

ANNUAL ACCOUNTABILITY REPORT

FISCAL YEAR 2004-05



September 2005

*SC Commission on Higher Education
1333 Main Street, Suite 200
Columbia, SC 29201
Tel: 803.737.2260 / Fax: 803.737.2297
www.che.sc.gov*



Dr. Conrad D. Festa
Executive Director

September 15, 2005

His Excellency, Mark Sanford, Governor
And Members of the General Assembly

The South Carolina Commission on Higher Education is pleased to submit for your review this annual accountability report for Fiscal Year 2004-05. This report includes an executive summary, a business overview, and information pertaining to the elements of the Malcolm Baldrige Award Criteria per the Budget & Control Board's 2004-05 Accountability Report guidelines. The activities of the Commission, including the mission, goals, and performance measures are approved by the appointed Commission members as a component of the Executive Director's annual evaluation process.

The Commission also submits a separate report on behalf of the state's public institutions of higher education in accordance with South Carolina Code §59-101-350. The report submitted each January on behalf of the institutions is entitled *A Closer Look at Public Higher Education in South Carolina: Institutional Effectiveness, Accountability and Performance*. This document provides information regarding performance trends for key data for our institutions. Last fall, over 170,000 undergraduate and graduate students enrolled in the state's public colleges and universities. Our institutions continued carrying out their missions to provide quality educational opportunities to students throughout 2004-05.

We are very proud of the work of the Commission in fulfilling its role as the state coordinating body for higher education. If I can provide any further information or material relating to our agency, please contact me at 737-2260.

Cordially,

Conrad D. Festa

Enclosure

المنارة للاستشارات

1333 Main St., Ste 200

Columbia, SC 29201

Tel: 803.737.2260

Fax: 803.737.2297

www.chs.sc.gov

www.manaraa.com

Accountability Report Transmittal Form

Agency Name: The South Carolina Commission on Higher Education

Date of Submission: September 15, 2005

Agency Director: Dr. Conrad D. Festa

Agency Contact Person: Ms. Julie Carullo

**Agency Contact's
Telephone Number:** (803) 737-2292

Note:

In accordance with Budget and Control Board requirements, the Commission 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), 1201 Main Street, Suite 870, Columbia, SC 29201

TABLE OF CONTENTS

South Carolina Commission on Higher Education Annual Accountability Report Fiscal Year 2004-2005

SECTION I -- EXECUTIVE SUMMARY	1
1. Mission and Values.....	1
2. Major Achievements from Past Year.....	2
3. Key Strategic Goals for Present and Future Years	4
4. Opportunities and Barriers That May Affect the Agency's Success in Fulfilling its Mission and Achieving its Strategic Goals.....	9
5. Use of Accountability Report to Improve Performance	10
SECTION II – BUSINESS OVERVIEW	11
1. Number of Employees	11
2. Operation Locations.....	11
3. Organizational Structure	11
4. Expenditures/Appropriations Chart	13
5. Major Program Areas Chart.....	14
6. Description of Key Customers, Stakeholders and Suppliers	15
7. Description of Major Products and Services	16
Section III – Elements of Malcolm Baldrige Award Criteria.....	18
Category 1. Leadership	18
Category 2. Strategic Planning	19
Category 3. Customer Focus.....	21
Category 4. Measurement, Analysis, and Knowledge Management	22
Category 5. Human Resources Focus	23
Category 6. Process Management.....	23
Category 7. Business Results.....	24

(For a listing of tables and charts in the *Business Results* section, see next page)

Category 7, Business Results – Listing of Tables and Charts

Item 7.2-1: Production of Annual Reports and Publications Providing Institutional Data and Higher Education Facts and Figures

Item 7.2-2, Data Support Activities for Higher Education

Item 7.2-3: Scholarship and Grant Programs

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

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

Graph 3c, Comparison of Annual State Appropriations for Undergraduate Scholarship and Grant Programs to Year-End Dollars Awarded

Graph 3d, Annual Awards for State Undergraduate Scholarship and Grant Programs Type Institution (Public or Independent) by Year, FY01 to FY05

Graph 3e, Scholarship Awards by Program, Academic Years 2000-01 and 2004-05

Graph 3f, Scholarship Dollars Awarded by Program, Academic Years 2000-01 to 2004-05

Graph 3g, Percentage of State Undergraduate Scholarship and Grant Awards by Program, Academic Years 2000-01 and 2004-05

