

**SOUTH CAROLINA  
COMMISSION ON HIGHER EDUCATION**



**ANNUAL ACCOUNTABILITY REPORT  
FISCAL YEAR 2008-2009**

*September 2009*

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## South Carolina Commission on Higher Education

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Dr. Garrison Walters, Executive Director

September 15, 2009

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 2008-09. 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 2008-09 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. This report will not be submitted in January 2010 due to provisions of budget proviso 89.121 which suspended the report in FY 2009-10.

We are very proud of the work of CHE 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,

A handwritten signature in cursive script that reads "Garrison Walters".

Garrison Walters  
Executive Director

Enclosure

## **Accountability Report Transmittal Form**

**Agency Name:**        **The South Carolina Commission on Higher Education (CHE)**

**Date of Submission:**    **September 15, 2009**

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

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

**Agency Contact's**

**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\_FY0809\_AcctRpt\_Final091509*

# TABLE OF CONTENTS

## South Carolina Commission on Higher Education Annual Accountability Report Fiscal Year 2008-09

	<i>Page</i>
<b>SECTION I – EXECUTIVE SUMMARY .....</b>	<b>1</b>
Mission, Values, Services Offered and Overarching Strategic Goals.....	1
Major Achievements from Past Year .....	2
Key Strategic Goals for Present and Future Years .....	5
Key Strategic Challenges .....	12
Use of Accountability Report to Improve Organizational Performance .....	13
<b>SECTION II – ORGANIZATIONAL PROFILE .....</b>	<b>14</b>
Major Products and Services and Delivery Method .....	14
Key Customers and Their Key Requirements/Expectations .....	16
Other Key Stakeholder Groups .....	16
Key Suppliers and Partners.....	16
Operation Locations .....	17
Number of Workforce.....	17
Regulatory Environment.....	17
Performance Improvement System .....	17
Organizational Structure.....	17
Organizational Chart .....	19
Expenditures/Appropriations Chart .....	20
Major Program Areas Chart .....	21
<b>Section III – Elements of Malcolm Baldrige Award Criteria .....</b>	<b>22</b>
Category 1. Senior Leadership, Governance, and Social Responsibility .....	22
Category 2. Strategic Planning.....	22
Category 3. Customer and Market Focus .....	24
Category 4. Measurement, Analysis, and Knowledge Management .....	25
Category 5. Workforce Focus .....	25
Category 6. Process Management.....	26
Category 7. Results .....	26
Listing of tables and charts as presented in Category 7.....	ii

## Section III, Category 7, Results – Listing of Tables and Charts

*Note: Fiscal Years below are abbreviated and indicated by end year, i.e., FY 2008-09 is listed as FY09.*

	<i>Page</i>
<b>7.1-1, Production of Annual Reports and Publications Providing Institutional Data and Higher Education Facts and Figures.....</b>	<b>26</b>
<b>7.1-2, Data Support Activities for Higher Education.....</b>	<b>27</b>
<b>7.1-3, Scholarship and Grant Programs.....</b>	<b>27</b>
Table 3a, Staff Activity regarding Scholarship/Grant Awareness and Appeals, FY05 to FY09	
Table 3b, State Appropriations for Undergraduate Scholarship and Grant Programs, FY05 to FY09	
Graph 3c, Annual Awards (Number and Dollars) for State Undergraduate Scholarship and Grant Programs Type Institution (Public or Independent) by Year, FY05 to FY09	
Graph 3d, Scholarship Awards by Program, FY05 to FY09	
Graph 3e, Scholarship Dollars Awarded by Program, FY05 to FY09	
Graph 3f, Percent of State Undergraduate Scholarship and Grant Awards by Program, FY05 & FY09	
Graph 3g, Percent of State Undergraduate Scholarship and Grant Dollars Awarded by Program, FY05 & FY09	
Graph 3h, Average Award Amounts by Program, FY05 and FY09	
Table 3i, National Guard Student Loan Repayment Program, FY05 to FY09	
<b>7.1-4, Program Participation, Southern Regional Education Board (SREB) .....</b>	<b>35</b>
Table 4a, SC Students Certified for Participation in SREB Programs, 2004-2008 and by FY	
<b>7.1-5, Access and Equity – Minority Participation in Public Institutions .....</b>	<b>36</b>
Graph 5a, Minority Enrollment in SC Public Colleges by Sector and Level, Fall 2004 to Fall 2008	
Graph 5b, Graduation Rates of Minority Students Compared to All Students by Cohort, SC Public Institutions by Sector, Most recent three-year cohort trends	
Graph 5c, Percent of Minority Faculty Teaching in SC’s Public Institutions, Fall 2004 to Fall 2008	
<b>7.1-6, Veterans Education and Training Program .....</b>	<b>39</b>
<b>7.1-7, CHE’s Programs for Promoting Early Awareness of Higher Education and Preparation for Participation in Higher Education .....</b>	<b>40</b>
7.1-7a, Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)	
7.1-7b, Higher Education Awareness Program (HEAP)	
7.1-7c, <i>College Goal Sunday</i> in SC	
<b>7.1-8, Ensuring Quality Academic Programs .....</b>	<b>43</b>
Table 8a, Academic Program Review, FY06 to FY09	
Table 8b, Academic Program Approval and Review Activity, FY05 to FY09	
Table 8c, Academic Policy Development & Participation in Advisory Activities, FY05 to FY09	
Table 8d, Competitive Grant Programs for Public Institutions, FY05 to FY09	
Table 8e, Competitive Grant Programs for Public Institutions – Dollars Awarded, FY05 to FY09	
Table 8f, Institutional Program Licensing Activity – FY05 to FY09	
<b>7.1-9, Research University Infrastructure Act Project Certification.....</b>	<b>45</b>
<b>7.1-10, SC Centers of Economic Excellence .....</b>	<b>46</b>

## SECTION I – EXECUTIVE SUMMARY

### Mission and Values

The South Carolina Commission on Higher Education (CHE) operates pursuant to the SC (SC) 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*

##### CHE 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 SC'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 SC 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 SC 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 SC 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 SC 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 implementation of a statewide strategic plan for higher education. During the year, CHE continued to staff and support the work of the Higher Education Study Committee (HESC) that had been authorized by the General Assembly to recommend a statewide strategic plan for higher education. In September 2008, the HESC released an initial framework report that provided an essential structure by describing goals in depth. The framework report was followed in March by a final report, *Leveraging Higher Education for a Stronger South Carolina: Action Plan Implementation* (Action Plan), inclusive of detailed recommendations achieving the goals. Also as part of its work, CHE requested on behalf of HESC a study on the return on investment in accomplishing the Action Plan goals. The final study, *The Economic Return on Investment in South Carolina's Higher Education*, which was conducted by the University of SC's Division of Research of the Darla Moore School of Business, was released on August 19, 2009. Copies of these reports and additional information are accessible at [www.che.sc.gov/HigherEd\\_ActionPlan.htm](http://www.che.sc.gov/HigherEd_ActionPlan.htm). With the release of the HESC report, CHE is now focused on activities to implement the Action Plan and has recently formed an ad hoc committee of CHE Commissioners to oversee implementation activities. Staff continues to pursue activities to increase awareness in SC of the value of higher education to the state and individuals. For example, CHE's Executive Director has completed a number of visits to local

rotary clubs and chambers of commerce and continues to schedule such talks around the state.

- ◆ During FY 2008-09, CHE conducted its on-going 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 staff continued serving on the oversight council to ensure the implementation of the Education and Economic Development Act (EEDA) of 2005. CHE disseminated a newsletter relating to its activities and programs and monthly electronic "E-Alerts" to provide information on the activity at CHE's regular meetings. Due to budget constraints, CHE began to distribute the newsletter in an electronic format only and changed the number of annual issues from quarterly production to twice a year. CHE continues to employ a consent agenda format adopted last year for its monthly meetings to provide additional time for discussions of important policy matters for higher education. Discussion sessions at meetings, referred to as *CHE Forums*, continued. Sessions were held that focused on the interplay of manufacturing, the Knowledge Economy and Education, the Health Sciences initiative, and implementation of the Action Plan. Additionally throughout the year, special guests were invited to attend meetings and talk about topics of interest. Guests during FY 2008-09 included the Treasurer Converse Chellis, Comptroller General Richard Eckstrom, State Superintendent of Education Jim Rex and several others. CHE held two meetings off-site at BMW in Spartanburg and at Trident Technical College. Working with the SC Higher Education Foundation, CHE continues to hold an annual conference for College Trustees. The Trustees Conference serves to provide a statewide professional development opportunity for college and university trustees and senior management. In 2008, the event was moved from the spring and was held in September in conjunction with the Foundation's second annual Higher Education Hall of Banquet at which The Honorable Richard W. Riley was inducted as the 2008 Hall of Fame Laureate.
- ◆ CHE continued to work in FY 2008-09 to secure recurring funding for the state's Higher Education Electronic Library. The project, PASCAL (Partnership Among SC Academic Libraries), was funded initially in FY 2004-05 with \$2,000,000 in non-recurring (one-time) funds and has been funded each year until FY 2008-09 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 which was reduced to \$176,812 by year-end due to budget reductions experienced during the year. This funding level constitutes more than a 90% reduction in funds from the prior and past three years. The reduction impacted all three PASCAL program areas. In order to maintain essential PASCAL services during FY 2009-10, member institutions were asked to pay a one-time emergency assessment fee, which is based upon fixed costs for delivery and operations and a combination of tiered pricing and FTE distribution for database costs. Budget reductions coupled with the fee assessment have exacted a heavy toll on individual institution library budgets, resulting in collection losses statewide. Despite this toll, only one member institution was unable to participate in the emergency funding plan, a fact which underscores both the importance of PASCAL resources and the significance of collaboration among SC institutions of higher education. Along with the colleges and universities, CHE will continue to seek restoration of funds for this important statewide project. PASCAL has progressed in all three program areas that are basic to the statewide Higher Education Electronic Library. PASCAL has maintained a solid core of electronic resources in 13 databases, although overall resources have diminished by more than 7,000 electronic journal titles due to the budget cuts. Although the book delivery service (PASCAL Delivers) was extended from 39 to 51 institutions during FY 2008-09, the budget cuts resulted in a 40% reduction in service frequency. PASCAL currently manages the integrated library systems for seven public institutions and seven private institutions;



this institution-funded program leverages central expertise and extends the capacities of individual libraries to provide state-of-the-art information services. In January 2008, PASCAL contracted with Clemson University to provide systems management support for its integrated library system. PASCAL is also collaborating with the State Library and other partners, including the University of SC, Clemson University, College of Charleston, Coastal Carolina University, and the Georgetown Public Library System, in the effort to preserve electronically SC heritage by digitizing unique, rare collections held in SC's academic libraries and elsewhere. Progress towards a statewide architecture for cultural heritage dissemination through collaborative digitization was slowed as academic libraries were forced to divert funds to redress collection losses. PASCAL continues to work with the State Library to coordinate collection development and integration of resources to leverage funding available in order to secure the maximum benefit for SC's residents and taxpayers.

- ◆ CHE completed the process of consolidating and merging deteriorating paper-based student records from closed colleges and universities into a comprehensive electronic database. CHE will continue to maintain these student records and process records requests from these former students.
- ◆ In FY 2008-09, CHE continued to advocate for operating funds for institutions. CHE recommended increases in operating funds in line with the prior year. The request took into account the need for increased institutional funds to keep pace with inflation and the need to address historic funding inequities. To this end, staff continued to work with institutions in refining the Mission Resource Requirement Funding Model (MRR). The MRR, created in 1997, calculates the level of operational support based on institutional, peer, and national data in the areas of instruction, research, public service, libraries, student services, physical plant, and administration. Student tuition and fee revenues are then deducted at an agreed upon rate from the calculated need to arrive at the level of state funding recommended for each institution's educational and general (E&G) operation.
- ◆ CHE continued to advocate along with colleges and universities during FY 2008-09 for an increase in state need-based student aid. In the prior year, CHE worked with institutions to successfully encourage the General Assembly to provide for a change to the required allocation methodology to ensure that funds are reaching the neediest students. The change, which enables funds to be allocated on the basis of Pell Grant recipients as a measure of financial need instead of enrollment, was implemented in FY 2008-09 and has again been provided for in the FY 2009-10 budget. Base increases in need-based grant funding were not achieved; however, the program received additional funding totaling just over \$6 million as a result of being allocated the balance of any excess unclaimed prize funds in FY 2008-09. While the program is not scheduled to receive such funds in FY 2009-10, the budget passed for the FY 2009-10 includes additional nonrecurring funds of \$1.5 million. CHE will continue its efforts 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 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.

