

## **SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION**

Meeting held at  
1st Floor Conference Room, Wade Hampton Building  
1200 Senate Street  
Columbia, S.C. 29201  
12:00 p.m.

### ***Minutes of the Meeting*** **June 1, 2017**

#### **Commissioners Attending**

Mr. Tim Hofferth, Chair  
Ms. Dianne Kuhl, Vice Chair  
Mr. Paul Batson  
Mr. Devron Edwards

Dr. Bettie Rose Horne  
Ms. Allison Dean Love  
Dr. Louis Lynn  
Mr. Charles Munns

Mr. Kim Phillips  
Ms. Terrye Seckinger  
Dr. Evans Whitaker (phone)

#### **Commission Members Absent**

Mr. Kenneth Kirkland (excused)

#### **Guests Attending**

Dr. Tamara Avant, South University  
Ms. Beth Bell, Clemson University  
Ms. Christine Brown, Medical University of South Carolina  
Dr. Ralph Byington, Coastal Carolina University  
Dr. Lynn Cherry, College of Charleston, via teleconference  
Dr. James Colbert, Lander University  
Mr. Devitt Cramer, EDMC  
Mr. Tim Drueke, Winthrop University  
Ms. Rachel Durance, Embry-Riddle Aeronautical University  
Dr. Susan Elkins, University of South Carolina, Palmetto College  
Dr. Clif Flynn, University of South Carolina Upstate  
Mr. Fred Hardin, Lander University  
Mr. Todd Harrison, The Art Institute of Charleston  
Ms. Lil Hayes, S.C. House Education and Public Works  
Dr. Tara Hornor, The Citadel  
Mr. Mike LeFever, S.C. Independent Colleges and Universities

Dr. Nancy Muller, Lowcountry Graduate Center  
Mr. Tom Nelson, Lander University  
Dr. Chris Nesmith, University of South Carolina, Palmetto College  
Mr. Newton Nyvett, The Art Institute of Charleston  
Dr. Jeff Priest, University of South Carolina Aiken  
Mr. Brent Richardson, Dream Center Education Holdings, LLC  
Mr. Ted Riley, South University  
Dr. Hope Rivers, S.C. Technical College System  
Dr. Gary Schmidt, Coastal Carolina University  
Dr. David Shoop, South University  
Dr. Eric Skipper, University of South Carolina Beaufort  
Ms. Elizabeth Snipes-Rochester, Lander University  
Mr. John South, South University  
Ms. Bree Stansberry, Embry-Riddle Aeronautical University  
Dr. Holly Tankersley, Coastal Carolina  
Mr. Jim Terrell, Dream Center Foundation  
Ms. Kimberly Walsh, EDMC

#### **Commission Staff Present**

Mr. Jeff Schilz  
Dr. Argentini Anderson  
Mr. Clay Barton  
Ms. Carrie Bundrick  
Mr. Kevin Glears  
Ms. Lane Goodwin  
Mr. Gerrick Hampton  
Dr. Falicia Harvey  
Ms. Sarah Hearn  
Ms. Devon Hollimon  
Ms. Trena Houpp

Ms. Elizabeth Jablonski  
Mr. Michael Jackson  
Dr. John Lane  
Mr. Frank Myers Jr.  
Ms. Yolanda Myers  
Mr. Edward Patrick  
Dr. Regine Rucker  
Ms. Tanya Weigold  
Dr. Erica Von Nessen  
Dr. Karen Woodfaulk

Chairman Hofferth convened the meeting at 12:00 p.m. and welcomed all in attendance. It was confirmed that the meeting was being held in accordance with the Freedom of Information Act. Interim President and Executive Director Schilz informed the Commission that the meeting agenda, materials and change of venue notification were publically posted by 9:30 a.m. on Wednesday, May 31, 2017.

## 1. Introductions

**Elizabeth Jablonski**

Ms. Jablonski introduced the guests in attendance.

## 2. Approval of Minutes

**Tim Hofferth**

A **motion** was made (Kuhl), **seconded** (Munns), and **carried** to approve the minutes of the May 11, 2017 CHE meeting.

A **motion** was made (Kuhl), **seconded** (Lynn), and **carried** to go into Executive Session for the purpose of discussing legal and personnel matters. No motion resulted from Executive Session.

