP is a national grant program which supports early college preparation and awareness activities for rural and low-income students.

South Carolina GEAR UP provided direct services to 17 high 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. All students participating in SC GEAR UP programs take rigorous college preparatory courses in order to meet college admission requirements. This year, year 3 of the grant, SC GEAR UP staff coordinated the efforts of the stakeholders to fully implement the planned activities of the grant and helped 4389 students and families pursue their dreams of attaining postsecondary education.

To provide SC GEAR UP schools with programs and activities to help students improve their college readiness, CHE partnered with the South Carolina Chamber of Commerce, the State Department of Education (SDE), the two South Carolina Governor's schools, and the Southeast Center for Ocean Sciences Education Excellence. By working together toward common goals, SC GEAR UP and its partners encouraged students to stay in school, raise their academic and career aspirations, and enroll in rigorous, college preparatory courses in order to be prepared to meet college admission requirements.

Two staff members at the South Carolina Chamber of Commerce coordinated the business and community involvement portion of the SC GEAR UP program. Charged with improving academic achievement by partnering businesses with the 17 SC GEAR UP schools, the Chamber secured 95 business partnerships and over 120 individual volunteers. Each business partnership provided unique services to the schools and established a mutually beneficial relationship with the students, parents, and educators.

SDE implemented professional development seminars for SC GEAR UP teachers and provided each school with a laptop computer for administrative assistance. A mentoring training program was established with each of the 14 SC GEAR UP school districts. Housed at SDE, this program provided extensive mentor training support to the Chamber's business and education program as well as to the mentors and tutors employed by the school districts.

As part of the program evaluation, an Annual Performance Report (APR) was 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 SC GEAR UP program goals and objectives. 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 2007-08, year two of the grant. Subsequent reports will show the full impact of the implementation of the SC GEAR UP program.

### **SC GEAR UP Services Provided 2007-08 (Year 3)**

<b>Type of Services Provided to Students</b>	<b>Number of Students Who Received Service</b>	<b>Average Hours of Service Per Student Receiving the Service Per Year</b>
Tutoring/academic enrichment	3,701	41.3
Computer-assisted lab	2,708	26.0
Mentoring	3,893	18.5
Advising/academic and career planning	2,083	4.7
College visit/college student shadowing	1,282	16.2
Job site visit/job shadowing	708	1.6
Summer programs	858	40.0
Educational field trips	623	5.7
Workshops	1,369	2.2
Family events	855	2.9
Cultural events	1,149	2.3

<b>Type of Service Provided to Parents</b>	<b>Number of Parents Who Received Service</b>	<b>Average Hours of Service Per Participant Receiving the Service Per Year</b>
College prep/financial aid workshops	1,516	1.5
Counseling/advising	3,740	2.0
College visits	150	12.5
Family events	2,355	2.0

<b>Number of Teachers Who Taught SC GEAR UP Students</b>	<b>Average Hours of Professional Development Per Participating Teacher</b>
992	98.2

#### **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 eighth graders. CHE coordinates HEAP which, as outlined in Act 271 of 1992, is to provide information about higher education to eighth 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 to higher education.

In the 2007-08 school year, over 56,000 HEAP CDs were distributed to every middle school in South Carolina with an eighth grade population. In addition to the interactive student content available on the HEAP CD, there is also interactive content for parents and educators. The CD is available to students and families any time during the year.

The HEAP CDs aren't the only way eighth grade students and their families are exposed to higher education. In 2007-08, CHE made over \$90,000 available in mini-grants to support higher education opportunities. Middle schools or their higher education institution partner can apply directly for mini-grants. The grants are used to supplement transportation costs for students to visit a college or university, to bring college access speakers into the classroom, and to fund quiz bowls and other vigorous college awareness activities. Currently, 55 middle schools and 6 higher education institutions from across the state participate.

### SC HEAP Mini-grant Program, 2007-08

Higher Education Partner	Primary Activity	Students Served
The Citadel	Panel discussion with cadets	100
Denmark Technical College	Campus tours / Mentoring	670
Northeastern Technical College	Campus visit / Financing college	1,067
SC State University	HEAP Quiz Bowl / Campus visit	650
USC Beaufort	Parent / Student night	2,060
USC Salkehatchie	Career Expo/Speakers	550
	Total Students Served	5,097

### 7.1-7c, College Goal Sunday in South Carolina

In the summer of 2006, CHE was awarded a three-year grant from the Lumina Foundation to implement *College Goal Sunday* in South Carolina. This program, which aims to increase the number of college bound students completing the “Free Application for Federal Student Aid” (FAFSA), was piloted along the I-95 corridor. At eight cluster sites in Florence, Orangeburg, Charleston, Conway, Lancaster, Pendleton, and Columbia, South Carolina approximately 476 families were served in the program’s second year. Over 154 financial aid officers, their staffs and schools guidance counselors helped make this event a success.