As of FY 2009-10, the state's merit programs (Palmetto Fellows, LIFE and HOPE) represent 67% of approximately \$308 million in dollars appropriated, whereas state need-based aid

programs (CHE Need-based and Tuition Grants) represent 17%, and lottery tuition assistance at two-year institutions represents 15%. CHE 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 FY 2008-09 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 2008-09 and Upcoming Years:*

- 1) The Executive Director will continue efforts to work cooperatively and collaboratively with institutional presidents and other relevant stakeholders on implementing the recently released Action Plan for higher education in SC. The Action 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 FY 2009-10.*
- 2) Building on recent initiatives and planning considerations, CHE will continue efforts to ensure an appropriate accountability system for higher education. **Status:** *CHE will continue discussions regarding appropriate state level and institutional accountability as the new Action Plan is implemented.*
- 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 FY 2009-10. 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 to ensure success of the statewide Higher Education Electronic Library initiative through monitoring its continuing implementation. Recent budget reductions have hampered these efforts. In FY 2008-09, PASCAL lost more than \$1.8 million in state funds that had been received in each of the past four years and was left with a recurring appropriation, inclusive of budget cuts received during the year, totaling \$176,812. Efforts to seek restored funding were not successful, and only the recurring funding continues in FY 2009-10. In order to continue the program in FY 2009-10, PASCAL member institutions were asked to pay a one-time emergency assessment fee in order to maintain, albeit at reduced levels, the three essential PASCAL program areas, including the annual license fees for 13 electronic databases. During FY 2009-10, PASCAL will continue to develop the statewide Higher Education Electronic Library within the restraints imposed by the budget. Overall, program focus will be on consolidation, outreach, and planning for leveraging the collective investments of the state and member institutions. Some remaining areas for development include extension of delivery services to articles, continued improvement of search capabilities (particularly for smaller member institutions), and coordination of collection development. Currently, 51 member

institutions participate in the union catalog for higher education and the book delivery service (PASCAL Delivers) which reduced service in FY 2008-09 due to the reduced funding. In FY 2009-10 PASCAL Delivers will be extended to three additional institutions (two private and one public), as well as the two regional higher education centers. PASCAL Delivers also plans to implement “pick up anywhere” functionality as funding constraints permit. In the coming year, the common core of the electronic resources program must be evaluated for its future sustainability given the significant decrease in state investment. PASCAL will also continue to support the efforts of member institutions and other partners to improve the capability and digital access to cultural resources and scholarly research materials to the extent the limited resources permit. **Status:** *To enable PASCAL to continue in FY 2009-10, CHE, along with the institutions, will continue efforts to seek restored necessary core recurring funding for this valuable project during 2009-10. See also report above under “Major 2008-09 Achievements.”*

6) CHE will continue to work in cooperation with institutional finance officers and other institutional representatives to improve policies concerning recommendations for institutional operating funding and other budgetary requests for institutions by: a) continuing to refine the MRR to ensure it is logical and conforms with best practices; b) reviewing and revising the criteria currently employed in making recommendations to the General Assembly for institutional requests for special funding outside of the general operating funding; and c) ranking and advocating for institutional capital projects for which state capital bond support is requested. **Status:** *See also related report above under “Major Achievements.” CHE continues to work with institutions in the development of a coordinated approach to higher education funding.*

7) CHE will work to identify and recommend changes to improve the capital project review and approval process and to upgrade available facilities information on institutional needs **Status:** *In FY 2008-09, CHE completed work directed at changes to improve the capital project review and approval process (CPIP Year 2) including a recognition of funding related to the accumulation of maintenance needs on the individual campuses as an integral part of the capital improvement bond (CIB) request. Completed revisions to CPIP Year 2 scoring resulted in a FY 2009-10 CIB request that included three parts: Part 1 – Funding directed at addressing the significant amount of accumulated maintenance needs (formerly referred to as “deferred maintenance”); Part 2 – Funding in support of Phase 1 of the capital project approval process adopted by the Joint Bond Review Committee (JBRC) in which 1.5% of the estimated total project is provided to Pre-Design Architectural and Engineering (A&E) activities needed to refine estimates and secure appropriate funds needed to execute the project; and Part 3 – Funds to renovate, refurbish, and/or construct buildings considered state priorities based on an adopted CHE scoring rubric.*

8) CHE will advocate for efficient and effective state policies associated with the review and approval of permanent improvement projects, the procurement of goods and services, and human resource activities at our public colleges and universities. **Status:** *CHE continues to work with the institutions in advancing regulatory relief legislation developed in support of the Research and Comprehensive Teaching sectors and in separate legislation developed in support of the Technical College System. The referenced legislation, H.3365 and H.3841, was passed by the House during the 2009 session of the General Assembly and await consideration of the Senate during the 2010 session.*

9) CHE will provide leadership under the terms of the EEDA to develop more seamless transitions 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 as well as increase the rigors of the high school curricula and align it with college curricula. **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 EEDA 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 SC 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 SC Department of Education (SDE), and the SC Technical College System, is facilitating the project. A project website that provides ongoing resources with project documents and updated information for the public and project participants is regularly updated to serve as an interactive communication site about the issue of K-16 alignment. A newsletter was also created to provide regular updates about the project; three issues of this newsletter have been distributed statewide and the newsletter continues to be distributed on a semi-annual basis. Additionally, a steering committee representing all stakeholders, including the business community, provides ongoing support and guidance for the project. College readiness standards for SC have been developed. Fifteen high school and college faculty members from across SC have participated as design team members dedicated to developing the paired courses. These courses consist of a secondary course which is matched or “paired” with a postsecondary one and aligned with the new college readiness standards. Paired courses have been designed to facilitate the seamless transition of students from an exit-level high school course to an entry-level college course in the same curricular area. The design team members developed a total of 17 aligned courses in English (five courses), mathematics (five courses), and science (seven courses). For all courses, the design teams created course packets which contain the course syllabus; lab/classroom activities and scoring rubrics; out-of-class assignments and scoring rubrics; assessments and scoring rubrics; and a list of recommended readings, resources, and websites. The course packets also show how courses are aligned to state standards and college readiness standards and explain the elements of paired course alignment. Paired courses will be taught by 30 pilot implementers in 13 clusters across the state during the 2009-2010 school year.*

*In further response to the EEDA, the CHE, in collaboration with the public institutions of higher education, developed a Request for Proposals (RFP) for an automated course articulation and transfer system for statewide use by students. A vendor, AcademyOne Inc., of West Chester, Pennsylvania, was selected and the project began in January 2009. The web-based course articulation and transfer system is designed to facilitate student transitions between and among SC's institutions of higher education. This course articulation and transfer system will provide the state with an on-demand, web-based platform to provide information and services for transfer students and the institutions that serve them. As such, the system will display detailed and up-to-date information on degree pathways; provide students with an easy way to access transfer agreements developed between public institutions in a searchable database; and enable students to compare current courses against equivalent courses at another institution. The system will also allow students to learn how courses meet degree requirements for a specific major. The kickoff meeting for this project was held on March 31, 2009, with all public higher education institutions participating. The project is divided into several phases. During Phase I (Tool Implementation), institutions are being provided with the following AcademyOne tools: the Transfer Agreement Management Center, the Course Equivalency Management Center, the Transfer Profile Management Center, and the Academic Program Upload Wizard. This phase is currently underway and most institutions have participated in tool orientation training webinars. Institutions are also currently sending their equivalency data and course extract data to AcademyOne and are creating institutional transfer profiles. Phase II (Development and Deployment of the SC Customized Web Portal) is also underway. This portal being developed will serve as the main interface for institutions to*

*communicate with students and will provide students with a central point of electronic access to the transfer and articulation system.*

10) 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 SDE, 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., an initial visit to USC Beaufort in spring 2008 and visits to USC Columbia and Winthrop in fall 2008) demonstrate the vitality of this alliance. The next cycle will begin in spring 2010, and a new self-study document 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.*

11) 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 to reduce unnecessary duplication of academic programs. **Status:** *The third comprehensive evaluation of the productivity of the four-year institutions' academic programs (undergraduate, graduate, and first-professional) has been completed. Institutions have terminated programs as a result of the study. The overall number of programs not meeting productivity standards has decreased since the 2006 study.*

12) CHE will continue to review and assess provisions relating to CHE's licensing responsibilities to ensure they are best serving the state and consumers. During 2008, a 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 in-state, degree-granting institutions to gain candidate status and subsequent accreditation by the United States (US) Department of Education or Council on Higher Education – recognized accreditors – 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, as deemed prudent, such as the one pursued in past years to make it unlawful for a person to knowingly issue, manufacture, or use an illegitimate academic credential.*

13) CHE will continue to improve accessibility to 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. These funds were not renewed in FY 2008-09. Significant budget reductions experienced in FY 2008-09 have hindered these efforts. To the extent possible under current funding constraints, CHE will 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, and other interested stakeholders.*

14) 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.*

15) 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 SC 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, and budget reductions experienced during the year led to reduced Access and Equity program funding. 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.*

16) 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 sponsored a joint conference with the SC Campus Personnel Association. The conference included representatives from the Southeast International Association of Campus Law Enforcement Administrators and the SC Law Enforcement Association. Coastal Carolina University hosted the conference which was the tenth annual Campus Safety Conference and was held in February 2009. 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 eleventh annual Campus Safety Conference will be hosted by the Medical University of SC in February 2010.*

### ***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 2009, the 21<sup>st</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. However, due to budget reductions, the monetary awards, which were suspended last year, are no longer provided to the recognized professors. In March 2009, Francis Marion University, Greenville Technical College, and Voorhees College each received an award for Service Learning Excellence for their respective programs. The request for proposals (RFP) for FY 2009-10 EIA Centers of Excellence grants was withdrawn because of budget cuts, but the RFP is being prepared for the FY 2010-11 competition for grants. 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. 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 continued 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) program and the Higher Education Excellence Enhancement program. For the CoEE program, 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 General Assembly and SC Budget & Control Board. In January 2009, the Washington Advisory Group released a comprehensive evaluation of the CoEE Program for years 2003-2008 (WAG Report), in which the program was described as the best of its kind in the nation; during 2009-2010, CHE staff will assist the CoEE Review Board in implementing formal recommendations from the WAG Report, including the first CoEE Council of Chairs, to be convened in late fall 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 3% to 70% to staff the CoEE Review Board, which is responsible for implementing policies and procedures for the CoEE 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 seventh year. The CoEE Review Board continued its working relationship with the Clare Morris Agency, the program marketing firm, and Derrick, Stubbs & Stith, LLP, the program auditing firm. The CoEE Review Board is scheduled to release in October 2009 an audit and accountability report for FY 2008-09. In addition to its responsibilities for staffing the CoEE Program, CHE provides staff support to the CoEE Review Board for Research University Infrastructure Act project certifications. CHE staff assists the CoEE Review Board in certifying non-state matches and preparing each certification for subsequent approval by the JBRC 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 Program in Veterinary Medicine remains in high demand. CHE processed 97 applications for the 25 available freshman contract seats. 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 the National Guard Tuition Repayment and College Assistance programs) 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, higher education institutions, state agencies, and non-profit organizations 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 continued efforts to implement the new National Guard College Assistance Program and the LIFE and Palmetto Fellow Scholarship Enhancements for students majoring in eligible math/science/engineering programs which were enacted during the 2007 session. Program regulations were passed during the 2009 session. For the Enhancement Awards, during fall 2008, 1,837 students received a Palmetto Fellows Scholarship Enhancement award at a total disbursement of \$3,008,637. The Palmetto Fellows recipients earning the enhancement in fall 2008 represented 33.4% of all Palmetto Fellows recipients. For LIFE, 4,228 students at four-year institutions received a LIFE Scholarship Enhancement award at a total disbursement of \$ \$5,271,064. These students represented 14.5% of fall 2008 LIFE recipients at four-year institutions. Additional information on the National Guard program is found in this report under Section III, Elements of Malcolm Baldrige Award Criteria, Category 7, Results.*

*Provisions of Section 17 of the SC Illegal Immigration Reform Act of 2008 became effective in fall 2008. The Act amended the SC Code of Laws so as to add §59-101-430 to prohibit unlawful aliens from attending SC public institutions of higher learning and to prohibit unlawful aliens at any SC institution of higher education from receiving a public higher education benefit including, but not limited to, scholarships and grants, financial aid or resident tuition. The governing body of each public institution were required to develop and institute a process to verify an individual's lawful presence in the United States. The processes adopted required verification of any alien's immigration status with the federal government. Consequently, institutional residency officers were not allowed to develop the process or make decisions regarding alien status. As a result of the Act and at the recommendation of the institutions, CHE established a working group called the Illegal Immigration Reform Act Committee (IIRAC). The purpose of the working group is to: 1) work collectively to identify implementation issues and recommendations as to how the SC Illegal Immigration Reform Act might be addressed in an effective and efficient manner and 2) develop a set of agreed upon statewide practices in carrying out the mandates of the Act. A Memorandum of Agreement between CHE and the SC Department of Motor Vehicles has been established. The SC Department of Motor Vehicles will verify the lawful presences of students in SC by using a SC Driver's License or Identification Card issued after 2002.*



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 implement activities for the federal College Access Challenge Grant. CHE was awarded this grant on behalf of SC in fall 2009, and it will provide approximately \$2 million over the next two years to support activities and programs relating to college awareness and access in SC. **Status:** *CHE staff worked during the year to implement this grant program and will continue to do so in the upcoming year of the grant.*

4) CHE will ensure that required reports and publications such as the agency accountability report and institutional effectiveness report which must be submitted to the SC General Assembly are completed and properly disseminated. CHE staff will conduct any necessary work to integrate legislative changes as applicable into CHE'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 SC'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 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 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. Additional budget cuts were experienced this year as the state and nation faced one of the worst economic downturns in recent history. Past efforts to dismantle CHE in 2003 have also had a lingering negative impact on the agency that has been difficult to overcome given the reductions in resources and staffing that followed. During the year, CHE experienced a 22% cumulative reduction in funds for agency administration and core programs administered by CHE. Funds for higher education programs that flow through CHE were also reduced by a comparable amount. For the upcoming year, CHE's administrative funds were reduced by approximately one percent and additional statewide cuts in FY 2009-10 are expected.