Graph 3h, Percentage of State Undergraduate Scholarship and Grant Dollars Awarded by Program, Academic Years 2000-01 and 2004-05

Graph 3i, Average Award Amounts by Program, Academic Years 2000-01 and 2004-05

Table 3j, Lottery Funded Teacher Education Grant Program, Awards and Dollars

Table 3k, National Guard Student Loan Program

Item 7.2-4: Program Participation, Southern Regional Education Board (SREB)

Table 4a, Number of Students Certified for Participation in SREB Programs, 2000-01 to 2004-05

Item 7.2-5: Access and Equity – Minority Participation in Public Colleges and Universities

Graph 5a, Minority Enrollment in SC Public Colleges by Sector and Level, Fall 2000 to Fall 2004

Graph 5b, Graduation Rates, Minority Students Compared to All Students by Cohort, Public Colleges

Graph 5c, Percent of Minority Faculty Teaching in South Carolina's Public Colleges

Item 7.2-6, Veteran's Education and Training Program

Item 7.2-7, CHE's Programs for Promoting Early Awareness of Higher Education and Preparation for Participation in Higher Education

7.2-7a, Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)

7.2-7b, Higher Education Awareness Program (HEAP)

Item 7.2-8, Ensuring Quality Programs – Academic Program Review and Approvals

Table 8a, Academic Program Review

Table 8b, Academic Program Approval and Review Activity, FY01 to FY05

Table 8c, Academic Policy Development & Participation in Advisory Related Activities, FY01 to FY05

Table 8d, Competitive Grant Programs for Public Institutions – Activities, FY01 to FY05

Table 8e, Competitive Grant Programs for Public Institutions – Dollars Awarded, FY01 to FY05

Table 8f, Institutional Program Licensing Activity – FY01 to FY05

Item 7.2-9, Research Centers for Economic Excellence

SECTION I – EXECUTIVE SUMMARY

Mission and Values

The South Carolina Commission on Higher Education (CHE) operates pursuant to South Carolina Code of Laws, as amended, §59-103-5, et seq. The website for the Commission is www.che.sc.gov.

MISSION

The South Carolina Commission on Higher Education will promote quality and efficiency in the state system of higher education with the goal of fostering economic growth and human development in South Carolina.

VALUES

The South Carolina Commission on Higher Education Values

- the importance of quality higher education
- the accessibility of this education to the citizens of the state
- the accountability of the institutions to their students and the General Assembly
- excellence on the part of its staff in performing its functions
- excellence on the part of the institutions in providing educational opportunities

SERVICES OFFERED

CHE serves as the coordinating board for South Carolina's 33 public institutions of higher learning and is responsible for serving a dual role within state government acting both as an advocate for higher education as well as 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 a myriad of issues to assure a balance between student and taxpayer rights 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 the Commission can be categorized broadly into four areas including: advocacy and coordination, information services, accountability, and administration. These functions are carried out through activities of the CHE and each of its divisions including Academic Affairs and Licensing; Finance Facilities and Management Information Services; Student Services; and Access and Equity. In performing its responsibilities, CHE works closely with institutions to expand education opportunities for the state's citizens, to invest in research for economic development and a better quality of life, and to increase cooperation and collaboration for higher levels of efficiency and quality in higher education opportunities in the state.

OVERARCHING STRATEGIC GOALS

The following broadly defined goals have been established to provide guidance and evidence of direction for future work of CHE:

To make South Carolina a global leader by working with business and industry to foster higher education's role in economic growth and human development.

To maintain positive relations with the Governor, the Legislature, state agencies, parents, and students and to provide them and the general public with accurate information on South Carolina higher education.

To present the needs and develop support for appropriate funding of public colleges and universities.

To address strategic issues in public and private higher education as they are identified and to ensure a continuous process of assessment and improvement in the colleges and universities.

To assure access to and equality of educational opportunity among minority groups in South Carolina higher education.

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

To prevent and eliminate unnecessary duplication of degree programs among the state's institutions.

To expand postsecondary educational opportunities for South Carolina residents, to recognize student achievement, and to encourage excellence in teaching and research by administering various higher education programs.

To ensure that non-public educational institutions, other than those exempted in the statutes, are legitimate educational enterprises and that they are fulfilling their purposes.

