

SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION

Meeting held at
1122 Lady Street, Suite 300
Columbia, S.C. 29201
1:00 p.m.

Minutes of the Meeting
November 1, 2018

Commissioners Attending

Mr. Ken Kirkland, Vice Chair	Mr. Devron Edwards*	Mr. Charles Munns
Mr. Paul Batson	Dr. Bettie Rose Horne	Ms. Terrye Seckinger
Mr. James Battle	Mr. Richard Jones	
Ms. Linda Dolny	Ms. Dianne Kuhl	

Commission Members Absent

Guests Attending

Ms. Beth Bell, Clemson University	Mr. AJ Newton, House Ways & Means Committee
Mr. James Colbert, Lander University	Mr. Craig Parks, University of South Carolina Columbia
Dr. Tena Crews, University of South Carolina	Mr. Jeffrey Perez, SC Independent Colleges & Universities
Mr. Tim Druke, Winthrop University	Dr. Hope Rivers, State Technical College System
Ms. Brenda Hart, Senate Finance Committee	Ms. Carol Routh, Clemson University
Dr. Edward Jadallah, Coastal Carolina University	Dr. Charlie Spell*, South Carolina State University
Mr. Rick Kelly, University of South Carolina Columbia	Ms. Reinell Thomas-Myers*, South Carolina State University
Dr. Peter King, Francis Marion University	
Mr. Derek Maggie, University of South Carolina Columbia	
Mr. Graham Neff, Clemson University	
Dr. Chris Nesmith, University of South Carolina Columbia	

*Attended by phone

Commission Staff Present

Mr. Jeff Schilz	Dr. John Lane
Ms. Anika Ali	Ms. Julissa Nixon
Dr. Jennifer Almeda	Ms. Katie Philpott
Dr. Argentini Anderson	Mr. Andrew Roof
Ms. Laura Belcher	Dr. Regine Rucker
Dr. Saundra Carr	Ms. Peggy Simons
Mr. Christopher Glenn	Mr. Georges Tippens
Ms. Lane Goodwin	Mr. Kenneth Turner
Dr. Samuel Grubbs	Mr. Bryce Wilson
Ms. DeVaris Hatten	Dr. Karen Woodfaulk
Ms. Whitney Jett	Dr. Lishu Yin

Vice Chair Kirkland convened the meeting at 1:07 p.m. and welcomed all in attendance. It was confirmed that the meeting was being held in accordance with the Freedom of Information Act.

1. Introductions

Ms. Belcher introduced the guests in attendance.

2. Approval of Minutes

Ken Kirkland

A **motion** was made (Horne), **seconded** (Battle), and **carried** to approve the minutes of the October 4, 2018, meeting.

3. Presentation

There was no presentation.

4. & 5. Chairman's and Vice Chair's Report Report

Ken Kirkland

Vice Chair Kirkland indicated that he would provide the Chair's and Vice Chair's report together.

Mr. Schilz noted that he has not been involved in conversations regarding his salary or position throughout this process and subsequently excused himself from the meeting until the conclusion of the discussion about his position.

A transcription of Vice Chair Kirkland's statements is provided below.

"I would like to use this time to discuss two very important points:

- 1. As you all are well aware, our CHE Chairman, Mr. Tim Hofferth, resigned suddenly and unexpectedly last Friday, October 26th. This resignation came as a result of personal attacks against Mr. Hofferth regarding a title change and salary recommendation for CHE President Jeff Schilz. This attack further stipulated that Chairman Hofferth willfully and directly broke the law and was blatantly flaunting this break to all. I can assure you nothing was further from the truth.*

Mr. Schilz began as the Interim Executive Director in April of 2017. He was extremely qualified as having a law degree from [the] USC School of Law, having worked for Governor Sanford as policy director, budget director, cabinet director and staff attorney. In addition he worked as a business and government consultant with various entities all while serving as a Board of Trustee member for the College of Charleston. Jeff used this experience to bring immediate and meaningful change to CHE. As I said, he was extremely qualified.