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. CHE has employed restrictions on purchasing, travel and hiring. Staff positions vacated last year are not being filled, as is the case with several positions vacated in the prior year. Consequently, the workload of existing staff has increased, and staffing duties and responsibilities have also been reassigned as part of efforts to address the reductions. The present economic situation and actions necessary to address the reductions continue to impact staff morale. As would be

expected, CHE cannot continue to absorb budget cuts and carry out its mission in the most effective way.

The primary barriers to functioning at optimal levels, which are also described above, have included: major cutbacks in state funding, reductions in staffing, inability to fill vacated positions, increases in staff workload, turnover in key staff positions, travel constraints, and constraints on the ability to provide for appropriate technology support. CHE appreciates the current budget situation, but will continue to seek necessary state support to carry out mission critical responsibilities. As has been the case in recent years, CHE will continue to seek additional support for technology to improve data accessibility and appropriate administration support to carry-out agency functions and planning activities related to the implementation of the recently released 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 to the extent that resources allow.

Again this year, CHE experienced a number of changes in leadership. Most significantly, CHE welcomed a new chairman and five new commissioners. All seats on the CHE board are currently filled; however, at least six commissioners' terms have expired so additional turnover is likely. Over the past four years, CHE has had a total of nineteen newly appointed members including the appointments of new chairmen in 2005 and 2009. Changes in membership and staffing leadership require a renewed focus on planning and professional development activities.

In the upcoming year, CHE will also 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 recognizes that the state continues to face funding constraints and will continue to do so in the foreseeable future. As funding becomes available, our top priorities for higher education will continue to be increased funding of core operating needs, including capital, for colleges and universities, increased need-based grant funding, and recurring support for the state's higher education electronic library, PASCAL. CHE will also continue to support full funding of the state's other scholarship and grant programs including the newly implemented National Guard College Assistance Program which experienced a funding reduction of 50% in FY 2008-09 with the loss of nonrecurring funding that had been appropriated to support the projected program needs. Additionally, CHE will continue to support the CoEE program and seek restoration of its funding which was cut entirely 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. CHE is examining the effects of program reductions and will seek as appropriate support for mission critical programs and those that will help SC successfully achieve the Action Plan goal of making the state a leader in educational attainment so as to improve the state's economic outlook and future prosperity. 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 pages 17-18 and illustrated through the organizational chart on page 19. 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 SC colleges and universities are meeting state needs including conducting work necessary to implement the Action Plan for higher education in SC which was released in March 2009.
- 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 SC'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 SC'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 students.
- 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 SC.

## ***Administration***

- Oversee the awarding of over \$308 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 College 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 SC Research Centers of Economic Excellence, the SC 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:
  - The Higher Education Action Plan;
  - 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 and Service Learning Awards;
  - 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;
- The federal College Access Challenge Grant program which is a two-year federal program awarded to states in fall 2008 to focus on improving access to college and success in college; and
- The EEDA related course alignment program and the transfer and articulation web-based project called SC TRAC.

## **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 are 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 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 enable 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 information and feedback 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 *SC 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 that 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 are 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 Workforce**

As of the end of FY 2008-09, CHE has a workforce of 18 full-time positions (16 classified and 2 unclassified positions), 2 part-time positions and 29 temporary grant/time-limited positions.

## **Regulatory Environment**

CHE serves as the coordinating board for SC's 33 public institutions of higher learning. Operating pursuant to §59-103-5, *et seq.* of the SC 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 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.

Appointees representing Congressional Districts are recommended by a majority of the senators and a majority of the members of the House of Representatives comprising the legislative delegation from the district, whereas the remaining appointees are recommended based on the advice and consent of the Senate. Commissioners 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.

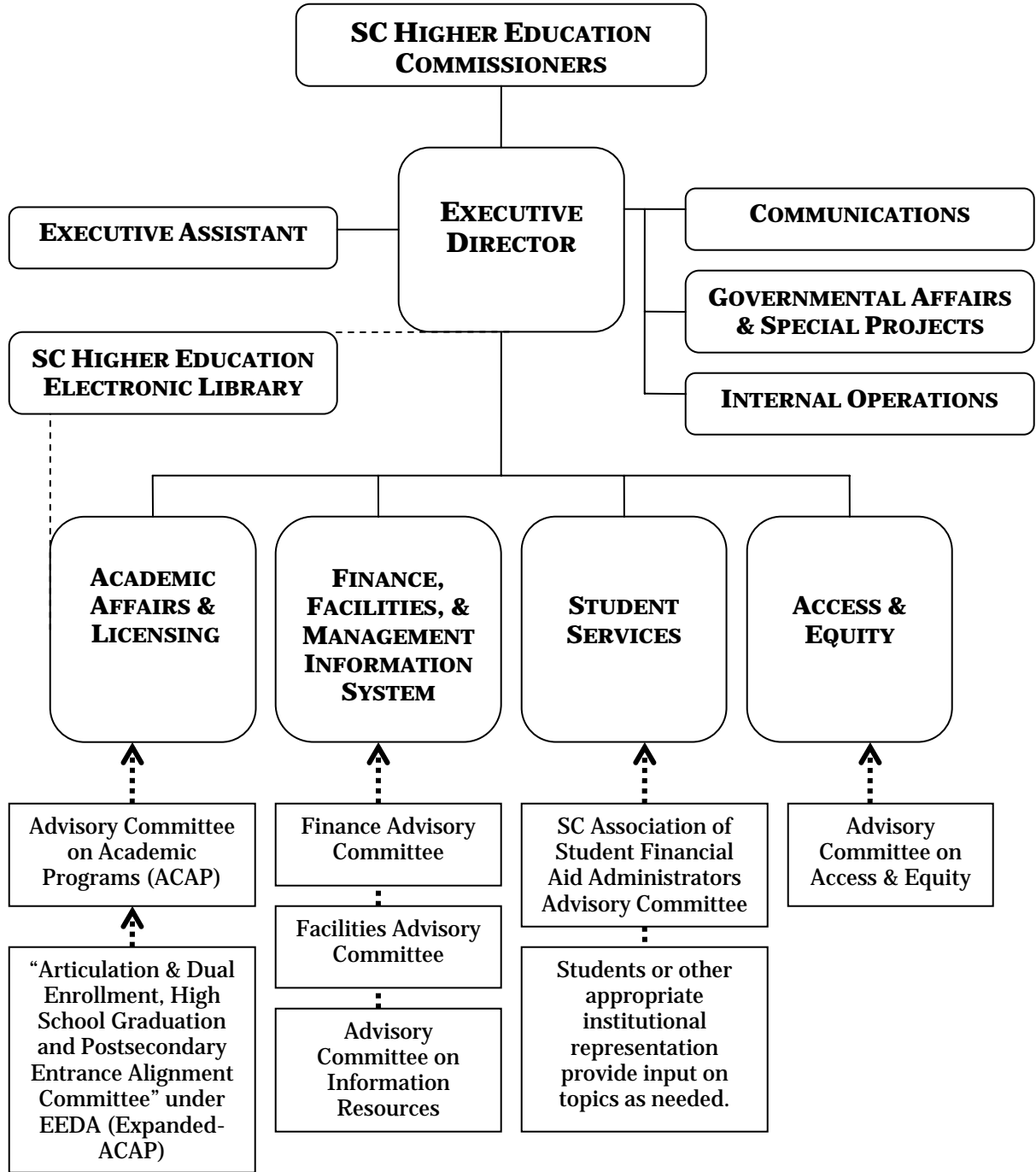
CHE conducts its business through the work of standing committees organized along the functional lines of Academic Affairs and Licensing, Finance and Facilities, and Student Services and Access and Equity. CHE's Chair, Vice Chair, and Committee Chairs make up the Executive Committee of CHE. The standing committees bring recommendations forward to the full CHE for consideration. The work of these committees, as described in the following paragraph, is supported by CHE staff which are assisted and informed by various advisory committees made up of institutional representatives.

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, The SC Higher Education 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.

# SC Commission on Higher Education

## Organizational Chart

June 30, 2009



NOTE: CHE forms other advisory committees and requests input from its constituents as applicable (e.g., Business Advisory Council) to inform its work. The Council of Public College and University Presidents and the Council of Independent College Presidents also meet with CHE and aid in informing processes as necessary.



**Accountability Report Appropriations/Expenditures Chart  
SC Commission on Higher Education (CHE)**

**Base Budget Expenditures and Appropriations**

<b>Major Budget Categories</b>	<b>FY 2007-08 Actual Expenditures</b>		<b>FY 2008-09 Actual Expenditures</b>		<b>FY 2009-10 Appropriations Act <sup>(2)</sup></b>	
	<b>Total Funds</b>	<b>General Funds</b>	<b>Total Funds</b>	<b>General Funds</b>	<b>Total Funds</b>	<b>General Funds</b>
Personal Service	\$2,135,161	\$1,865,657	\$1,705,599	\$1,399,247	\$1,762,161	\$1,475,424
Other Operating	\$1,179,707	\$609,836	\$1,315,280	\$358,772	\$1,610,123	\$470,820
Special Items <sup>(1)</sup>	\$276,976,087	\$122,603,718	\$295,572,494	\$102,514,478	\$316,008,266	\$107,689,979
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	\$905,143	\$588,441	\$950,872	\$568,330	\$573,617	\$398,596
Non-recurring	\$7,253,165	\$7,253,165	\$2,461,542	\$1,349,313	\$2,692,446	\$2,328,005
<b>Total</b>	<b>\$288,449,263</b>	<b>\$132,920,817</b>	<b>\$302,005,788</b>	<b>\$106,190,140</b>	<b>\$322,646,613</b>	<b>\$112,362,824</b>

(1) Special Items include lottery funds.

(2) FY 2009-10 appropriations are as of July 1.