Site	Number of Families Attending	Number of Volunteers
Florence – Francis Marion	59	21
Florence – Florence-Darlington Tech	65	19
Sumter – USC	61	17
Charleston – Trident Tech	52	27
Orangeburg – Orangeburg-Calhoun Tech	64	22
Conway – Coastal Carolina University	57	20
Lancaster – USC Lancaster	56	16
Pendleton – Tri County Technical College	62	12
<b>College Goal Sunday Total</b>	<b>476</b>	<b>154</b>

### 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. CHE 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. In the past, CHE sought funding for to re-establish the program review process but was unsuccessful. CHE has been exploring with the institutions how this process might best be accomplished.

FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08
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.	Pre-visit for NCATE at one institution in August 2006 and one focus visit in October 2006.	Focus visit for NCATE in fall 2007 and institutional visit and initial visit in spring 2008.

**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 ensures that programs are well developed, provide adequate resources, and are not unnecessarily duplicative. The following table summarizes activity in this area.

<b>Academic Program Approval and Review</b>					
<b>Related Activity</b>	<b>FY 2003-04</b>	<b>FY 2004-05</b>	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>
Number of Program Planning Summaries Reviewed	40	39	22	25	36
Number of New Program Proposals Reviewed	24	27	16	23	18
Number of Existing Programs Terminated	26	18	14	22	13
Number of Program Modifications Reviewed	4	5	2	6	2
Number of Existing Centers Terminated	13	1	2	0	0
Number of Notification Changes	not collected	70	46	47	64

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

The following table summarizes other important work of CHE in light of 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 2007-08 to 47 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, presentations, and participating in other specific activities.

<b>Related Activity</b>	<b>FY 2003-04</b>	<b>FY 2004-05</b>	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>
Number of <b>NEW</b> Academic Policies Developed	3 (Nursing Agreement, Expansion of Transfer Articulation Courses; "Standards for University Success" and Dual Enrollment)	—	1 (Mission Statement Approval)	3 (IB Credit Policy; Project Lead the Way Credit Policy; Substantive Revisions to "Policies & Procedures for New Academic Program Approval – Termination")	—
Number of <b>NEW</b> Grant Proposals or Guidelines Developed	3	—	—	—	—
Number of Reports, Articles, Presentations Prepared on Academic Issues	9	12	10	11	8
Participation in Interagency Taskforces & Committees: (#Taskforces/Committees)	27	34	29	43	47

**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 the administration of several competitive grants programs. CHE administers a state-funded competitive grant program for four-year institutions that is 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><b>The data shown here as #/# reflect the # Granted / # Submitted</b></i>					
<b>Competitive Grant Program</b>	<b>FY 2003-04</b>	<b>FY 2004-05</b>	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>
Improving Teacher Quality Program <sup>(1)</sup>	8 / 15	1 / 7	6 / 19	7 / 10	12/26
Professor of the Year: # of Submissions	37	38	38	39	36
# of Finalists	10	10	10	10	10
# of Top Awards	2	2	2	2	2
Service Learning Competition # Submissions	23	14	11	12	15
# Awards <sup>(2)</sup>	3	3	3	3	3
Centers of Teacher Excellence Program	2 / 4	2 / 4	1 / 5	1 / 5	6 / 10

(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.

<b>Program</b>	<b>FY 2003-04</b>	<b>FY 2004-05</b>	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>
Improving Teacher Quality Program	\$963,146	\$959,261	\$1,168,188	\$1,591,042	\$1,197,848
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	\$662,953	\$709,100	\$709,100	\$709,101

**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).

<b>Institutional Program Licensing Activity</b>					
<b>Related Activity</b>	<b>FY 2003-04</b>	<b>FY 2004-05</b>	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>
New Agent Permits	62	68	70	175	183
Transcripts Requested	343	311	278	269	278
<i>New Licenses – Degree Granting:</i>					
Initial Licenses	2	4	3	5	2
Amendments to Licenses	5	14	12	12	9
Non-Degree Granting Licenses Issued	168	148	166	210	179
Licenses Relinquished, Deferred, Denied, or Revoked	7	4	8	3	5
Student Complaints	30	25	34	25	59