Our Commission had discussed many times how fortunate we were to have such an asset. Our desire was to make Mr. Schilz permanent by removing the 'Interim' label and raising his salary commensurate with other agency heads. The salary range for the CHE President was set by [Senator] Hugh Leatherman and the Agency Head Salary Commission as evidenced by a 1/5/17 memo.

At our August 2018 meeting, CHE discussed the job performance of President Schilz and as a group gave unanimous consensus to remove the 'Interim' title and to submit a recommendation to increase his salary to the maximum set forth by the Agency Head Salary Commission. No dollar amount was discussed but only salary range maximums. Jeff was doing great work and these moves were warranted.

This recommendation was submitted to the Department of Administration for processing and review as CHE no longer had oversight or approval regarding the Executive Director's salary. DOA dropped the ball, not CHE.

Furthermore, once it was determined that proper approvals were not given, CHE was never called or contacted for information or discussion. Senator Leatherman used this opportunity to attack Chairman Hofferth personally in the paper and with numerous letters. Very inappropriate and unfair.

2. Vice Chair Kirkland transitioned to read Mr. Hofferth's Opinion Letter, published on October 27, 2018, in the Post and Courier.

In September 2015, Gov. Nikki Haley asked me to accept an appointment to chair the S.C. Commission on Higher Education. In the three years following my acceptance, I've traveled this state, spending countless hours away from my work and family, visiting nearly every college and university campus, and talking with families and students struggling to find ways to pay for the education that could change their futures.

South Carolina is one of the least affordable states in this country if you want a college degree. We are first in the Southeast, and eighth in the nation, for what it will cost you to get a diploma, and eighth nationally for the amount of debt weighing down our students as they start their new lives. I think that's a problem, and so does the Commission on Higher Education.

Our colleges and universities should be focused on providing excellence in education to benefit South Carolina, not chasing magazine ratings and trying to compete with other states. Sadly, many of our institutions have lost sight of that goal, and our students and families are paying for it — literally. South Carolina is 12th in the nation on capital project spending. That means that our colleges and universities spent \$3.7 billion over the last 10 years on fancy new buildings, fountains, courtyards and athletic facilities. Don't get me wrong — I want our students to have beautiful campuses. But not if it means that their neighbors are stuck outside the gates because they can't afford to get in.

The Commission on Higher Education is clear: We work for South Carolina and its people. There's still much to do, but in the past three years, we've made dramatic changes to put families first: We've created procedures to better analyze new building projects. We're working on SCCORE, an initiative to reduce costs for students, and the Palmetto Calculator, which will allow students to more accurately determine their costs and potential debt at our state's schools. We adopted a Student Bill of Rights, and we conducted nearly a dozen town hall meetings across the state to hear the concerns and thoughts of people just like you.

With every decision we make, we ask, "How does this benefit our students, families and taxpayers?" Unfortunately, there are other folks with other priorities. While many senior legislative leaders are working hard to secure their power, the commission is trying to secure the future of South Carolina and our families.

Rather than focus on real issues that affect real people, they have chosen the path of political theater: They jump up and down, shout loudly, wave their arms, engage in personal attacks, and hope that people are so distracted by the show that they won't bother to look at the facts. Every time we shine the light in the dark closet to uncover a skeleton like admitting out-of-state students instead of qualified South Carolinians, giving in-state tuition to out-of-state students, out-of-control spending, or a lack of transparency in cost of attendance, they respond not by

telling us why we've got it wrong, not by admitting there's a problem and looking for a solution, but by attacking the commission.

I think that the people of South Carolina are smart enough to see through the smoke and mirrors. I know the people of South Carolina deserve better than this kind of circus.

We've asked our institutions for honesty and transparency and that rule certainly applies to me. As the chairman, I take responsibility for not asking enough questions about the state's procurement process. I could have done more but my failure was never intentional.

I've never walked away from a fight in my life, but it's clear to me now that I'm being used as a distraction to turn the focus away from this commission's message, that our students and families have serious problems gaining access to and paying for higher education. I know these are important topics of conversation around your dinner tables, and I believe it's imperative that these issues be addressed.