At 1:00 p.m., the meeting returned to regular business. Interim President and Executive Director Schilz introduced himself and thanked Director Marcia Adams and her staff at the S.C. Department of Administration for assisting the CHE by offering the conference room in light of the CHE location being closed for the majority of the week due to a small fire and subsequent loss of power.

## 3. Presentation

**State Scholarship & Grant Programs, Karen Woodfaulk**

Commissioner Batson introduced the presentation by Dr. Woodfaulk, Ms. Weigold, Dr. Erica Von Nessen and Mr. Gerrick Hampton. The presenters spoke about state scholarship and grant programs, including topics such as growth and spending; impact of the recent changes to the Uniform Grading Policy adopted by the State Board of Education to move from a seven-point grading scale to a 10-point grading scale; changes in the scoring of standardized tests; and possible scenarios to address financial shortfalls caused by the change in the grade scale.

Commissioner Lynn asked whether state lottery funds cover the current costs of scholarships and whether the lottery will be able to sustain the increased costs. Commissioner Seckinger responded that the lottery funds do not cover the current costs and therefore will be at a greater deficit with the additional costs.

Commissioner Munns asked who would be responsible for making any possible changes and asked about the process and timing of those changes. Dr. Woodfaulk responded the responsibility of the administration of the state scholarships rests with CHE and the General Assembly. She stated the scholarship criteria is set in statute and therefore a change in criteria would necessitate a change in the law and, therefore, would have to be done by the General Assembly. She explained if no changes are made, the state would have to cover the additional costs, beginning in Fall 2017, and then continue to cover the incremental rise in costs for every year until changes are made, which are estimated to total an increase of over \$88 million over the next four years. Vice Chair Kuhl asked whether CHE had authority to make any kind of changes before the law is changed. Dr. Woodfaulk answered that the law would have to be changed. Commissioner Munns asked whether a provision existed for CHE to cover additional costs or limit the number or amounts of scholarship awards in order to mitigate additional costs. Dr. Woodfaulk responded by stating that a provision exists in statute that places the burden on the State of South Carolina in cases whereby lottery funds are unable to cover the full costs of state scholarships. Dr. Woodfaulk added that the state currently covers the costs of state scholarships since the lottery funds are not currently adequate to fund the full costs.

Commissioner Batson explained steps in the process and stated that CHE is currently analyzing the impact of additional costs and beginning to garner feedback from stakeholders, including institutions. He stated that before CHE makes any possible recommendations to the legislature, it must be determined the extent to which the criteria is narrowed. He shared Commissioner Horne's question from a previous comment in which she asked about the end-goal. He described next steps as continuing to garner feedback; for the Committee on Access and Equity and Student Services to present recommendations for the full Commission to consider for approval; and then to move forward with recommending statutory change to the legislature for the upcoming General Assembly Session. Commissioner Munns expressed concern about the additional costs for in the upcoming school year. Chair Hofferth explained that concerns regarding the state's

ability to cover the additional costs for the upcoming school year and potential transition plans should be communicated by Interim President and Executive Director Schilz to legislators this fall. Commissioner Munns expressed his concern for students and the expectations of parents.

Commissioner Edwards thanked Commissioner Batson and the CHE staff for the presentation and asked whether the criteria for state scholarships have been changed in the past. Dr. Woodfaulk answered affirmatively and explained that various criteria and combinations of criteria elements have been changed a few times since 2002. Commissioner Edwards commented that with the change in grading policy, the standards for scholarships have been lowered, allowing additional students to receive awards. Commissioner Edwards observed that even before the current changes, the state has increased the number of students who qualify for, and receive, state scholarships and for that, the state and the educational community should be applauded. Dr. Woodfaulk responded that the State Board of Education, in changing its grading policy, sought to make the state more competitive with other states in the Southeast that already operate with a 10-point grading scale.

Chair Hofferth asked the reasoning behind the grading policy change and whether it was to increase opportunities for students. He expressed concern about the financial implications of the change. He then expressed appreciation for the Committee and staff on presenting possible options to address the additional costs. Dr. Woodfaulk replied that she could not fully answer the question of intent and that the question would need to be posed to the S.C. Department of Education. Commissioner Munns asked Interim President and Executive Director to send a letter, with information regarding the financial impact on state scholarships, to appropriate legislators and other leaders of the state. Interim President and Executive Director Schilz agreed and stressed that the CHE should be a part of the discussion going forward and the creation of a sustainable solution. Chair Hofferth stated the importance of understanding the unintended consequences for state scholarships.