### 7.1-9, Research University Infrastructure Act Project Certification

Under the SC Research University Infrastructure Act (RUIA) [Act 187 of 2004], \$220 million in bond funds became available to South Carolina's three senior research institutions (Clemson University, the University of South Carolina, and the Medical University of South Carolina) for research infrastructure projects. In order to access RUIA bond funds, each research institution must acquire non-state matches totaling at least 50% of the cost of each RUIA project. The Centers of Economic Excellence (CoEE) Review Board certifies the required non-state match. CHE staff assists the CoEE Review Board in verifying the non-state match and preparing the certification. Following certification, each RUIA project must be approved by the Joint Bond Review Committee (JBRC) and the SC Budget & Control Board (B&CB). The table outlines RUIA projects certified and proposed to date.

<b>Research Institution</b>	<b>Phase I</b>	<b>Phase II</b>	<b>Phase III</b>	<b>Total</b>
Clemson	\$41,700,000*	\$10,300,000*	\$8,500,000* \$8,500,000†	<b>\$69,000,000</b>
USC	\$58,000,000*	\$15,330,000†	N/A	<b>\$73,330,000</b>
MUSC	[SEE NOTE]	\$77,322,692*	N/A	<b>\$77,322,692</b>
<b>Totals</b>	<b>\$99,700,000</b>	<b>\$102,952,692</b>	<b>\$17,000,000</b>	<b>\$219,652,692</b>

Projects listed were proposed or approved between 2005 and 2008. Phases I, II, and III include infrastructure construction or upgrades at multiple facilities. The figures reflect bonds *authorized* to be issued by the Office of the State Treasurer— not bonds actually issued.

\* Proposals that have been certified by the CoEE Review Board and approved by JBRC and B&CB.

† Proposals awaiting formal certification by the CoEE Review Board; figures provided are an estimated total.

NOTE ON MUSC PHASE I: Phases I and II for MUSC were combined via recertification by the CoEE Review Board on December 12, 2007. The original Phase I certification was \$36.071 million.

### 7.1-10, South Carolina Centers of Economic Excellence

In 2002, the South Carolina General Assembly passed the Research Centers of Economic Excellence Act in order to promote growth of the knowledge-based economy in South Carolina. Oversight of the Centers of Economic Excellence (CoEE) Program is provided by the SC Centers of Economic Excellence Review Board. The South Carolina Commission on Higher Education approves the budget for the CoEE Review Board's operations and also provides staff support for the program's day-to-day operations. South Carolina Education Lottery funds in the amount of \$190 million have been appropriated for the program since the 2002-2003 Fiscal Year. Over the last six years, 41 research proposals totaling \$169 million have been approved for funding. South Carolina's three research institutions are required to raise dollar-for-dollar, non-state matching funds in order to access state funding.

The most current information on the CoEE Program is available at [www.sccoee.org](http://www.sccoee.org) . A list of funded proposals as of June 30,2008, follows:

<b>Funding Year 2002-2003</b>			
<b>Institution (fiscal institution first)</b>	<b>Proposal Title</b>	<b>Endowed Chairs</b>	<b>Proposal Amount</b>
Clemson	Automotive Systems Integration	1	\$5 million
Clemson	Automotive Manufacturing	1	\$5 million
USC	Nanostructures	1	\$4 million
USC/MUSC	Brain Imaging	2*	\$5 million
MUSC	Proteomics	1	\$4 million
MUSC	Neuroscience	3	\$3 million
MUSC/College of Charleston	Marine Genomics	2	\$4 million
<b>Total Awarded, 2002-03</b>		<b>11</b>	<b>\$30 million</b>

<b>Funding Year 2003-2004</b>			
<b>Institution (fiscal institution first)</b>	<b>Proposal Title</b>	<b>Endowed Chairs</b>	<b>Proposal Amount</b>
Clemson	Automotive Design & Development	1	\$5 million
Clemson	Electronic Systems Integration	1	\$3 million
Clemson	Photonic Materials	1	\$5 million
USC	Polymer Nanocomposites	1	\$3.5 million
USC	Hydrogen & Fuel Cell Economy I **	2	\$2.5 million
MUSC/Clemson/USC	Regenerative Medicine	3	\$5 million
MUSC/USC	Translational Cancer Therapeutics	2	\$5 million
<b>Total Awarded,2003-2004</b>		<b>11</b>	<b>\$29 million</b>

\* Reduced from four to two by act of the CoEE Review Board on June 9, 2008.

\*\* The Hydrogen & Fuel Cell Economy CoEE was approved during 2003-2004. Funding for one half of this CoEE was provided in 2003-04, the other half in 2004-2005.