Major Achievements of the Past Year

- ◆ Building on work begun in 2003 and the report, *Foundations for the Future: Higher Education in South Carolina*, which served as an environmental scan, the Executive Director continued efforts to work with the public college presidents to develop a revised strategic plan for higher education. A series of goals and objectives have been identified. In the upcoming year, work will continue to build a revised accountability plan for higher education from the goals and to pursue legislative changes regarding higher education accountability and funding.
- ◆ During 2004-05, CHE also continued to strengthen its relationship with key state partners and enhance and improve communications. The Executive Director is participating in initiatives regarding statewide planning and K-20 issues by serving on the Competitiveness Council and its Education Task Force and also the Superintendent of Education's High School Redesign Taskforce. The Executive Director will also serve on the oversight council that is being formed to ensure the implementation of the Education and Economic

Development Act (EEDA) that was passed in the 2005 session. Under the EEDA, CHE's Chair is required to make appointments to the council for higher education and has already done so. CHE also worked in 2005 to facilitate and assist in sponsoring a Southern Regional Education Board Forum on high school to college transition that was held in July 2005. CHE staff also provided oral and written testimony to the National Commission on Accountability in Higher Education in order to share the state's experience in implementing performance funding accountability legislation for higher education.

- ◆ The Commission continued to work in 2004-05 to secure a second year of funding for the state's higher education electronic library. The project was funded initially with \$2,000,000 in non-recurring funds in 2004-05. A total of \$2,000,000 in non-recurring funds was again appropriated for this initiative for fiscal year 2005-06. In 2006-07, the Commission along with institutions will continue to seek recurring funds for this project and continue efforts to ensure the success of electronic library. Since January 2005, a total of 12 databases containing thousands of full-text journals have been made available through the internet at all public and private colleges and universities in the state. Hardware has been purchased and installed and testing has begun for implementation of the union catalog at four institutions. Implementation of the union catalog at all institutions is anticipated by May-June 2006.
- ◆ Adequate funding for South Carolina's public higher education institutions is another of CHE's principal goals. CHE continued to advocate for operating funds for institutions in 2004-05 and also worked to address issues related institutional funding needs. CHE worked with institutions to develop and adopt an allocation plan to address longstanding issues of funding parity across institutions while taking into account performance. In addition, the CHE adopted and implemented changes to the Mission Resource Requirement (MRR) model that has been used in identifying institutional general educational operating needs. As a note, the MRR was created in 1997 and considers institutional need based on steps that calculate need in light of institutional, peer and national data in the areas of instruction, research, public service, libraries, student services, physical plant and administration. Institutional student and fee revenues collected are then deducted at an agreed upon rate from the calculated need determined for the aforementioned areas to arrive at state funding recommendations for institutional educational and operating needs. In 2004-05, the CHE adopted a revision to the model to deduct revenues from tuition and fees at a rate reflecting 50% student support and 50% state support for most institutions and 40% student support and 60% state support for technical colleges. In past years, the ratio of student to state expected support was 20% student and 80% state. Additionally, all recommended changes of a consulting firm that reviewed the model in 2000 were implemented as of 2004-05.
- ◆ CHE continued to advocate for additional support for need-based student aid. In recent years, merit-based student aid programs have grown significantly while need-based aid programs have not. CHE finds such programs crucial to ensuring access to higher education. An increase of just over \$800,000 was appropriated for fiscal year 2005-06 for need-based student aid programs. In 2005-06, CHE will continue to seek additional funds for this program in to help meet unfilled needs.

- ◆ CHE worked with institutions to develop an initiative aimed at addressing the state's high school drop-out rate. Coastal Carolina University collaborated with CHE in proposing a pilot program involving college students serving as mentors for K-12 students. The initiative is designed to develop a model program to help reduce the state's high school drop-out rate. Funding for the program was appropriated for FY 2005-06, and Coastal Carolina is now well underway in implementing the proposed program.

Key Strategic Goals for Present and Future Years

On an annual basis CHE's major goals and annual objectives are reviewed and included in the Executive Director's planning process and performance evaluation process. The most significant of the goals for the 2004-05 year and for the upcoming year are provided 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 2004-05 and Upcoming Years:

- 1) In carrying through on work begun in 2003, the Executive Director will continue efforts to work cooperatively and collaboratively with institutional presidents and other relevant stakeholders to develop a public agenda for higher education in South Carolina. The public agenda will serve as the statewide plan for higher education and should inform work in considering revisions to the current accountability system for higher education. *Status: See 2004-05 accomplishments. The Commission will build on this work in 2005-06.*
- 2) Building on the revised statewide strategic plan, the Commission will continue efforts to develop a revised accountability system for higher education for consideration as an alternative to the accountability system used currently. The revised system will include considerations for statewide higher education accountability, institutional accountability, and Commission accountability in working toward and achieving goals of the statewide plan. *Status: Discussions regarding the revised accountability plan are underway and efforts will continue in 2005-06.*
- 3) The CHE will continue its work to strengthen the Commission'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: See accomplishments. Efforts under this goal will continue in 2005-06.*
- 4) The CHE will work to ensure success of the Statewide Higher Education Electronic Library initiative funded in 2004-05 through monitoring initial and continuing implementation of the statewide electronic library. Special emphasis in ensuring success will focus on the planning for the widespread installation of electronic databases and the development of the statewide union catalog for all public and private institutions of higher education in South Carolina. CHE will continue efforts to secure recurring funds for this important statewide collaborative initiative. *Status: See 2004-05 accomplishments. Efforts under this goal will continue in 2005-06.*

5) CHE will pursue a special state initiative for higher education involving college students and service learning aimed at improving the cooperation and collaboration of higher education and K-12 in addressing issues related to the state's high school dropout rate. *Status: See 2004-05 accomplishments. CHE sought funding for a pilot project involving a mentoring partnership between Coastal Carolina and K-12 schools. Funding was provided for 2005-06 for the pilot.*

6) Work in cooperation with institutional finance officers to improve the Commission's policies in regard to recommendations made for performance funding needs and other budgetary requests for institutions by: a) studying higher education funding models and approaches used by other states and considering suggested improvements or alternatives to the performance funding model as currently employed by South Carolina; b) reviewing and revising the criteria currently employed by the Commission in making recommendations to the General Assembly for institutional requests for special funding outside of the general operating funding request; and c) developing and implementing a process for the ranking of institutional capital projects for the state's capital bond process. *Status: See 2004-05 accomplishments. Work in this area will continue in 2005-06. Additionally, CHE developed a process for the ranking of capital projects that will be implemented in 2005-06.*

7) On behalf of the Commission, the Academic Affairs and Licensing Division will provide leadership in transfer and articulation under the terms of the new Education for Economic Development Act on developing more seamless transfer and articulation arrangements among the levels and types of the state's public higher education institutions and between the state's higher education institutions and the state's K-12 public school system. *Status: Efforts are underway regarding this important initiative under the legislation that was passed during the 2005 session and will be a major focus of the Commission in 2005-06.*

8) Convene a task force of two- and four-year college representatives to develop an articulation agreement for two-year students interested in becoming teachers so as to enable them to transfer as seamlessly as possible into teacher education programs. *Status: An Advisory Committee on Academic Programs (ACAP) retreat was held in June 2005 to begin to address this issue. As indicated above, passage of the Education and Economic Development Act makes transfer and articulation a central issue for the coming year.*

9) Continue the two-year process to evaluate all education programs at the state's eleven 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 State Department of Education, the CHE and NCATE, including data collection, program reports and site visits. *Status: Staff participated with NCATE and the State Department in accreditation visits at five of the public institutions during 2004-05 and collaborated with the State Department of Education to clarify the NCATE/State partnership Protocol for Initial/Continuing/Probation reviews effective 2006-2012.*

10) Complete the study of program productivity under the new formal policy on program productivity authorized by CHE to ensure increased program efficiency, cost effectiveness, and reduce unnecessary duplication of academic programs. *Status: Completed the first and second cycles of program productivity reports for all four-year institutions, except South Carolina State*

University, under the more rigorous new policy and procedures for program productivity. The first cycle has been completed for South Carolina State University and the second is underway. Institutional corrective plans for all programs which had been placed on “conditional approval” by staff were taken to CHE, and CHE has approved proposed plans.

11) Ensure that the following tasks are carried out as part of the Commission’s responsibilities in the area of licensing: a) Continue with the process of consolidating and merging student records from closed colleges and universities, which includes purging records of extraneous material, building a database of records in storage, merging purged records from Camden warehouse into the Columbia warehouse, and, if funds are available, investigate and implement a process to convert records to digital format for electronic storage; and b) Continue to seek passage of statutory amendments to exempt from licensing accredited degree-granting institutions that conduct occasional or incidental recruiting activities (such as at high school recruiting fairs or through seasonal recruitment advertising) and exempt from agent permitting institutional staff who make occasional or incidental informational public appearances (e.g., high school recruiting fairs); enable the Commission to use bond proceeds from schools that close to sponsor teach-outs or to recover the costs of administering records; and prohibit the use of “fake” academic credentials. *Status: On-going. CHE will continue its work regarding item one and will continue to pursue legislative changes in the upcoming year in regard to item two.*