**Other Expenditures**

<b>Sources of Funds</b>	<b>FY 2007-08 Actual Expenditures</b>	<b>FY 2008-09 Actual Expenditures</b>
Supplemental Bills	\$7,253,165	\$2,461,542
Capital Reserve Funds	\$0	\$0
Bonds	\$0	\$0

## Major Program Areas

### Accountability Report Major Program Areas Chart SC Commission on Higher Education (CHE)

Program Number and Title	Major Program Area Purpose	FY 2007-08 Budget Expenditures		FY 2008-09 Budget Expenditures		Key Cross References for Financial Results*
	Operations	<b>State:</b>	\$5,552,571	<b>State:</b>	\$2,126,349	7.1-1, 7.1-2, 7.1-4, 7.1-6, 7.1-7, 7.1-8, 7.9 and 7.10
		<b>Federal:</b>	\$1,253,855	<b>Federal:</b>	\$1,449,241	
		<b>Other:</b>	\$1,753,800	<b>Other:</b>	\$3,563,477	
		<b>Total:</b>	\$8,560,226	<b>Total:</b>	\$7,139,067	
		<b>% of Total Budget:</b>	3%	<b>% of Total Budget:</b>	2%	
	Flow-Through Funds	<b>State:</b>	\$16,786,759	<b>State:</b>	\$9,044,351	7.1-5
		<b>Federal:</b>	\$2,864,810	<b>Federal:</b>	\$3,038,535	
		<b>Other:</b>	\$24,263,423	<b>Other:</b>	\$41,597,659	
		<b>Total:</b>	\$43,914,992	<b>Total:</b>	\$53,680,545	
		<b>% of Total Budget:</b>	15%	<b>% of Total Budget:</b>	18%	
	Scholarship and Grant Programs:	<b>State:</b>	\$110,581,487	<b>State:</b>	\$95,019,440	7.1-3, 7.1-4, and 7.6
		<b>Federal:</b>	\$0	<b>Federal:</b>	\$0	
		<b>Other:</b>	\$125,392,558	<b>Other:</b>	\$146,166,655	
		<b>Total:</b>	\$235,974,045	<b>Total:</b>	\$241,186,095	
		<b>% of Total Budget:</b>	82%	<b>% of Total Budget:</b>	80%	
	<b>Total</b>	<b>State:</b>	\$132,920,817	<b>State:</b>	\$106,190,140	
		<b>Federal:</b>	\$4,118,665	<b>Federal:</b>	\$4,487,776	
		<b>Other:</b>	\$151,409,781	<b>Other:</b>	\$191,327,791	
		<b>Total:</b>	\$288,449,263	<b>Total:</b>	302,005,708	

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

In FY 2007-08, CHE disbursed \$12,616,418 in restricted funds to the research universities under the Endowed Chairs program. In FY 2008-09 the disbursement was \$28,374,775, an increase of \$15,758,357. In addition, \$1,112,229 in supplemental funds were appropriated to the University Center of Greenville. This net increase to disbursements from "Other Funds" was \$16,870,586.

	FY 20 07-08	FY 2008-09
<b>Remainder of Expenditures:</b>	<b>State:</b>	<b>State:</b>
<b>N/A</b>	<b>Federal:</b>	<b>Federal:</b>
	<b>Other:</b>	<b>Other:</b>
	<b>Total:</b>	<b>Total:</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 of CHE, 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. Agency staff has have input into CHE's activities through their respective division directors.

The Executive Director meets with the Executive Management Team regularly. In addition, the Executive Management Team meets with the full CHE staff routinely to discuss current issues and activities of CHE. Further, individual divisions also meet on a regular basis. 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 processes 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 to review CHE 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. In recent years, CHE has undertaken efforts to revitalize statewide strategic planning for higher education. CHE's Executive Director will continue work on agency planning and focus on implementing recommendations of the higher education Action Plan.

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.

**Strategic Planning – SC Commission on Higher Education (CHE)**

<b>Program Number and Title</b>	<b>Supported Agency Strategic Planning Goal/Objective</b>	<b>Related FY 2008-09 Key Agency Action Plan/Initiative and Timeline for Accomplishing the Plans</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 create an education culture in SC and to implement recommendations advanced in the recently released Higher Education Action Plan.	Continue to work in concert with state efforts to implement the new Higher Education Action Plan. Continue to meet regularly with institutional presidents and other key stakeholders to make progress in planning and implementation efforts. (Ongoing)	No Chart
<i>Executive Director's Objective 2</i>	2) Advocate for funding of institutional operating needs, cooperative initiatives for higher education (e.g., the statewide higher education electronic library), and student programs to promote the accessibility and affordability of higher education for the state's citizens, and for passage of a bond bill.	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. (Ongoing)	No Chart
<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. (Ongoing)	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. (Ongoing)	<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 CHE 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 CHE 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. In recent years the Council has not met as a body; however, CHE seeks the input and advice of the presidents routinely through meetings and correspondence. The Executive Director of CHE meets with the presidents individually and collectively. Additionally, each year in August, each of the presidents meets with CHE to provide information about priorities and budget needs and discuss opportunities to work collaboratively with CHE and each other on identified priorities. CHE will continue its work 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 and decision-making about institutional and higher education issues and in responding to informational requests from 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 US 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 to 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 CHE members be assured that they are receiving the best possible analysis and review of issues being considered. Of the 49 members of CHE staff as of fiscal year end, 6 have doctoral degrees, 21 have other graduate degrees, and 18 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. 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. In short, CHE places a very high value on the quality of its human resources and recognizes the importance of continual development.

In recent years, staff has received training on the state's Employment Policy Management System (EPMS), the Freedom of Information Act (FOIA), and Agency Records Management and Retention. CHE continues to participate 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 with an opportunity to mentor high school and college students. Additionally, CHE provides experiences for college interns as opportunities arise.

## **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 student scholarship and grant 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) . Recent special reports of note include:

the March 2009 Action Plan (*Leveraging Higher Education for a Stronger SC: Action Plan Implementation*) and report of the Darla Moore School of Business, *The Economic Return on Investment in SC's Education*, are available at [http://www.che.sc.gov/HigherEd\\_ActionPlan.htm](http://www.che.sc.gov/HigherEd_ActionPlan.htm);

the *2003-2008 SC Centers of Economic Excellence (COEE) Program Comprehensive Evaluation* produced by the Washington Advisory Group, (see [http://endowedchairsorg/COEE/Program\\_Comprehensive\\_Evaluation.pdf](http://endowedchairsorg/COEE/Program_Comprehensive_Evaluation.pdf)).

*Retaining Graduates of SC 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));

*Summary Report on SC Scholarships and Grants, 1988-2005, May 2007*, (see <http://www.che.sc.gov/StudentServices/ScholarshipsandGrantsReport.pdf>); and

Most CHE reports are accessible online or available by contacting CHE staff. Two of the more significant annual reports of institutional data are listed below:

- CHE produces annually the *SC Higher Education Statistical Abstract*. Now in its 31<sup>st</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 2009 version is found at [http://www.che.sc.gov/Finance/FacilitiesInformation/2009\\_Facilities\\_Abstract.pdf](http://www.che.sc.gov/Finance/FacilitiesInformation/2009_Facilities_Abstract.pdf). Other higher education statistics are published online and accessible at [http://www.che.sc.gov/New\\_Web/Data&Pubs.htm](http://www.che.sc.gov/New_Web/Data&Pubs.htm).
- 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 2006, 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. The 2010 report will not be published due to a proviso passed regarding reporting in light of the state's economic situation.
- CHE produces annually a report entitled "SC Centers of Economic Excellence Annual Report to the SC General Assembly and the SC Budget & Control Board," which reports on the accomplishments of and job creation generated by the endowed chairs program (see [http://www.scoee.org/documents/2007-2008COEEProgramAnnualReport\\_003.pdf](http://www.scoee.org/documents/2007-2008COEEProgramAnnualReport_003.pdf))

#### **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 SC's higher education system. See Section 4 (i.e., Category 4, Measurement, Analysis and Knowledge Management) for additional details. During the year, staff responds daily to 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. SC provides funding for several undergraduate scholarship programs to SC residents. Three programs (Palmetto Fellows, LIFE, and SC 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. Need-based grant funding for independent institutions is administered by the SC Tuition Grants Commission. Of the funds dispersed by CHE, approximately 18% 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 be a SC resident and attain a minimum 1200 SAT/ACT equivalent, 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 based on the uniform grading policy (UGP). Alternatively, students may attain a 1400 SAT/or ACT equivalent and a high school GPA of 4.0 on the UGP. 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 with an enhanced award for majoring in math, science, engineering and health-related areas.

**LIFE** requires for initial eligibility at a four-year college/university that students be a SC resident and attain 2 of the following 3 criteria; 1) have a 3.0 high school GPA (based on the UGP) 2) attain a 1100 SAT/ACT equivalent or 3) class rank in the top 30% of their graduating class. This award is provided for up to eight semesters provided students maintain eligibility. Initial eligibility at a two-year college also requires that students be a SC resident and have a 3.0 high school GPA (based on the UGP). This award is provided for up to four semesters provided students maintain eligibility. The new initiative described above for Palmetto Fellows recipients for math, science, engineering and health-related majors were also implemented for LIFE Scholarship recipients attending a four-year institution.

**SC HOPE** requires that students be a SC resident and have a 3.0 high school GPA (based on 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 institutions. 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 on the following page reflects some of the staff activity in regard to disseminating information and responding each year to student scholarship appeals. Subsequent tables and charts provide data on the state's scholarship and grant programs generally.

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

<b>Staff Activity</b>	<b>FY 04-05</b>	<b>FY 05-06</b>	<b>FY 06-07</b>	<b>FY 07-08</b>	<b>FY 08-09</b>
Number of events staff participated in to provide scholarship and grant program updates to students, parents, and guidance counselors and to increase awareness	47	44	32	33	40
Workshops hosted for financial aid representatives to review regulations and program changes to ensure proper administration	1	1	5	13	13
Number of student scholarship/grant appeals processed for which decisions were rendered	245	240	230	219	216

**Table 7.1-3b, State Appropriations for Undergraduate Scholarship and Grant Programs**

**General Fund and Lottery Appropriations for the State Undergraduate Scholarship/Grant Programs  
FYs 2005-06 through 2009-10**

	FY2005-06	FY2006-07	FY 2007-08	FY 2008-09	FY 2009-10*	Annual Change FY09 to FY10	
						Difference	% Change
<b>(1) Palmetto Fellows Total</b>	<b>\$26,381,991</b>	<b>\$29,830,758</b>	<b>\$40,915,490</b>	<b>\$42,277,240</b>	<b>\$42,277,240</b>	<b>\$0</b>	<b>0.0%</b>
<i>portion from State General Funds</i>	\$10,417,054	\$10,786,212	\$10,786,212	\$10,786,212	\$10,786,212		
<i>portion from Barnwell Revenues</i>	\$1,582,946	\$1,213,788	\$1,213,788	\$1,213,788	\$1,213,788		
<i>portion from Lottery Revenues</i>	\$14,381,991	\$17,830,758	\$28,915,490	\$30,277,240	\$30,277,240		
<b>(1) LIFE Total</b>	<b>\$134,929,425</b>	<b>\$141,333,829</b>	<b>\$147,727,542</b>	<b>\$156,288,989</b>	<b>\$156,288,989</b>	<b>\$0</b>	<b>0.0%</b>
<i>portion from State General Funds</i>	\$27,631,335	\$53,422,193	\$85,123,335	\$71,032,307	\$71,032,307		
<i>portion from Lottery Revenues</i>	\$107,298,090	\$87,911,636	\$62,604,207	\$85,256,682	\$85,256,682		
<b>(2) HOPE Total</b>	<b>\$6,673,826</b>	<b>\$7,144,909</b>	<b>\$7,767,606</b>	<b>\$8,076,110</b>	<b>\$7,823,474</b>	<b>-\$252,636</b>	<b>-3.1%</b>
<b>Sutotal Merit Programs</b>	<b>\$167,985,242</b>	<b>\$178,309,496</b>	<b>\$196,410,638</b>	<b>\$206,642,339</b>	<b>\$206,389,703</b>	<b>-\$252,636</b>	<b>-0.1%</b>
<i>portion from State General Funds</i>	\$38,048,389	\$64,208,405	\$95,909,547	\$81,818,519	\$81,818,519		
<i>portion from Barnwell Revenues</i>	\$1,582,946	\$1,213,788	\$1,213,788	\$1,213,788	\$1,213,788		
<i>portion from Lottery Revenues</i>	\$128,353,907	\$112,887,303	\$99,287,303	\$123,610,032	\$123,357,396		
<b>(2) Lottery Tuition Assistance (2-yr) Total</b>	<b>\$43,000,000</b>	<b>\$47,600,000</b>	<b>\$47,000,000</b>	<b>\$47,000,000</b>	<b>\$47,000,000</b>	<b>\$0</b>	<b>0.0%</b>
<b>(3) Need-based Grants Total</b>	<b>\$23,246,093</b>	<b>\$23,246,093</b>	<b>\$27,109,837 <sup>(6)</sup></b>	<b>\$29,669,393 <sup>(7)</sup></b>	<b>\$25,131,566</b>	<b>-\$4,537,827</b>	<b>-15.3%</b>
<i>portion from State General Funds</i>	\$10,417,054	\$10,786,212	\$10,786,212	\$10,786,212	\$10,786,212		
<i>portion from Barnwell Revenues</i>	\$1,582,946	\$1,213,788	\$1,213,788	\$1,213,788	\$1,213,788		
<i>portion from Lottery Revenues</i>	\$11,246,093	\$11,246,093	\$15,109,837 <sup>(6)</sup>	\$17,669,393 <sup>(7)</sup>	\$11,631,566		
<i>portion from other funds</i>					\$1,500,000 <sup>(8)</sup>		
<b>(4) Tuition Grants Total</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>\$29,560,426</b>	<b>\$0</b>	<b>0.0%</b>
<i>portion from State General Funds</i>	\$19,322,247	\$19,322,247	\$21,802,247	\$21,793,822	\$21,793,822		
<i>portion from Lottery Revenues</i>	\$4,000,000	\$12,733,537 <sup>(5)</sup>	\$7,766,604	\$7,766,604	\$7,766,604		
<b>TOTAL All Programs</b>	<b>\$257,553,582</b>	<b>\$281,211,373</b>	<b>\$300,089,326</b>	<b>\$312,872,158</b>	<b>\$308,081,695</b>	<b>-\$4,790,463</b>	<b>-1.5%</b>
<i>portion from State General Funds</i>	\$67,787,690	\$94,316,864	\$128,498,006	\$114,398,553	\$114,398,553		
<i>portion from Barnwell Revenues</i>	\$3,165,892	\$2,427,576	\$2,427,576	\$2,427,576	\$2,427,576		
<i>portion from Lottery Revenues</i>	\$186,600,000	\$184,466,933	\$169,163,744	\$196,046,029	\$189,755,566		

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 Palmetto Fellows and Need-based Grant programs.