I used to think that change begins at the Statehouse. I was wrong. Change begins in your house! I encourage you to make your voices heard and to tell our state's leadership that if they want to keep their jobs, they'd better start worrying more about our children's future than protecting their own power. They think that with my resignation, the fight will be over. They're wrong. The fight is just beginning.

Vice Chair Kirkland returned to his personal statements.

I would like to say here and for the record that Chairman Hofferth is arguably the most influential and most effective leader CHE has ever had. Access, Affordability and Excellence became more than hollow words. That was now our rallying cry for the students and families of S.C. Tim was instrumental in creating better procedures to collate and analyze data, creating a dashboard for our universities, developing SCCORE, adopting a Student Bill of Rights, expanding financial vetting of capital projects and conducting over a dozen town hall meetings to hear issues facing S.C. families as it relates to higher education in our state.

Time and again, we heard concerns about skyrocketing cost of attendance, massive amounts of student debt incurred to receive a degree and job placement opportunities to allow repayment of that debt. In addition, out of control spending by our institutions only bring us closer to an institutional failure. Schools must begin to right size in order to remain operational. Simply put, the current path regarding higher education in our state is unsustainable.

Tim brought these issues into the light while leading CHE. There are those who have succeeded in silencing his voice but these concerns are real. We will continue to always fight for S.C. families, students and taxpayers as it relates to higher education issues in our state.

Commissioner Seckinger remarked and attested to the impact of Mr. Hofferth's leadership on the Commission and explained that Mr. Schilz has been tremendously effective since joining CHE. Commissioner Seckinger stated no vote was held to confirm Mr. Schilz as president of the agency, but rather that he was confirmed by an informal, unanimous consensus. She emphasized that Mr. Schilz's revised salary was within the limits set by the Department of Administration. She stated it would have been unethical for Mr. Schilz to involve himself in his hire process, which she explained was the reason Mr. Hofferth managed the process with the Department of Administration and Mr. Schilz voluntarily extricated himself. Commissioner Seckinger rhetorically asked why new commissioners were the only ones inquired about Mr. Schilz's hire, and she implored for better communication and collaboration among partners in state government.

Commissioner Munns stated that he believed the Commission should focus its energy on the future, so he suggested the Commission put the issue to rest and take a positive tone moving forward from the day's discussion. Commissioner Battle agreed with Commissioner Munns and added that the problem arose from poor handling of Mr. Schilz's promotion and salary increase. Vice Chair Kirkland conceded to Commissioner Battle that Mr. Hofferth's usage of "vote in executive session" was incorrect, as it is prohibited for votes in such sessions to be taken, and he agreed with Commissioner Munns that the Commission should orient itself towards its initiatives for the future. Vice Chair Kirkland announced to the Commission that it would discuss with legal counsel potential courses of action during its executive session later in the day. Lastly, Commissioner Battle expressed concern for what he perceived as the Commission's neglect of excellence in favor of accessibility and affordability. Commissioner Horne expressed her agreement with Commissioner Munns' remarks about moving forward with a positive tone.

Commissioner Kuhl inquired about the function of the Department of Administration's human resource division respecting the conferment of salary increases; specifically, she wanted to discern who was responsible for setting the new salary: the Commission or human resources. Commissioners Battle and Munns both answered that the Commission is responsible for recommending the salary, and human resources is responsible for its approval and administration. Commissioner Kuhl expressed concern for the poor feedback received from the Department of Administration during Mr. Schilz's promotional process.

6. Interim President and Executive Director's Report

Jeff Schilz

Mr. Schilz called the Commissioners' attention to the agency's priority list, which Commissioner Munns requested be provided at each meeting so the progress made towards major goals could be more clearly seen. Mr. Schilz then reviewed the actions taken over the past month to advance the Commission's capital priorities. Commissioner Munns thanked Mr. Schilz for providing the information. Before transitioning to the Legislative Report, Commissioner Kuhl conveyed Commissioner Battle's apologies to the Commission, as he had to depart early for another meeting in Charleston. He left the meeting at 2:02 p.m.