12) Improve accessibility of information and data products of the Commission by a) re-vamping the Commission’s website to provide a more user-friendly web presence that enhances the accessibility and availability of information about the Commission, its work, and available data products; and b) continuing efforts to automate the receiving data electronically from the public institutions. *Status: CHE staff continues to work on a revised website and process for receipt of CHE Management Information Systems (CHEMIS) data electronically. CHE also continues work to make information more accessible. In 2004-05, CHE added a searchable academic program inventory to CHE’s website, streamlined and improved the National Guard Student Repayment Loan program database, and continued efforts to revise CHE’s webpage and develop other interactive data products to aid end-users.*

13) 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 document for the Access and Equity program. *Status: Work to make data more accessible in regard to programs continued. Staff published “South Carolina Access and Equity Program: A Fresh Approach, 2004.” Additional program information is available in the Business Results section.*

14) Ensure the strength of the Access and Equity Program and the Commission’s responsibilities related to this program by: a) working to revise the formula and allocation methodology used in the distribution of the state’s higher education Access and Equity appropriation; b) managing a competitive grant process with the goal of increasing the number of African-American males going to college; c) working in cooperation with higher education institutions and K-12 schools to assess on-going “Access and Equity” activities and develop better strategies to increase the

number of minority students, faculty, and administrators in South Carolina' educational system; and d) strengthening the Commission's role and involvement in the Annual Access and Equity Conference. *Status: The Commission on Higher Education is continually looking at alternative methods for allocation of Access and Equity funds despite budget cuts. The Access and Equity program utilizes 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 & Equity Program has set aside \$40,000 of appropriated funds for a competitive grant process and the Agency has requested \$400,000 for a competitive grant and a College-High School Partnership Program. The annual Access and Equity Conference was held and sponsored by the CHE and the colleges and universities. CHE continues to serve as the lead agency in sponsoring this conference.*

15) Continue efforts to increase awareness of campus safety issues by conducting annually the Campus Safety Conference to provide a forum for discussion of issues and updated information in the area of campus safety. *Status: The sixth annual Campus Safety Conference was conducted by CHE and held at USC Columbia in February 2005. Participation included college administrators, campus safety officers, parents and students from across the state. The seventh annual Campus Safety Conference will be held at Clemson University, February 26-28, 2006.*

On-going and Future Program Management Objectives of the Agency

1) Provide management of the following programs under the purview of the Commission including:

- a) The various competitive grants programs and competitions including the Professor of the Year Awards, the Service Learning Awards, the Teacher Education Centers of Excellence program, and the federal Improving Teacher Quality Competitive Grants program. *Status: The fourth Service Learning Competition was held in 2004-05 with three winners selected, representing public four-year institutions, public two-year institutions, and private institutions. The 17th Governor's Professor of the Year competition was conducted successfully culminating in November 2004 with the selection of a Professor of the Year from the two- and four-year sectors. Additional information is found in the Business Results section.*
- b) Three lottery-funded programs including: the Centers of Research Excellence for Economic Development/Endowed Professorships, the Teacher Grant Scholarship Awards program and the Higher Education Excellence Enhancement Program. For the Centers for Research Excellence on-going activities include submission and evaluation of endowed chair proposals, tracking fund disbursement, following up on receipt of pledges, and coordinating meetings and meeting agendas, and new activities to be added on include initiating an Audit Committee process, initiating the data gathering process for evaluation purposes, and developing an RFP to solicit a marketing firm to assist with fund raising. For the Higher Education Excellence Enhancement program, the appropriate processes for collecting necessary program data and for conducting an audit function as required will be implemented as part of on-going management. *Status: CHE continues*

to administer these programs as required. Four staff members also staffed the Research Centers of Economic Excellence/Endowed Professorship Review Board, including developing policies and procedures for this competitive grants program, contracting with evaluators and consultants, and coordinating the peer review and on-site visitation processes resulting in the successful awarding of program funds for the third year. In addition, the Life Sciences Act required certification of public/private partnerships for research facilities. To accomplish this end, CHE staff worked with the research institutions, the Joint Bond Review Committee and the Budget and Control Board. The scholarship grant program for teachers is in its third year of implementation using an electronic application and software developed specifically for this program. The software has been modified a second time to make the electronic application process as easy as possible.