(1) For the Palmetto Fellows and LIFE programs, additional amounts above initial appropriations may be provided since these are "open-ended" programs and qualified students are provided the awards. FYs 2002-03, 2003-04, and 2004-05 (not shown here) included surplus lottery funds for this purpose. Note for Palmetto Fellows and LIFE the General Assembly passed legislation effective FY 2008-09 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 increased the amount of the Palmetto Fellows award beginning in the second year for all recipients.

\* FY 2009-10 are beginning year appropriations. Per footnote 1, additional funds may be appropriated for open-ended programs. Merit programs were fully funded by the General Assembly with regard to anticipated program needs.

(2) HOPE and Lottery Tuition Assistance for 2-Year Institutions have been funded to date only with lottery revenues.

(3) For CHE Need-based Grants program a statutory provision requires that a portion of the available Need-based Grant funds each year must be allocated to independent institutions based on their share of full-time, in-state undergraduate enrollment in the prior fall. In fall 2008, the percentage enrollment for the independents is 18.3%. See also 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. The program receives funding from the Need-based Grant program as described in footnote 3.

(5) Includes \$4,966,933 from excess unclaimed prize funds received at year-end due to a proviso to allocate the balance of any such funds to Tuition Grants.

(6) Includes \$3,478,271 from excess unclaimed prize funds received at year-end due to a proviso to allocate the balance of any such funds to CHE Need Based.

(7) Includes \$6,037,327 from excess unclaimed prize funds received at year-end due to a proviso to allocate the balance of any such funds to CHE Need Based.

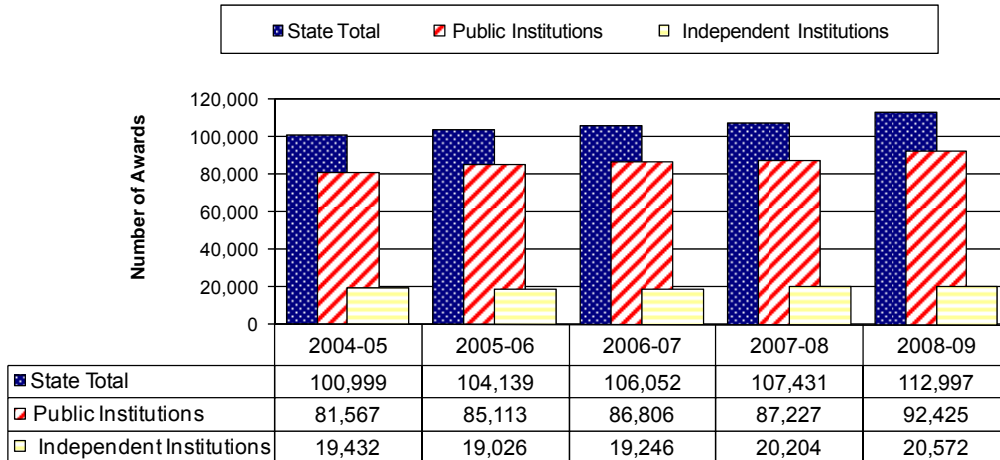
(8) Other funds include nonrecurring funds appropriated in FY 2009-10 per budget provisos 90.19 and 90.21.

Source: Data are from annual Appropriation Acts and [www.budget.sc.gov](http://www.budget.sc.gov) for balance of excess unclaimed prize funds at year-end. Note FY 2008-09 includes the 2008 Rescission Bill (H.5300, Act 414) enacted 11/7/08.

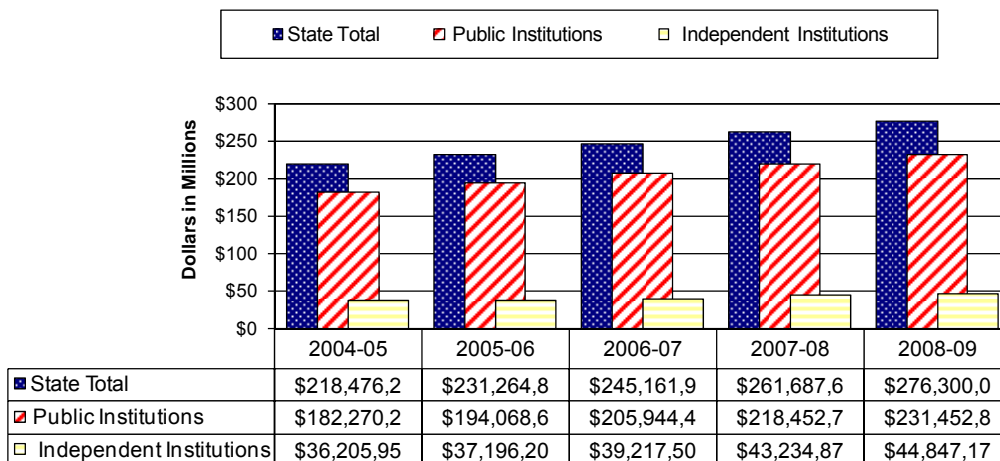
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**Graph 7.1-3c, Annual Awards for State Undergraduate Scholarship and Grant Programs Type Institution (Public or Independent) by Year, FYs 2003-04 - 2007-08**

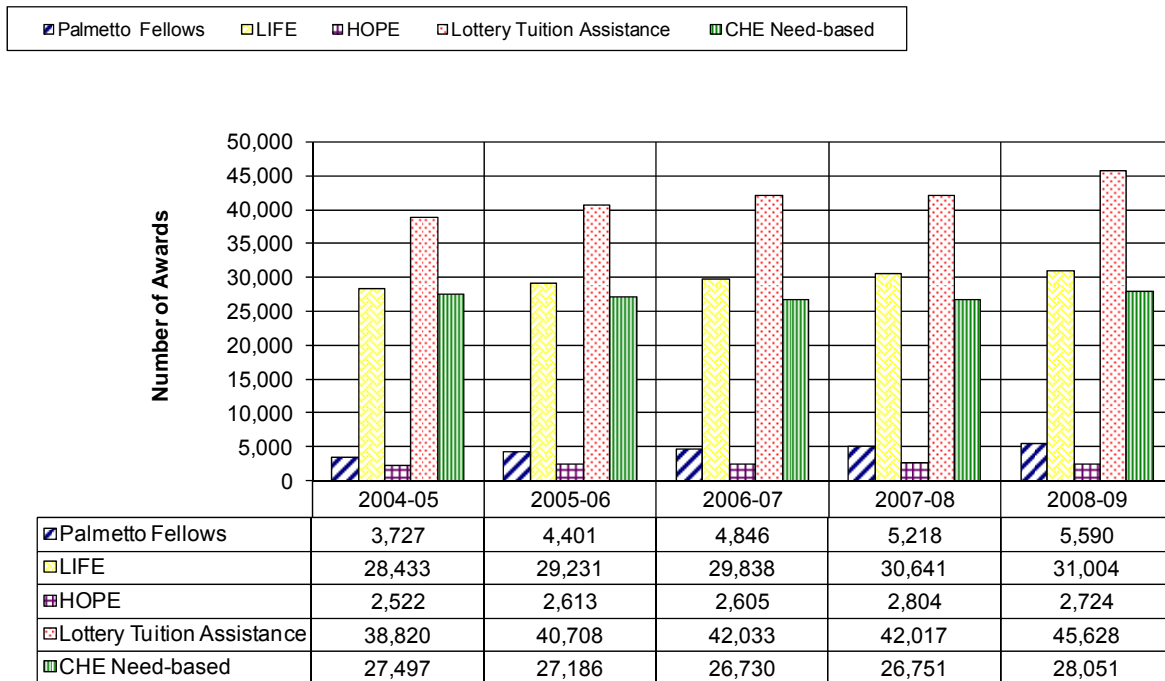
**Number of Undergraduate Scholarships and Grants  
(Palmetto Fellows, LIFE, HOPE Lottery Tuition Assistance, and CHE Need-based Grants)**



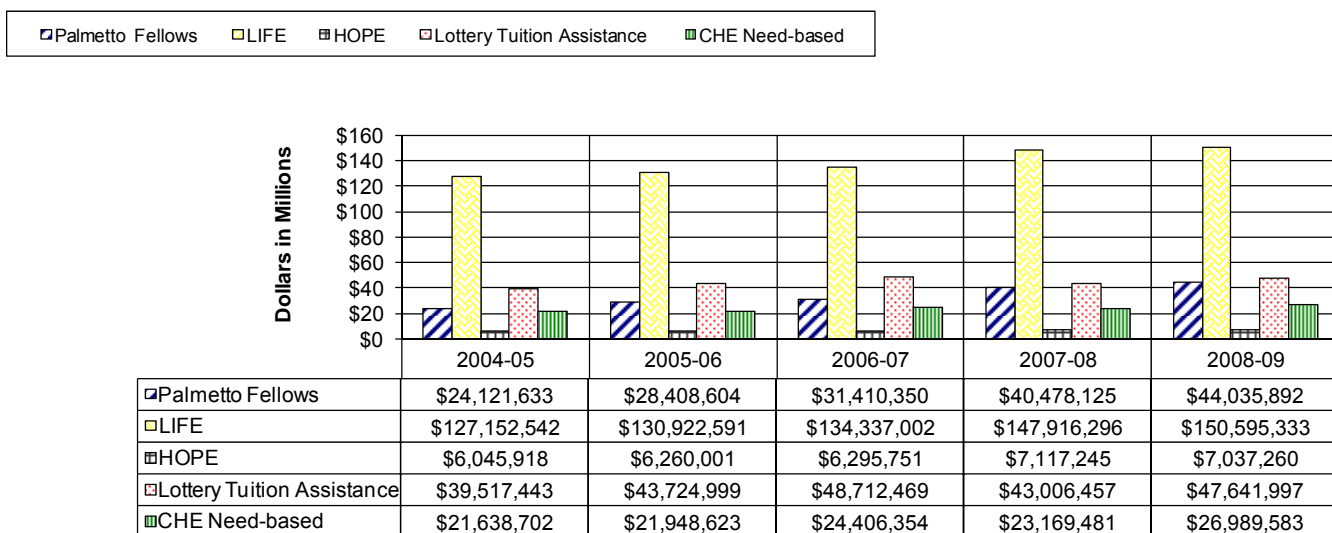
**Total Dollars Awarded in Undergraduate Scholarships and Grants  
(Palmetto Fellows, LIFE, HOPE Lottery Tuition Assistance, and CHE Need-based Grants)**