Vice Chair Kuhl asked about the role of public hearings in the process. Commissioner Batson expressed the importance of public hearings in the process but then stated that the Committee is tentatively planning to hold public hearings in late summer/early fall. Commissioner Seckinger commented that this decision process involves two of the CHE's goals: affordability and access. She reiterated the need to understand the General Assembly's current expectations for the lottery and the scholarship program.

Commissioner Munns stressed the importance of knowing the Commission and/or the General Assembly's end goal prior to holding public hearings. Interim President and Executive Director Schilz agreed that more work needs to be accomplished before holding public hearings. Commissioner Batson thanked Committee members and the rest of the Commissioners for their active engagement in this process and also thanked the staff for their continued work. Commissioner Horne expressed appreciation for Commissioner Batson's Committee leadership. Dr. Von Nessen asked Dr. Woodfaulk to clarify the state's role in covering overages for grants. Dr. Woodfaulk responded by stating that the Lottery Tuition Assistance Program (LTAP) is only funded through lottery revenue whereas the merit-based scholarships (LIFE, HOPE, Palmetto Fellows) are funded through lottery funds and then from the state if additional funds are needed. She explained since LTAP is funded solely with lottery funds, the assistance is dependent on funding levels for that year which in some years has prompted mid-year cuts to assistance received by students.

#### **4. Chairman's Report**

**Tim Hofferth**

Chairman Hofferth reminded the members of the Commission's three-pronged focus of access, affordability and excellence. He expressed the Commission's commitment to holding high these three values as the Commission considers specific actions that will affect higher education in the state. While acknowledging the work of Trustees at individual institutions, he stressed the difference in perspective between institutional Boards of Trustees and the Commission. He explained that institutional Boards are charged to promote and sustain individual institutions in their respective mission and brand, while the Commission is charged with holding a statewide perspective on higher education. He stressed the Commission's need to analyze effects on higher education across the state in the decisions it makes.

Chairman Hofferth reminded members of the high costs of attending higher education in South Carolina and stressed the importance of the Commission's work to analyze the financial health of institutions. He addressed concerns regarding the recent budget proviso, which limits the Commission's authority in vetting certain types of capital projects. He expressed the Commission's commitment to work diligently in the next few weeks to inform the Governor and other legislators of

the negative fiscal implications of the proviso. Commissioners responded to Chairman Hofferth's report, reiterated his concern and discussed the affordability of higher education in the state; future implications of the proviso if it is made into law; and the differences in perspective between institutional Boards of Trustees and the Commission.

**5. Vice Chair's Report**

**Dianne Kuhl**

Vice Chair Kuhl had no report.

**6. Interim President and Executive Director's Report**

**Jeff Schilz**

Interim President and Executive Director Jeff Schilz had no report.

**7. Committee Reports**

**7.01 Report of the Executive Committee**

**Tim Hofferth**

The committee had no report.

**7.02 Report of Committee on Academic Affairs and Licensing**

**Terry Seckinger**

**CONSENT AGENDA**

**A. Program Proposals**

1. The Citadel, B.S.B.A., Accounting
2. The Citadel, B.A., Intelligence and Security Studies with concentrations in Military Intelligence; Chinese Area Studies; Counterterrorism; Business Intelligence; General Intelligence
3. Coastal Carolina University, B.A., Languages and Intercultural Studies with concentrations in Hispanic Studies and Multiple Languages
4. Coastal Carolina University, M.A., Music Technology
5. Francis Marion University, B.S., Biology, Secondary Education
6. Lander University, Bachelor of Fine Arts (B.F.A.), Fine Art with concentrations in 2D Studio, 3D Studio

**B. Amendment to Existing License to Add New Programs**

1. Embry-Riddle Aeronautical University, North Charleston: A.S., Aviation Maintenance; M.S., Management; and M.S., Project Management