- c) A federal grant, *Fund for the Improvement of Postsecondary Education (FIPSE)*, that includes the continuation of on-going research required by the grant as well as conducting a national survey to support and expand web- and literature-based research; convening a chief business officers group to guide a field test of proposed cost containment measures; planning and implementing a national conference to be held in Charleston in September 2005 for purposes of disseminating relevant information; and producing a draft final report prior to the conference. The grant is a multi-state effort to explore models of best practices in accountability. South Carolina serves as the lead state. *Status: Work continued on the grant as scheduled, and the national meeting is set to take place in September as planned.*
- d) The Southern Regional Education Board programs, including participation in the Academic Common Market, the Contract Program in Veterinary Medicine and Optometry, the Electronic Campus, and new programs as these may become available. *Status: The Contract Programs in Veterinary Medicine and Optometry and the Academic Common Market continue to be administered in partnership with the Southern Regional Education Board. The programs show continued growth in student participation; a third program in Veterinary Medicine at Mississippi State was added.*
- e) The state-supported scholarship, grant and loan programs (Palmetto Fellows, LIFE, HOPE, Need-Based, Lottery Tuition Assistance, and National Guard Tuition Repayment Loan Program) and improved awareness of South Carolina's programs and accessibility to information regarding participation in the programs. *Status: Staff continued to provide updated information regarding all scholarship and grants programs through CHE website; college information sessions and financial aid workshops that are held at middle schools, high schools and higher education institutions around the State to reach students, parents, guidance counselors and school administrators; and question and answer sessions held during regional and statewide meetings for guidance counselors and financial aid officers. Statewide workshops for financial aid representatives to review the scholarship and grant program regulations were also held. In addition, staff worked to target areas along the I-95 corridor by providing information regarding State financial aid and collaborating with local financial aid offices about additional resources. In 2004-05, regulations for the scholarship programs were amended through*

the APA process and passed. Due to the passage of statutory changes in the 2005 session, CHE will again pursue amendments to scholarship regulations. Improvements to the National Guard Student Loan program database were made that will facilitate efficient program management. Additional details are provided in the Business Results section.

- 2) Continue annual implementation of the federal competitive grants program, “Improving Teacher Quality,” to replace the Eisenhower program as required under the *No Child Left Behind Act* which reauthorizes elementary and secondary education. *Status: Staff administered two “No Child Left Behind Improving Teacher Quality Higher Education Grant program competitions. Thirteen applications were received and funds awarded for two new grants. CHE staff provided support to six continuing grant projects.*
- 3) Continue efforts through HEAP and GEAR UP programs to promote early awareness and participation in post-secondary education among low-income and underrepresented groups. *Status: CHE staff continued this work. Program highlights are detailed in the Business Results section of this report.*
- 4) Ensure reports and publications as required for submission to the General Assembly are completed and properly disseminated including the required annual report of institutional effectiveness. *Status: Completed and disseminated reports as required.*
- 5) Continue work to integrate as appropriate legislative requirements passed in the 2004 session that affect higher educational institutions and financing/facilities policy into the Commission’s policies and procedures. *Status: CHE staff has worked to integrate the 2004 legislated requirements into policies and procedures and is working on the same for legislation passed in 2005.*

Opportunities and Barriers that may affect the Agency’s Success in Fulfilling its Mission and Achieving its Strategic Goals

The current fiscal climate has resulted in limitations affecting the opportunities for CHE in relation to successful achievement of its mission and goals. In recent years, CHE has experienced major cutbacks in state funding for operations coupled with significant growth in programs requiring CHE administration. Reductions in available resources have forced the Commission to look very critically at how functions are performed, and every process is being reviewed continuously for potential efficiencies. At this juncture, CHE cannot continue to absorb budget cuts and carry out its mission in the most effective way. In addition, CHE is still feeling the negative effect of efforts in 2003 to dismantle the Commission in terms of staff morale and turnover. As a result, the primary barriers to functioning at optimal levels have included: major cutbacks in state funding, reductions in staffing, increases in staff workload, turnover in key staff positions, and constraints on the ability to provide for appropriate technology support.

During 2004-05, CHE experienced significant changes in leadership on the Commission with the appointment of a new Chair and three new Commissioners. Just prior to FY 2004-05, at least three new commissioners were appointed. Although all seats on the Commission, except one, are currently filled, it is expected that there will be additional changes next year. At present, three members are serving whose terms have expired and five members are serving in terms that expire in July 2006. The changes require that renewed energy be focused on planning and professional development activities.