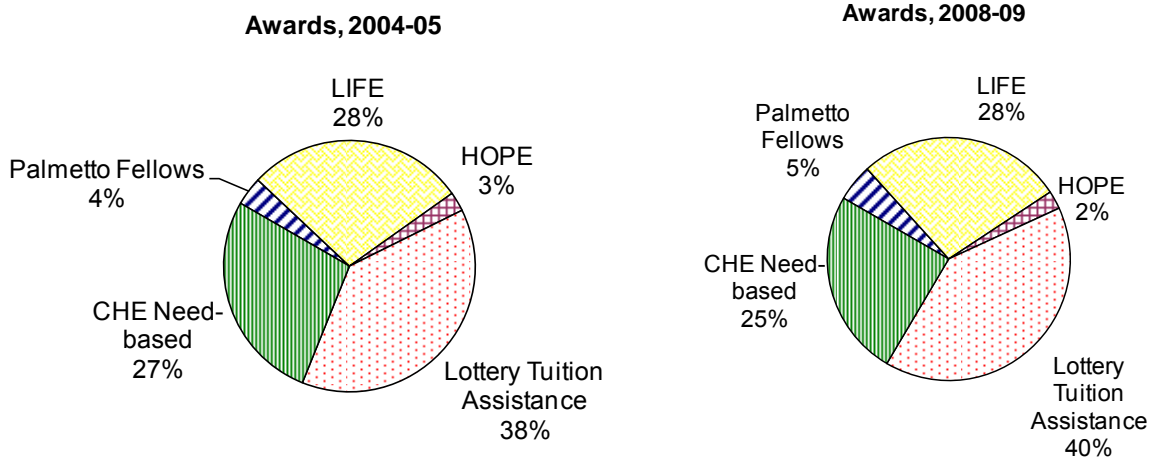
**Graph 7.1-3d, Scholarship Awards by Program, Fiscal Years 2004-05 - 2008-09**



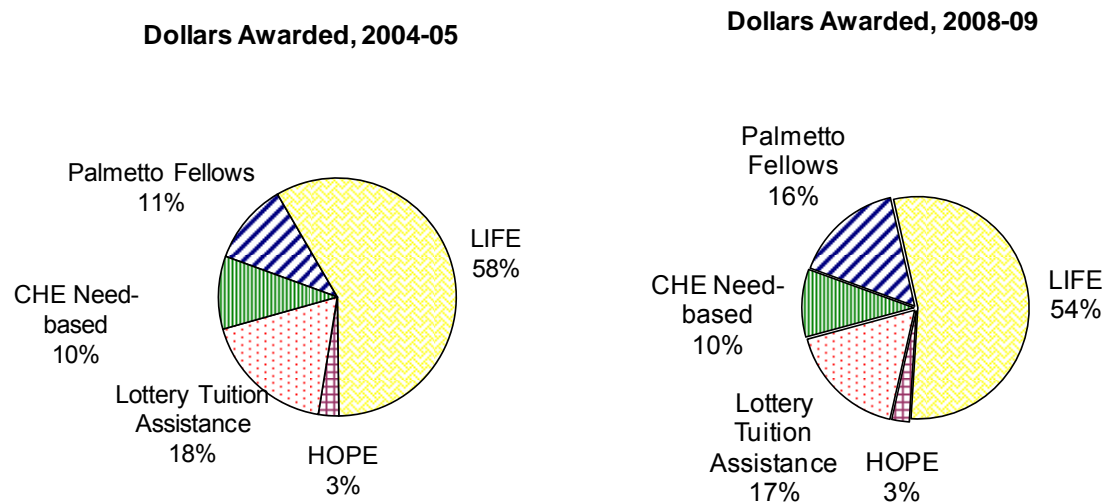
**Graph 7.1-3e, Scholarship Dollars Awarded by Program, Fiscal Years 2004-05 - 2008-09**



**Graph 7.1-3f, Percent of State Undergraduate Scholarship and Grant Awards by Program, Fiscal Years 2004-05 and 2008-09**

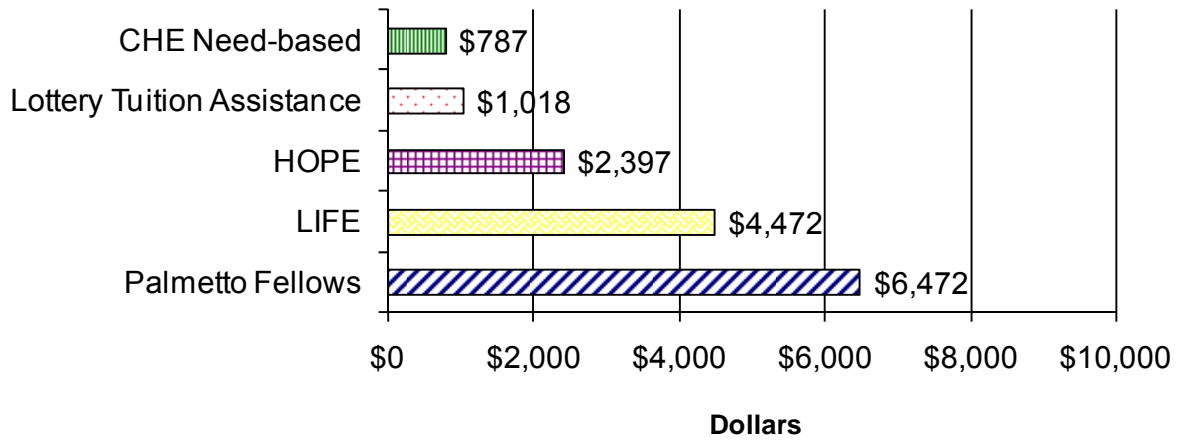


**Graph 7.1-3g, Percent of State Undergraduate Scholarship and Grant Dollars Awarded by Program, Fiscal Years 2003-04 and 2007-08**

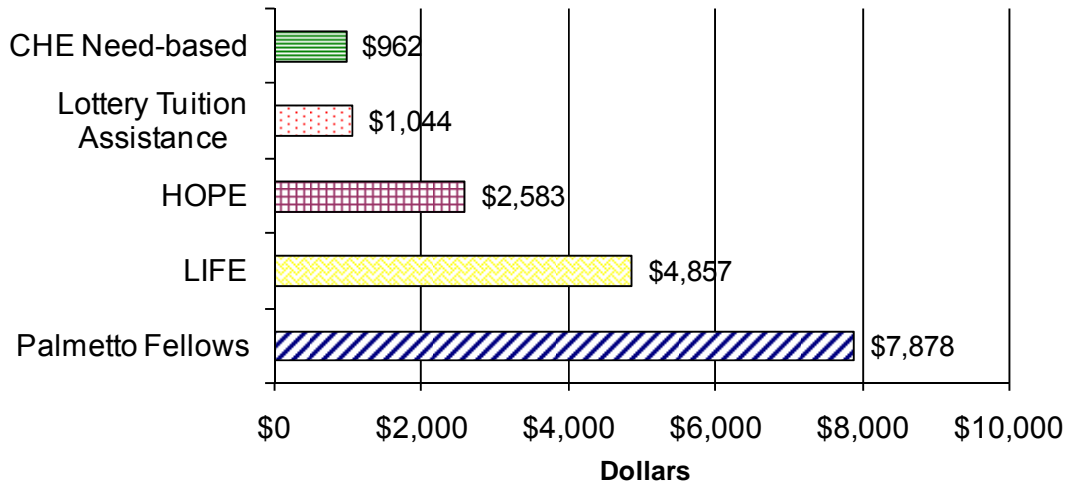


**Graph 7.1-3h, Average Award Amounts by Program, Fiscal Years 2004-05 and 2008-09**

**Average Awards by Program, 2004-05**



**Average Awards by Program, 2008-09**



**Table 7.1-3i, National Guard Student Loan Repayment Program**

Act 41 of 2001 authorized the development of the National Guard Student Loan Repayment program. CHE, in consultation with the SC 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 SC 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 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 SC National Guard College Assistance Program (SCNG CAP), a new program of financial assistance to members the SCNG, is providing incentives for enlisting or remaining for a specified time in the SCNG. The changes made to this program were sought by the SCNG in order to improve educational incentives for guard members. The efforts of the SCNG were supported by CHE. The CHE along with the SCNG 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 SCNG members.

	<b>New Funds Available</b> <i>(Note 1)</i>	<b>New Funds Obligated</b> <i>(Note 2)</i>	<b>New 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>FY2004-05</b>	\$1,688,570	\$1,674,000	138	\$113,560	\$146,483	\$4,603,751	343
<b>FY2005-06</b>	\$2,152,268	\$2,151,000	169	\$203,441	\$349,924	\$5,795,236	512
<b>FY2006-07</b>	\$1,659,455	\$1,656,000	184	\$228,216	\$578,140	\$7,447,346	696
<b>FY2007-08</b>	n/a	n/a	n/a	\$289,658	\$867,798	\$7,157,688	696
<b>FY 2008-09</b>	n/a	n/a	n/a	\$226,748	\$1,094,546	\$6,930,940	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. Beginning FY 2007-08 new participants were 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 FY 2007-08.

**Note 4:** Of the 100 awards in FY 2002-03, 19 Guard members failed to meet their obligations and lost their awards. This allowed 19 additional awards in either FY 2004-05 or FY 2004-05. Interest on the funds allowed the remaining new awards to be made in those fiscal years.

n/a: Program ended to new participants in FY 2007-08 and there are no new obligations. In FY 2007-08 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 SC 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 the out-of-state portion of 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 SC's membership in this 16 state consortium. CHE coordinates SC's participation in higher education programs under the SREB. Data provided below include trends in student participation in programs made available through SC's participation in SREB.

**Table 7.1-4a, SC Students Certified for Participation in SREB Programs**

<b>Program</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
NC School for the Arts <sup>1</sup> <i>(Note: reported Jan 1 to Dec 31 timeframe)</i>	7	4	2	4	5
Contract Programs for Veterinary Medicine and Optometry <sup>2</sup> <i>(Note: reported Jan 1 to Dec 31 timeframe)</i>	104	107	102	115	117
Academic Common Market Program <sup>3</sup> <i>(Note: SREB reported Apr 1 to Mar 31 timeframe)</i>	121	130	113	109	134
<b>Program</b>	<b>FY 2004-05</b>	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>	<b>FY 2008-09</b>
Doctoral Scholar Participants <sup>4</sup> (Total New and Continuing )	10	17	16	15	15

<sup>1</sup> 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 SC are able to attend this school with tuition assistance.

<sup>2</sup> Under the SREB Regional Contract programs for veterinary medicine and optometry, spaces are made available for SC residents at the in-state rate at five partnering institutions. Through this program, SC is able to maintain availability of these programs for our citizens while the state avoids the full expense of building and staffing these professional schools. Optometry programs for SC residents at in-state rates are made available at Southern College of Optometry and the University of Alabama. Veterinary Medicine programs are available at Tuskegee University, University of Georgia, and Mississippi State University. Through this contractual arrangement, students from SC are able to attend these professional programs with tuition assistance.

<sup>3</sup> 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, SC, 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, SC institutions have made 84 programs available through the Academic Common Market, and SC residents have ACM access to 372 out-of-state programs.

<sup>4</sup> 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), SC 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 SC. In 1985, CHE adopted the *SC 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.