**C. Application for Initial License (Change of Ownership)**

1. Dream Center Foundation, acquisition of the Art Institute of Charleston and South University, Columbia, from Education Management Corporation (EDMC)

**D. Application for Initial License**

1. Southeastern University, Lakeland, FL, to establish an extension site at Seacoast Church, Mt. Pleasant, S.C.: A.A., General Education

**E. SmartState Operating Budget, FY 2017-18**

**F. Report on Program Modifications, March 1 – April 30, 2017**

*(For Information, No Action Required)*

**G. Update on Consideration of Nontransferable Technical College Degree Program**

*(For Information, No Action Required)*

Commissioner Seckinger provided brief remarks on the items brought forward for consideration from the Committee on Academic Affairs and Licensing. She acknowledged the need for the B.S.B.A. in Accounting at The Citadel and expressed support for the faculty involved in The Citadel's B.A. in Intelligence and Security Studies. She expressed the need for Coastal's two proposed programs. She then explained the B.S. in Biology in Secondary Education for Francis

Marion University, acknowledging the S.C. state science standards that will help shape future science teachers in S.C. She informed the members that Lander's B.F.A. in Fine Art-2D and 3D Studio will be unique to the state.

Commissioner Seckinger explained Embry-Riddle Aeronautical University decided to pull the two graduate proposals of its three programs included in Agenda Item 7.02.B. She stated the A.S. in Aviation Maintenance remains for approval consideration. She summarized the Dream Center Foundation's application for initial licensure in the change of ownership of The Art Institute of Charleston and South University, and the Foundation's intent to convert the for-profit institutions to non-for-profit entities. She addressed Southeastern University's proposal to establish an instructional site at Seacoast Church in Mt. Pleasant, S.C., to award the A.A. in General Education. Then Chair Seckinger expressed appreciation for the strong collaboration between S.C.'s three research institutions promoted by the SmartState Forum she participated in during its April convening, and then acknowledged its proposed FY2018 budget.

The consent agenda, which was brought forward as a motion from the committee and therefore did not require a second, **passed** unanimously.

Dr. Lane addressed the items provided for information and then described the informational Report on Program Modifications. He explained the SC Technical College System's proposal to offer the unique A.A.S. in Baking and Pastry Arts degree to be offered at Horry-Georgetown Technical College. He informed the members that the S.C. Technical College System, CHE staff and four-year colleges and universities determined this degree would be non-transferable and therefore program consideration was expedited in accordance with policy. Dr. Lane addressed a previous question regarding academic advisement for nontransferable programs, reiterating the assurance from the S.C. Technical College System that students receive robust advisement from admission as to the degree's nontransferable status. Then he invited Dr. Rivers to re-confirm this and Dr. Rivers responded affirmatively, noting that individual courses might transfer to a four-year college or university but the degree as a whole would not.

### **7.03 Report of Committee on Access & Equity and Student Services**

**Paul Batson**

#### **A. The SC Commission on Higher Education State Approving Agency Overview and Function** *(For Information, No Action Required)*

#### **B. Palmetto Fellows Scholarship Program Presentation** *(For Information, No Action Required)*

Commissioner Batston briefly addressed the two informational items provided in the Commission meeting mailout: an overview of the State Approving Agency and a presentation on the Palmetto Fellows scholarship program.

### **7.04 Report of Committee on Finance and Facilities**

**Dianne Kuhl**

#### **CONSENT AGENDA**

##### **A. Interim Capital Projects**

1. Medical University of South Carolina – Clinical Sciences Building Cooling Towers Replacement
  - Clinical Sciences Building 8<sup>th</sup> Floor Northwest Side Renovation
  - Basic Sciences Building 7<sup>th</sup> Floor Biorepository & Histology Lab Renovations
  - Thurmond Gazes Building 6<sup>th</sup> Floor Alcohol Research Center Renovations
2. Florence Darlington Technical College – Master Plan, Academic and Workforce Development Building Construction
3. Piedmont Technical College – Upstate Center for Manufacturing Excellence
4. University of South Carolina- Columbia – SCANA Property Acquisition

##### **B. Lease Approval**

1. Medical University of South Carolina – 176 Croghan Spur Road

### **C. Other Business** *(For Information, No Action Required)*

1. List of Capital Projects and Leases Processed by Staff for May
2. Other

Commissioner Kuhl announced the project proposed from Florence-Darlington Technical College and the project proposed from the University of South Carolina Columbia have been pulled off the consent agenda and are not to be considered for approval at this meeting. She explained the four renovation projects from the Medical University of South Carolina do not involve bond funds. She informed the members of the many benefits that the Piedmont Technical College Upstate Center for Manufacturing Excellence will bring to the area. Commissioner Horne expressed her support for the project. Commissioner Kuhl then presented information on the lease proposed by the Medical University of South Carolina.