In order to address mission critical needs, CHE will seek funding in 2006-07 to restore funds to provide for academic program review, a mission critical program for the CHE that provides for the statewide review of academic programs to ensure and improve quality. CHE will also seek to address key technology needs and staffing needs to carry out facilities' review and data support and programming for the state's centralized higher education data system.

In regard to other 2006-07 funding priorities, CHE will continue to work proactively to address the state's needs to increase educational levels of the state by ensuring the accessibility and affordability of higher education opportunities. CHE would like to develop a competitive grants process as part of the state's Access and Equity program that is aimed at addressing statewide needs of increasing minority enrollment. Efforts to encourage enrollment in higher education and to ensure affordability for all seeking to attend will continue to remain priorities of the CHE. As has been the case for the past several years, CHE will continue to work to address the balance between need-based and merit-based aid programs by requesting additional funding for need-based programs. Merit-based programs (Palmetto Fellows, LIFE, HOPE) have grown to represent 64% of the state's scholarship and grant aid to students attending public and independent institutions of higher learning while need-based programs (program for public institutions and tuition grant program for independent institutions) represent 19%. The remaining 18% is provided to students attending two-year institutions (Lottery Tuition Assistance program).

Use of Accountability Report to Improve Performance

CHE utilizes the agency accountability report as a tool for planning and assessing progress in carrying out the CHE's mission and achieving its goals and objectives. The report also serves to pull together in a single source reference document descriptions of the operations of CHE.

SECTION II – BUSINESS OVERVIEW

The South Carolina Commission on Higher Education (CHE) serves as the coordinating board for South Carolina's 33 public institutions of higher learning. Operating pursuant to §59-103-5, *et seq.*, of the South Carolina Code of Laws, as amended, the Commission 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.

Number of Employees

As of the end of 2004-05 fiscal year, CHE has 27 full-time employees (25 classified and 2 unclassified), 3 part-time employees; and 24 temporary grant/time limited employees.

Operation Locations

CHE's offices are located in Columbia at 1333 Main Street, Suite 200.

Organization Structure

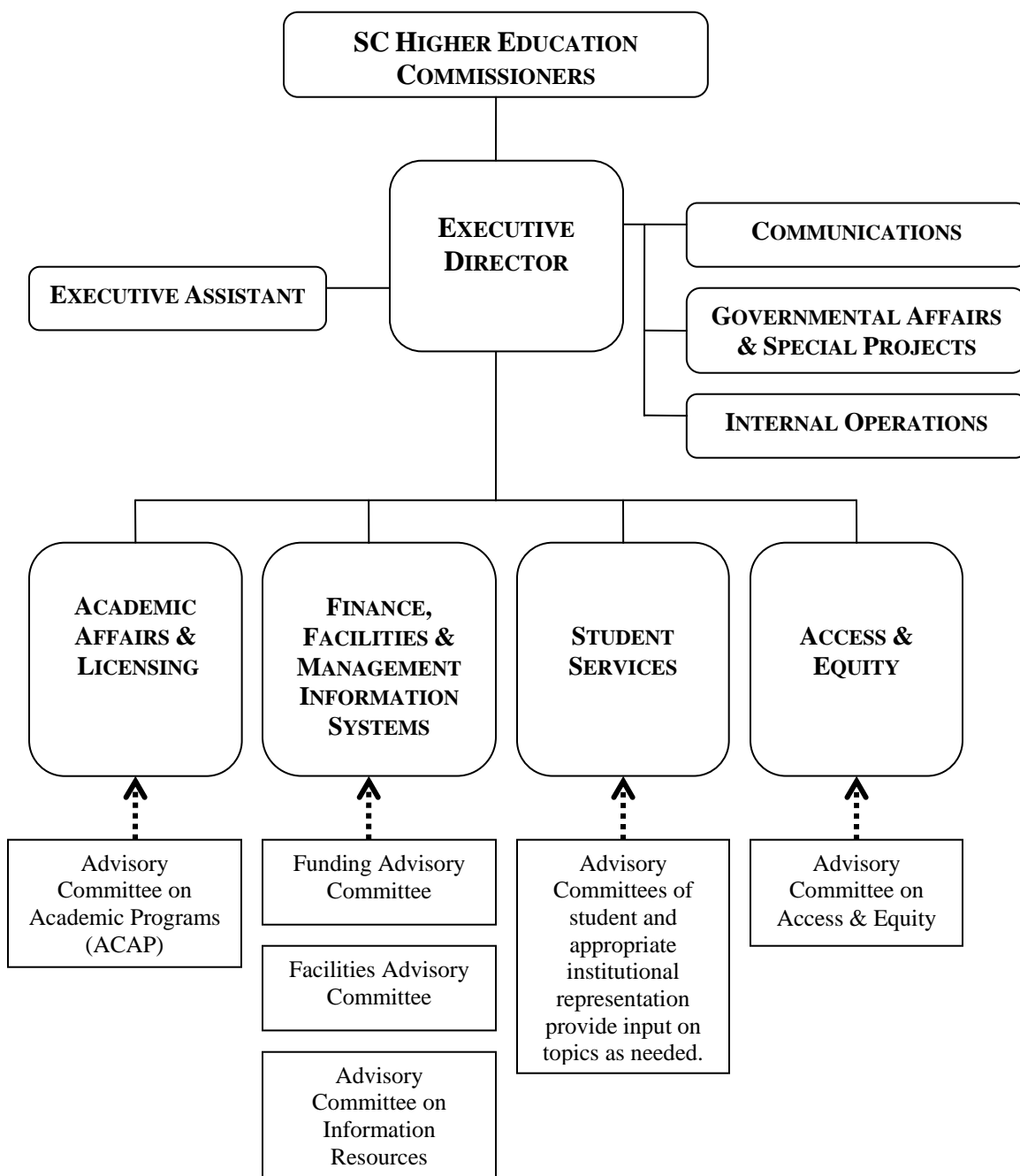
As illustrated in the organization chart found on the following page, CHE is governed by a board of Commissioners. CHE's board consists of fourteen Commissioners appointed by the Governor including: one at-large member appointed as Chair, three other at-large members, six members representing the Congressional Districts, three members representing the public higher learning institutions, and one member representing the independent higher learning institutions. Members serve four-year terms with the exception of the three public institutional trustees who serve two-year terms. All, except the independent institution representative, are voting members.