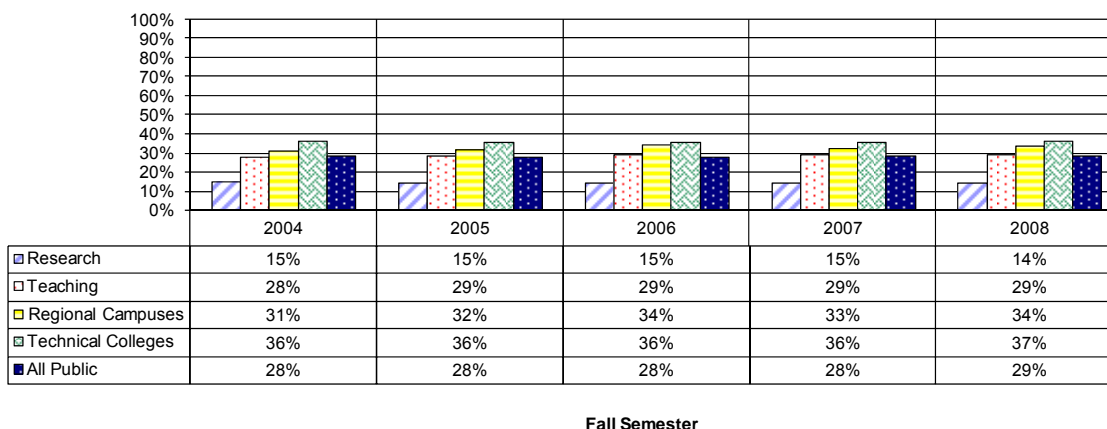
CHE provides statewide coordination to 33 public institutions in the area of Access & Equity. Ensuring educational equity for all students and faculty in higher education is one of the primary functions of CHE. The vision of Access & Equity is to achieve educational equity for all students and faculty in higher education. Minority enrollment should be at least proportional to the minority population in SC 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 SC Public Colleges by Sector by Level, Fall 2004 – Fall 2008

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

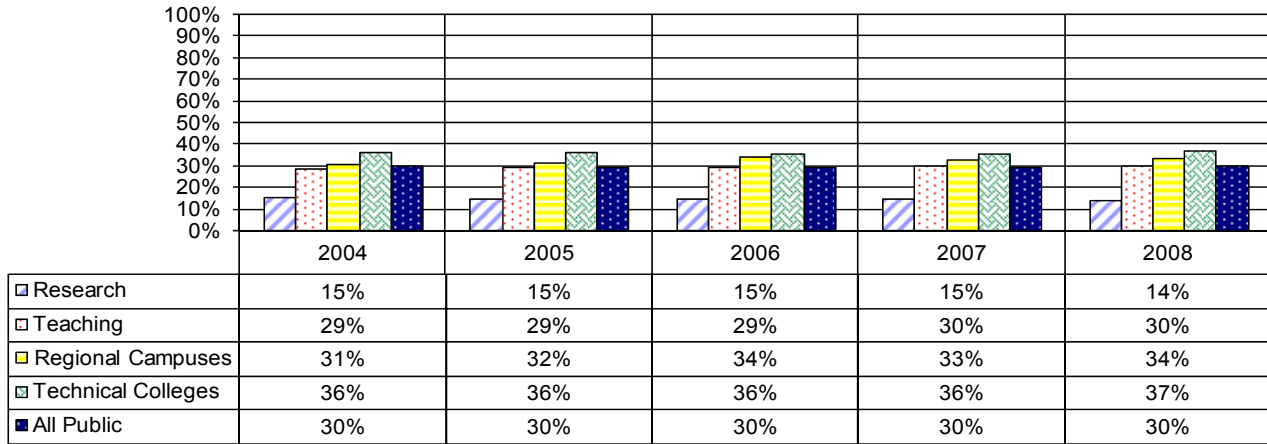
Minority Enrollment - All Students



### 7.1-5a, Minority Enrollment in SC Public Colleges by Sector and Level

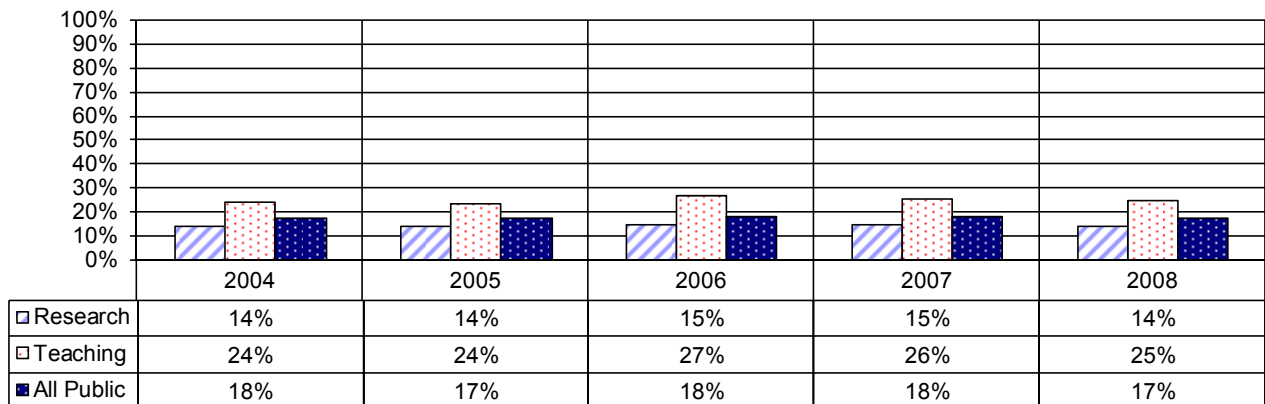
The following two charts display the percentage of minority headcount enrollment for undergraduate and graduate/first professional students for the fall semesters, 2004 – 2008.

**Minority Headcount Enrollment - Undergraduates**



Fall Semester

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

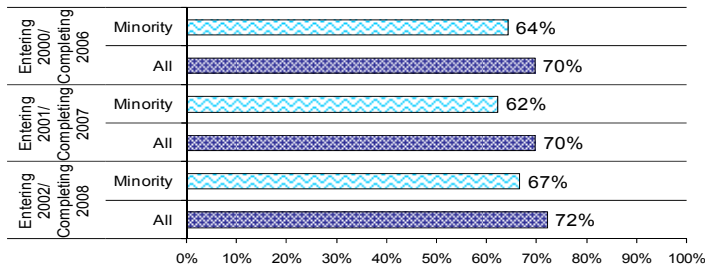


Fall Semester

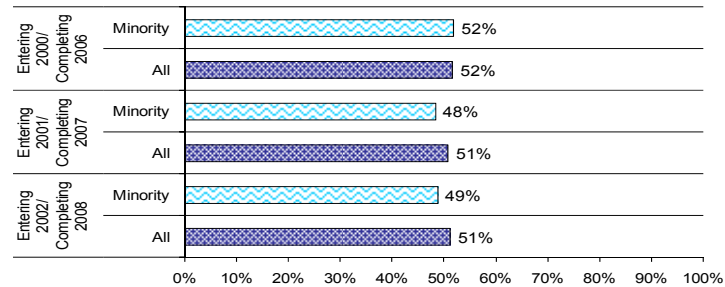
### Graph 7.1-5b, Graduation Rates of Minority Students Compared to All Students by Cohort, SC Public Institutions by Sector

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 SC Public Colleges and Universities.

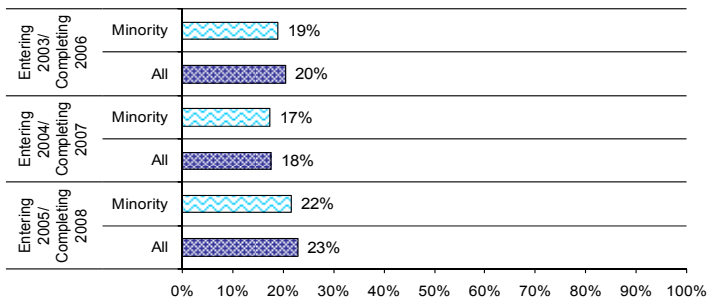
Graduation Rate in 150% of Normal Program Time  
Research Institutions (USC Columbia and Clemson)



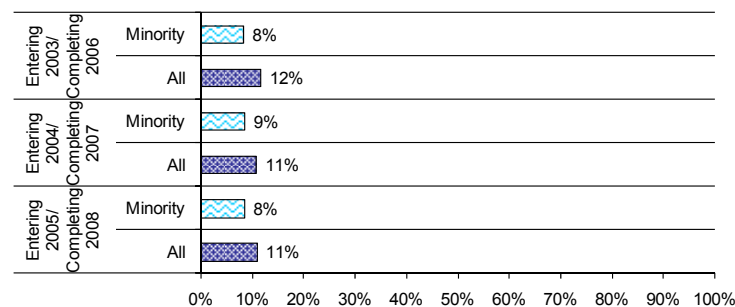
Graduation Rate in 150% of Normal Program Time  
Comprehensive Teaching Institutions



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

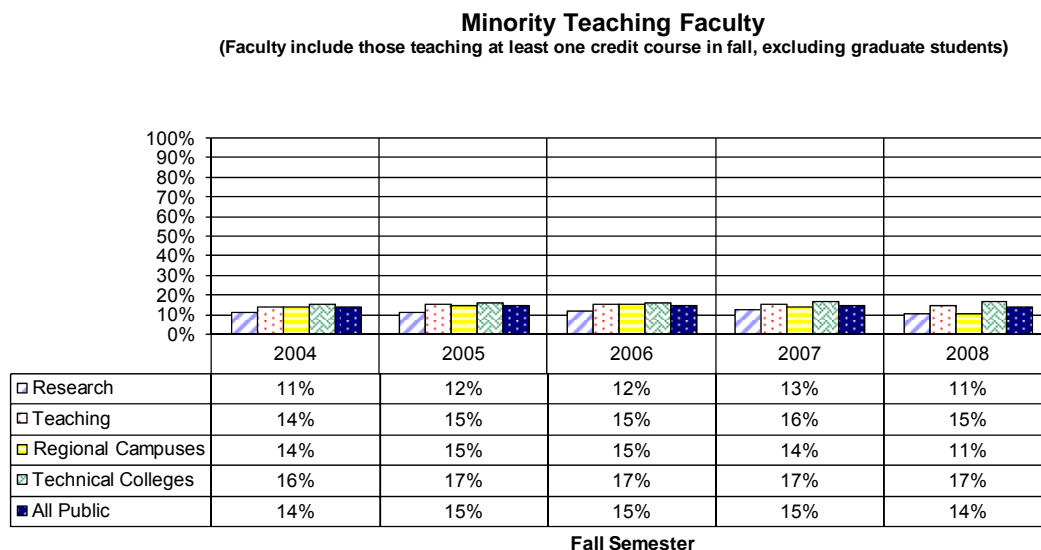


Graduation Rate in 150% of Normal Program Time  
Technical Colleges



**Graph 7.1-5c, Percent of Minority Faculty Teaching in SC's Public Institutions, Fall 2004 - Fall 2008**

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.



**7.1-6, VETERANS EDUCATION AND TRAINING PROGRAMS**

The Veterans Education and Training section functions as the **State Approving Agency (SAA)** for the State of SC. The SAA is a part of the National Association of State Approving Agencies (NASAA) which is comprised of state agencies that have responsibility for the approval and training available through the GI Bill. The SAA acts on behalf of the Federal Government to evaluate educational/vocational institutions and training establishments. The SAA approves programs where veterans and those eligible for VA education benefits (under Title 38, US Code, Chapters 30, 32, 33, 35, 36, and Title 10 US Code, Chapter 1606 and 1607) can achieve quality training in either an educational, professional, or vocational objective.

The focus of the SAA is the review, evaluation, and approval of quality programs under both the State and Federal criteria. Coordinators are assigned to various areas throughout the State and are responsible for a variety of duties. The area coordinators visit institutions and training establishments seeking initial approval to evaluate the appropriateness of the programs being offered and to ensure that these programs meet the standards of State and Federal guidelines. Area coordinators also evaluate curricula, training outlines, student training records, physical facilities, and equipment used in training programs. The coordinators, in evaluating institutions and programs, meet with faculty/trainers, administrators, and agency directors seeking a willingness to establish training approval for GI Bill recipients. Approval may be granted for the following:

- Public/Private degree-granting institutions (Colleges and Universities);
- Professional/Vocational certificate or diploma granting institutions (Non-College Degree);
- On-Job-Training (OJT) establishments (6 to 24 months training programs);
- Apprenticeship establishments (more than 24 months and annual related training); and
- Flight Training Schools (for pilot licenses and aviation employment).

Upon approval, the SAA provides continuous oversight by conducting annual on-site supervisory visits. Technical assistance visits are conducted when deemed necessary by the SAA or at the request of the facility certifying official. The SAA also conducts outreach activities to foster usage of the GI Bill.

(7.1-6, Veterans Education and Training Programs, continued)

<b>Related Activity</b>	<b>FY 2004-05</b>	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>	<b>FY 2008-09</b>
Number of Program Approvals for degree(s), diploma(s), and certificate(s) at each school approved for veterans benefits	*	*	3,441	3,604	3,632
<b>On-the-Job Apprenticeships and Training:</b>					
Number of Business/Organizations across SC involved	147	112	158	139	157
Number of Veterans enrolled in Career Training Programs	*	*	169	348	373
Number of Approved Career Training Objectives (i.e., types of available jobs)	314	156	182	224	235
Number of the Types of Career Training Objectives in which Veterans Participated	*	*	47	78	89

\* 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, CHE was officially notified that the US Department of Education awarded CHE a second federal GEAR UP grant in the amount of \$2.4 million over six years for a total of \$14.8 million. GEAR UP is a national grant program to support early college preparation and awareness activities for rural and low-income students.

SC GEAR UP is providing direct services to seventeen 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 4 of the grant, SC GEAR UP staff coordinated the efforts of the stakeholders to implement fully the planned activities of the grant and helped 3,542 students and families in our state to 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 SC Chamber of Commerce, the SC Department of Education (SDE), and the two SC Governor's Schools. 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.

The Director of Business Relations at the SC 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 seventeen SC GEAR UP schools, the SC Chamber has secured 101 business partnerships and over 155 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 computers for each of the seventeen schools. A mentoring training program was established with the 14 SC GEAR UP school districts. Housed at SDE, this program provided extensive mentor training support to the SC Chamber's business and education program as well as to the mentors and tutors employed by the school districts.