7. Legislative Report

Ms. Philpott informed the Commission that the agency's budget request for the upcoming fiscal year had been submitted to the governor's office, and its presentation was given the previous Friday, October 26th. Ms. Philpott noted the next step in the appropriations process required CHE to present its budget request to the House Ways and Means subcommittee. Lastly, she informed the Commission that two joint Senate committee hearings had already been held to discuss the Higher Education Opportunity Act, and she anticipates more to be convened in the future. Commissioner Munns asked Ms. Philpott to evaluate whether the bill was gaining or losing traction, which she estimated was gaining, as Senator Sheheen already voiced that he would like the proposed bill to be studied more extensively in future hearings.

8. Committee Reports

8.01 Report of the Executive Committee

Ken Kirkland

The Committee had no report.

8.02 Report of Committee on Academic Affairs and Licensing

Terrye Seckinger

While the Committee on Academic Affairs and Licensing had no official report to give the Commission, Commissioner Seckinger stated that a concerted effort is underway to confront the teacher shortage. Before she asked Dr. John Lane to provide a brief update on such efforts, Commissioner Seckinger quickly added that

Superintendent Spearman confirmed to her that PRAXIS composite scoring would be voted on during the Department of Education's December board meeting.

8.03 Report of Committee on Access & Equity and Student Services

Paul Batson

CONSENT AGENDA

A. SC Program for the Recruitment and Retention of Minority Teachers (SC-PRRMT) FY 2017-2018 Fourth Quarter Report

Commissioner Batson presented the report to the Commission and described its findings as positive. In the process of receiving the report, Commissioner Batson noted that the Committee on Access & Equity and Student Services incidentally learned that students with delinquent loans were in some cases being denied their transcripts. The consent agenda, which was brought forward as a motion from the committee and therefore did not require a second, **passed** unanimously.

B. Measure One DNRS Report (For information, no action required)

C. SC National Guard College Assistance Program Report (For information, no action required)

Commissioner Batson presented the above items for information purposes only. He thanked Ms. Lorinda Copeland for her efforts in collating the *SC National Guard College Assistance Program Report*.

8.04 Report of Committee on Finance and Facilities

Dianne Kuhl

CONSENT AGENDA

A. Interim Capital Projects

1. Clemson University
 - A. Soccer Operations Complex Construction
-Increase Budget
2. Greenville Technical College
 - A. Bldg. 802 Roof Replacement and Building Air Conditioning
-Establish Project
3. Spartanburg Community College
 - A. Spartanburg Cherokee County Campus Land Acquisition
-Increase Budget, Revise Scope
4. USC Aiken
 - A. USC Aiken Maintenance Building
-Increase Budget
5. USC Columbia
 - A. Barnwell Exterior Renovation
-Increase Budget
 - B. Jones PSC Biology Labs Renovation I
-Establish Project
 - C. Strom Thurmond Wellness Center Intramural Recreation Fields Synthetic Turf Installation
-Establish Project
 - D. Williams Brice Stadium Renovations
-Establish Project

Commissioner Kuhl discussed the purposes, costs, and funding sources of the seven proposed capital projects. While discussing the project described by *item 8.04.A.5.D*, Commissioner Kuhl noted that the athletic director at the University of South Carolina, Mr. Ray Tanner, who provided information to the Committee during its inquiry process, was unable to attend the day's meeting, as he was attending the funeral of the mother of former

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

B. Other Business

1. List of Capital Projects and Leases Processed by Staff for October 2018
(*For Information, No Action Required*)

Commissioner Kuhl presented *item 8.04.B.1* for information purposes only.

9. Other Business

There was no other business.

10. Public Comment

There was no public comment.

11. End of Business Meeting

Commissioner Horne motioned at 2:29 p.m. to enter executive session for the purpose of discussing legal and personnel matters. The motion was seconded by Commissioner Kuhl and was carried. Commissioner Kuhl reported that Commissioner Edwards was unable to attend Executive Session.

At 4:02 p.m., Commissioner Batson moved and Commissioner Seckinger seconded to adjourn executive session and resume the business meeting. No action resulted from Executive Session. With a motion (Kuhl), second (Seckinger), and unanimous vote, Vice Chair Kirkland adjourned the meeting at 4:03 p.m.