<b>Funding Year 2004-2005</b>			
<b>Institution (fiscal institution first)</b>	<b>Proposal Title</b>	<b>Endowed Chairs</b>	<b>Proposal Amount</b>
Clemson	Restoration [WITHDRAWN]	—	[\$3 million]
Clemson	Electron Imaging [WITHDRAWN]	—	[\$5 million]
USC	Renewable Fuel Cells	1	\$3 million
USC	Hydrogen & Fuel Cell Economy II*	[See 03-04.]	\$2.5 million
USC/Coastal Carolina	Travel & Tourism	1	\$2 million
MUSC	Gastrointestinal Cancer Diagnostics	1	\$5 million
MUSC/USC	Cancer Drug Discovery	4	\$5 million
MUSC/USC	Vision Science	3	\$4.5 million
<b>Total Awarded, 2004-2005</b>		<b>10</b>	<b>\$22 million</b>

<b>Funding Year 2005-2006</b>			
<b>Institution (fiscal institution first)</b>	<b>Proposal Title</b>	<b>Endowed Chairs</b>	<b>Proposal Amount</b>
Clemson	Supply Chain Optimization & Logistics	1	\$2 million
Clemson	Urban Ecology and Restoration	1	\$2 million
Clemson	Advanced Fiber-Based Materials	1	\$4 million
Clemson	Molecular Nutrition	1	\$2 million
USC	Solid Oxide Fuel Cells	1	\$3 million
USC/MUSC	Childhood Neurotherapeutics	3	\$5 million
MUSC	Molecular Proteomics in Cardiovascular Disease & Prevention	2	\$5 million
MUSC/USC/Clemson	Clinical Effectiveness & Patient Safety	3	\$5 million
<b>Total Awarded, 2005-2006</b>		<b>13</b>	<b>\$28 million</b>

<b>Funding Year 2006-2007</b>			
<b>Institution (fiscal institution first)</b>	<b>Proposal Title</b>	<b>Endowed Chairs</b>	<b>Proposal Amount</b>
Clemson/MUSC	Health Facilities Design & Testing	2	\$5 million
USC	Rehabilitation and Reconstruction Science	1	\$5 million
USC	Strategic Approaches to Electricity Production from Coal	1	\$5 million
USC/MUSC/Clemson	Healthcare Quality	2	\$5 million
USC/Clemson	Senior SMART™ Center †	3	\$5 million
MUSC	Tobacco-Related Malignancy	2	\$5 million
MUSC/USC	Stroke	3	\$5 million
<b>Total Awarded, 2006-2007</b>		<b>14</b>	<b>\$35 million</b>

\* The Hydrogen & Fuel Cell Economy CoEE was approved during 2003-2004. Funding for one half of this CoEE was provided in 2003-04, the other half in 2004-2005.

<b>Funding Year 2007-2008</b>			
<b>Institution (fiscal institution first)</b>	<b>Proposal Title</b>	<b>Endowed Chairs</b>	<b>Proposal Amount</b>
Clemson	Optoelectronics	1	\$2 million
Clemson	Cyber-Institute	1	\$2 million
USC	Nanoenvironmental Research & Risk Assessment	1	\$3 million
USC	Nuclear Science and Energy	1	\$3 million
MUSC	Renal Disease Biomarker	2	\$5 million
MUSC/Clemson	Cancer Stem Cell Biology	2	\$5 million
MUSC/USC/Clemson	Advanced Tissue Biofabrication	3	\$5 million
<b>Total Awarded in 2007- 2008</b>		<b>11</b>	<b>\$25 million</b>

† The SeniorSMART CoEE was approved in 2007-2008. Funding was provided from 2006-2007 dollars.

<b>Program Totals</b>	
<b>TOTAL FUNDS AWARDED (2003-2008)</b>	<b>\$169 million</b>
<b>TOTAL LOTTERY APPROPRIATIONS (2002-2009)</b>	<b>\$190 million</b>

<b>Research Institution Totals</b>			
<b>Institution</b>	<b>Number of Centers</b>	<b>Number of Endowed Chairs</b>	<b>State Funds Drawn</b>
Clemson University	12	16	\$23,815,447
University of South Carolina	14	25	\$10,780,965
Medical University of South Carolina	15	29	\$31,853,220
<b>TOTALS</b>	<b>41</b>	<b>70</b>	<b>\$66,449,632</b>

*[Program Totals shown as of June 30, 2008. For updated information, contact CHE.]*