As part of GEAR UP program evaluation, an Annual Performance Report (APR) is prepared to show SC GEAR UP's success and progress for the US Department of Education. The APR is used by the US Department of Education to determine whether substantial progress has been made toward meeting the goals and objectives for the program and used to collect data addressing the performance of SC GEAR UP. 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 the 2008-2009 school year, Year 4 of the grant period. Subsequent reports will show the full impact of the implementation of the SC GEAR UP program.

### Services Provided during 2008-09 School Year

Type of Service Provided to STUDENTS	Number of Students Who Received Service	Average Hours of Service Per Student Receiving the Service Per Year
Tutoring / academic enrichment	3,336	85.4
Computer assisted lab	3,029	35.3
Mentoring	3,538	79.7
Advising/academic and career planning	1,827	3.8
College visit/college student shadowing	2,603	8.1
Job site visit/job shadowing	410	0.7
Summer programs	814	43.3
Educational field trips	832	9.0
Workshops	1,866	1.5
Family events	1,092	2.0
Cultural events	1,783	1.5

Type of Service Provided to PARENTS	Number of Parents Who Received Service	Average Hours of Service Per Participant Receiving the Service Per Year
Workshops on college prep/financial aid	1,463	2.7
Counseling/advising	3,050	2.5
College visits	147	7.3
Family events	2,626	4.7

Number of TEACHERS who taught SC GEAR UP during the reporting period	Average hours of professional development per participating teacher
906	90.9

### 7.1-7b, Higher Education Awareness Program (HEAP)

HEAP is funded through the efforts of the SC General Assembly to provide early awareness opportunities for all SC 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 past years, the highly popular HEAP CD and \$1,000 HEAP Mini-Grants served as the cornerstone of HEAP's efforts to provide postsecondary awareness and attainment to the state's eighth grade students and their families. The HEAP CDs, with interactive content, were

distributed to every middle school in SC with an eighth grade population. In addition to the interactive student content, the HEAP CD provided interactive content for parents and educators. As a complement to the HEAP CD, HEAP Mini-Grants were awarded to middle schools and higher education institutions to fund postsecondary experiences for eighth grade students. In 2007-08, CHE made over \$90,000 available in mini-grants to support higher education opportunities and served over 18,000 students.

In 2008-09, HEAP experienced a \$116,144 cut in state appropriations, a \$25,902 rescission from the state, and all of the \$132,376 carry forward funds from 2008 were negated from the budget. As a consequence of these cuts, the scope and breadth of HEAP changed significantly. Although an application process for the HEAP Mini-Grants began in fall 2008 with a record number of high quality applications from middle schools, higher education institutions, and school districts, the reality of the budget shortfall prohibited CHE from awarding mini-grants. While some funds were used to begin the development of a HEAP website and to duplicate HEAP CDs, the majority of the reduced funds were directed for personal services.

### **7.1-7c, College Goal Sunday in SC**

In the summer of 2006, CHE was awarded a three-year grant from the Lumina Foundation to implement College Goal Sunday in SC. 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. Now in its third year, College Goal Sunday has evolved into a true statewide effort. In 2009, College Goal Sunday events were hosted in 17 areas throughout SC. Over 900 students and their families were served at College Goal Sunday events, and over 200 financial aid officers, their staffs and school guidance counselors helped make this event a resounding success. CHE staff will continue expanding the program and will apply for a College Goal Sunday continuation grant in 2010.

<b>Site</b>	<b>Number of Families Attending</b>	<b>Number of Volunteers</b>
Aiken Technical College	62	14
Claffin University	16	9
Florence-Darlington Technical College	32	21
Horry-Georgetown Technical College (Conway)	52	11
Horry-Georgetown Technical College (Georgetown)	8	2
University of SC	80	23
Technical College of the Lowcountry	105	22
Tri-County Technical College	56	11
Trident Technical College	230	32
USC Lancaster	50	13
USC Sumter	16	9
USC Upstate	75	15
Williamsburg Technical College	58	26
Allendale-Fairfax High School	16	3
Bamberg Ehrhardt High School	35	6
Colleton County High School	14	5
Wade Hampton High School	15	5
<b>Total College Goal Sunday</b>	<b>920</b>	<b>227</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 were completed in 2001-02. CHE has maintained its participation as part of its responsibilities under the three-way partnership of the CHE, the State Department of Education, and NCATE (National Council for the Accreditation of Teacher Education) in the review of teacher education programs. The last review cycle of existing education programs was completed in 2004-05. A new cycle is beginning and is reflected in the table below. For non-teacher education programs, the CHE continues its biennial program productivity review process to monitor enrollment and degree production in existing academic programs.

FY 2006-07	FY 2007-08	FY 2008-09
Pre-visit for NCATE in August 2006 and one focus visit in October 2006 for Coastal Carolina.	Focus visit for NCATE in fall 2007 (Citadel) and institutional visit and initial visit in spring 2008 (USC Beaufort).	Visits to USC Columbia, Winthrop and USC Upstate.

### 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.

Academic Program Approval and Review					
Related Activity	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09
Number of Program Planning Summaries Reviewed	39	22	25	36	40
Number of New Program Proposals Reviewed	27	16	23	18	19
Number of Existing Programs Terminated	18	14	22	13	22
Number of Program Modifications Reviewed	5	2	6	2	12
Number of Existing Centers Terminated	1	2	0	0	4
Number of Notification Changes	70	46	47	64	38

### Table 7.1-8c, Academic Policy Development & 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 served as liaison in FY 2008-09 to 43 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.



## (7.1-8c, Academic Program Policy Development &amp; Participation in Advisory Activities, continued)

Related Activity	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09
Number of <b>NEW</b> Academic Policies Developed	–	1 Mission Statement Approval	3 IB Credit Policy; Project Lead the Way Credit Policy; Substantive Revisions to “Policies & Procedures for New Academic Program Approval and Termination”	–	Revised “Policies & Procedures for New Academic Program Approval Termination”
Number of <b>NEW</b> Grant Proposals or Guidelines Developed	–	–	–	–	–
Number of Reports, Articles, Presentations Prepared on Academic Issues	12	10	11		16
Participation in Interagency Taskforces & Committees: (#Taskforces/Committees)	34	34	29	43	43

**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 intended to increase 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>The data shown here as #/# reflect the # Granted / # Submitted</i>					
Competitive Grant Program	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09
Improving Teacher Quality Program	1 / 7	6 / 19	7 / 10	12/26	8/9
Professor of the Year:					
# of Submissions	38	38	39	36	35
# of Finalists	10	10	10	10	10
# of Top Awards	2	2	2	2	2
Service Learning Competition					
# Submissions	14	11	12	15	24
# Awards	3	3	3	3	3
Centers of Teacher Excellence Program	2 / 4	1 / 5	1 / 5	6 / 10	6/8

**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 2004-05</b>	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>	<b>FY 2008-09</b>
Improving Teacher Quality Program	\$959,261	\$1,168,188	\$1,591,042	\$1,197,848	\$806,116
Professor of the Year Program	Each of the two award winners receives a \$5,000 prize. Each finalist receives \$500. Awards were suspended in FY 2008-09 due to lack of funds.				
EIA Centers of Teacher Excellence Program	\$662,953	\$709,100	\$709,100	\$709,101	\$679,111

**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 both for 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 2004-05</b>	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>	<b>FY 2008-09</b>
New Agent Permits	68	70	175	183	219
Transcripts Requested	311	278	269	278	292
<i>New Licenses – Degree Granting:</i>					
Initial Licenses	4	3	5	2	3
Amendments to Licenses	14	12	12	9	9
Non-Degree Granting Licenses Issued	148	166	210	179	184
Licenses Relinquished, Deferred, Denied, or Revoked	4	8	3	5	4
Student Complaints	25	34	25	59	60

#### **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 SC's three senior research institutions (Clemson University, the University of SC, and the Medical University of SC) 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 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 for subsequent approval 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.

## (7.1-9, Research University Infrastructure Act Project Certification, continued)

<b>Research Institution</b>	<b>Phase I</b>	<b>Phase II</b>	<b>Phase III</b>	<b>Total</b>
Clemson	\$41,700,000*	\$12,643,974*	\$8,500,000* \$8,500,001†	<b>\$71,343,975</b>
USC	\$58,000,000*	\$13,333,333†	N/A	<b>\$71,330,333</b>
MUSC	[SEE NOTE]	\$77,322,692*	N/A	<b>\$77,322,692</b>
<b>Totals</b>	<b>\$99,700,000</b>	<b>\$103,299,999</b>	<b>\$17,000,001</b>	<b>\$220,000,000</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, SC CENTERS OF ECONOMIC EXCELLENCE (CoEE)**

In 2002, the SC General Assembly passed the Research Centers of Economic Excellence Act in order to promote growth of the knowledge-based economy in SC. Oversight of the Centers of Economic Excellence (CoEE) Program is provided by the CoEE Review Board. CHE approves the budget for the CoEE Review Board's operations and also provides staff support for the program's day-to-day operations. SC Education Lottery funds in the amount of \$180 million have been appropriated for the program since the FY 2002-2003. Over the last seven years, 45 research proposals totaling \$183.6 million have been approved for funding. (In addition to appropriation funding, the CoEE Review Board has used \$3.6 million in accrued program interest for additional awards, as is authorized by statute.) The State's three research institutions are required to raise dollar-for-dollar, non-state matching funds in order to access state funding. To date, 22 endowed chairs have been appointed to lead the centers. The CoEE program has resulted in more than a quarter billion dollars of non-state investment in the SC's economy and is responsible for the creation of more than 2,000 jobs. 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, 2009 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	3*	\$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>12</b>	<b>\$30 million</b>

## (7.1-10, CoEE Program, continued)

Funding Year 2003-2004			
Institution (fiscal institution first)	Proposal Title	Endowed Chairs	Proposal Amount
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>

Funding Year 2004-2005			
Institution (fiscal institution first)	Proposal Title	Endowed Chairs	Proposal Amount
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	2**	\$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>11</b>	<b>\$22 million</b>

Funding Year 2005-2006			
Institution (fiscal institution first)	Proposal Title	Endowed Chairs	Proposal Amount
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 [WITHDRAWN]	-	-
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>12</b>	<b>\$26 million</b>

\* Revised to three chairs by act of the CoEE Review Board on January 12, 2009.

\*\* 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.

† On September 9, 2008, the CoEE Review Board approved a revision to this proposal which relinquished Clemson University as a collaborative partner and transferred the CoEE chair at Clemson to MUSC.

(7.1-10 CoEE Program, continued)

Funding Year 2006-2007			
Institution (fiscal institution first)	Proposal Title	Endowed Chairs	Proposal Amount
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.

Funding Year 2007-2008			
Institution (fiscal institution first)	Proposal Title	Endowed Chairs	Proposal Amount
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
MUSC/USC/SCSU	Cancer Disparities*	3	\$3.6 million
MUSC/USC	Medication Safety & Efficacy*	1	\$2 million
<b>Total Awarded in 2007-2008</b>		<b>15</b>	<b>\$30.6 million</b>

Funding Year 2008-2009			
Institution (fiscal institution first)	Proposal Title	Endowed Chairs	Proposal Amount
Clemson	Tissue Systems Characterization	1	\$3 million
USC	Nuclear Science Strategies	1	\$3 million
MUSC	Lipidomics, Pathobiology and Therapy	2	\$5 million
<b>Total Awarded in 2008-2009</b>		<b>4</b>	<b>\$11 million</b>

\* The Cancer Disparities CoEE and the Medication Safety & Efficacy CoEE were approved in 2008-2009. Funding was provided from 2007-2008 dollars.

(7.1-10, CoEE Program, continued)

CoEE Program Totals	
TOTAL LOTTERY APPROPRIATIONS (2002-2009)	\$180 million
ACCRUED PROGRAM INTEREST USED FOR ADDITIONAL AWARDS *	\$3.6 million
TOTAL FUNDS AWARDED (2003-2009)	\$183.6 million

\* As permitted by SC Code of Laws, as amended, §2-75-30(A).

Research Institution Totals			
Institution	Number of Centers	Number of Endowed Chairs	State Funds Drawn
Clemson University	12	15	\$24,304,458
USC	15	26	\$27,464,910
MUSC	18	38	\$42,754,539
TOTALS	45	79	\$94,523,907

[Program Totals shown as of June 30, 2009. For updated information, contact CHE.]