The revised consent agenda, which was brought forward as a motion from the committee and therefore did not require a second, **passed** unanimously. Commissioner Lynn asked about the University of South Carolina Columbia project and in particular the University's concern that the Commission will not meet in July. Chair Hofferth responded that Commissioner Kirkland and Interim President and Executive Director Schilz will meet with the University to garner additional information and to coordinate future steps.

Commissioner Kuhl referred to the two additional items for information.

Commissioner Kuhl asked Interim President and Executive Director Schilz to comment on the subject of abatements. Mr. Schilz referred to a recent article regarding abatements at the University of South Carolina Columbia. He defined abatements as the discounts provided to out-of-state students to bridge the difference, or a portion of the difference, between the amount that out-of-state students are required to pay compared to the amount in-state students pay. He reported that Chairman Brian White of the S.C. House Ways and Means Committee requested the amount of abatement funds granted by the South Carolina colleges in this current school year, which thus far has amounted to approximately \$96 million at the University of South Carolina. Mr. Schilz then stated that other institutions provide abatements, as well. He commented that there are valuable reasons for the practice of abatements, but the extent of use might need to be studied more thoroughly. He also stated that USC representatives indicated that 49% of the University's incoming freshman class is projected to be out-of-state students. Commissioner Lynn asked for the out-of-state student percentages for all the campuses in the University of South Carolina system. Mr. Schilz agreed to provide that information. Commissioner Munns referred to the 4% legislative limit provided to certain students. Mr. Schilz explained the 4% limit involves waivers for in-state students. Chair Hofferth asked for abatement amounts and GPAs for all the University of South Carolina System campuses. Commissioner Edwards asked whether the abatement numbers include institutional scholarships. Mr. Schilz answered that scholarships are not included in the abatement numbers. Commissioner Phillips emphasized that there is a limit on in-state waivers but not on out-of-state abatements. Mr. Schilz concluded the discussion by commenting on the sustainability of continuing to offer abatements at this rate, especially in regards to the overall financial budget for the University.

### **7.05 Report of Special Ad Hoc Subcommittee—Boards of Trustees Code of Conduct**

**Ken Kirkland**

In Commissioner Kirkland's absence, Chair Hofferth reported that the Committee is continuing to garner feedback.

### **7.06 Report of Special Ad Hoc Subcommittee—Public Agenda**

**Allison Dean Love**

Commissioner Love explained that Drs. Layzell and Rhoda are scheduled to visit July 6 and 7 to facilitate a productive conversation regarding the progress of the public agenda.

### **8. Other Business**

Commissioner Munns suggested that if the proviso regarding CHE authority in vetting certain types of capital projects becomes law, then the Commission should communicate via letter to the legislative education committees informing them of the agency's reduced role. He also suggested that if the proviso becomes law that the Commission use its August

Working Session to study current resources and determine targeted priorities. He also commented on the need for the agency to further study academic programming across the state and make statewide recommendations as to academic programs. Mr. Schilz agreed and commented that a strategy to address the financial aspects of state scholarships will continue to be formed over the summer. He shared with the Commission that CHE is participating in a project with other state agencies to develop a statewide longitudinal data system and one of the major focus areas for CHE is collecting and analyzing data about current and future workforce needs.

Commissioner Horne expressed admiration for a recent public address made by Commissioner Munns at the Aiken County Memorial Day Services. Commissioners applauded Commissioner Munns.

Chair Hofferth asked the Commissioners to contact him during the summer in regards to their current service on sub-committees and whether they would like to continue to serve on the same sub-committees.

## **9. Public Comment**

There was no public comment provided.

## **10. End of Business Meeting**

A **motion** was made, **seconded**, and **carried** to adjourn the meeting at 1:56 p.m.