



South Carolina Commission on Higher Education

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Ms. Julie J. Carullo
Acting Executive Director

April 18, 2013

The Honorable Raymond E. Cleary, III
Senate, SC District 34
Chair, Finance Special Subcommittee on S.535
610 Gressette Building
Columbia, SC 29201

Dear Senator Cleary:

I am writing to express appreciation for the work your committee has undertaken in considering S.535, the Clemson University Enterprise Act. This legislation is significant for higher education and potentially, the direction of the future relationship of our public institutions and the state.

The Clemson proposal merits careful consideration within the context of the state's higher education system. Achieving the appropriate balance of flexibility and accountability within the system is of utmost importance.

Although our Commissioners have not yet had the opportunity to evaluate and endorse a formal position on the proposal, please know the Commission has been and continues to be a proponent of increased regulatory flexibility for our public higher education institutions, but with appropriate accountability to the citizens of South Carolina. Over the past several years, we have worked with the institutions and supported proposals to ease costly and restrictive regulations and improve processes and procedures. Your passage of recent regulatory reforms in 2011 for higher education institutions was applauded, and certainly more can be done to achieve a better balanced and refreshed set of regulations for the state's higher education system.

In following your committee's discussions, we know you are weighing many issues, and we recognize the proposal is evolving. To understand consequences and potential future implications, clear delineations separating enterprise activities will be important. Identification of specific activities that will not be included in the proposed enterprise division will provide key benchmarks to guide any subsequent implementation.

We are very appreciative that you have sought clarification with respect to the important and critical process of academic program approval and are seeking further clarification as to considerations of graduate versus undergraduate separation and treatment of shared or mixed-use facilities. Your closer look at reporting and transparency mechanisms is also appreciated to ensure the appropriate balance of upfront requirements as well as after the fact reporting and evaluation.

We encourage too your further consideration of the recent recommendations to create a separate and comprehensive human resource system for higher education that have been submitted by higher education institutions to the Budget and Control Board under the direction of the 2011 regulatory relief legislation. These thoughtful recommendations advance a holistic approach to human resource management for higher education, that as you've discussed if implemented, may reduce or eliminate the need for some portions of S.535.

Having an affordable, accessible, and high quality higher education system is critical to South Carolina's success. Each of our state's public higher education institutions need the benefit of the best tools and

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resources to operate as efficiently and effectively as possible. Determination of the appropriate balance of regulatory relief and accountability is not an easy task.

As the agency charged with overseeing higher education in the state, the Commission has a strong role to play as these matters are discussed and considered. We appreciate being part of the deliberations and providing you with our expertise and informed point of view as would be helpful to you as you proceed.

Again, thank you for your attention and the work you are doing on behalf of higher education and the State.

Sincerely,



Julie J. Carullo
Acting Executive Director

cc: Members of Special Subcommittee on S535, Senator Tom Davis, Senator Mike Fair,
Senator Joel Lourie, and Senator Yancey McGill
Mr. Craig Parks, MPA, Senior Research & Budget Analyst, Senate Finance Committee
Dr. Bettie Rose Horne, Acting Chair, and Members of the Commission