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

An Executive Director oversees daily operations of CHE and its supporting staff. CHE staff is organized in divisions that provide support for the subcommittees including Academic Affairs and Licensing; Finance, Facilities and Management Information Services; Student Services; and Access and Equity. Work of the divisions is also informed on a regular basis by formal and informal advisory committees made-up of institutional representatives. The directors of the divisions and the directors of Communications, Governmental Affairs and Special Projects, and Internal Operations along with the Executive Director make up the staff's Executive Management Team. A non-profit foundation continues to support CHE and the higher education community by raising private funds for use in supporting programs that are not possible within CHE's available state resources.

South Carolina Commission on Higher Education

Organization Chart June 30, 2005



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

Accountability Report Appropriations/Expenditures Chart
South Carolina Commission on Higher Education

Base Budget Expenditures and Appropriations

Major Budget Categories	03-04 Actual Expenditures		04-05 Actual Expenditures		05-06 Appropriations Act	
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personal Service	\$1,807,981	\$1,485,608	\$2,183,228	\$1,811,560	\$2,281,994	\$1,863,076
Other Operating	\$515,692	\$409,151	\$413,573	\$294,820	\$757,525	\$436,023
Special Items (1)	\$222,462,059	\$102,860,908	\$232,124,686	\$53,059,001	\$303,748,767	\$59,967,496
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	\$651,057	\$465,020	\$663,541	\$458,685	\$589,153	\$394,128
Non-recurring (2)	\$1,753,661	\$1,753,661	\$4,781	\$4,781	\$4,100,000	\$4,100,000
Total	\$227,190,450	\$106,974,348	\$235,359,808	\$55,628,847	\$311,477,439	\$66,760,723

(1) FY06 Appropriations include \$231,000,000 in lottery funds

(2) For FY06, the \$4.1 million includes "Maybank" funds of \$100,000 for African American Loan Program, \$800,000 for Greenville University Center; \$2,000,000 for Higher Education Statewide Electronic Library; and \$1,200,000 for SC Manufacturing Extension Program.

Other Expenditures

Sources of Funds	03-04 Actual Expenditures	04-05 Actual Expenditures
Supplemental Bills	\$18,248	\$4,781
Capital Reserve Funds	\$0	\$0
Bonds	\$0	\$0

Interim Budget Reductions

Total 02-03 Interim Budget Reduction	Total 03-04 Interim Budget Reduction	Total 04-05 Interim Budget Reduction
\$1,149,812	\$94,235	---

Major Program Areas

Accountability Report Major Program Areas Chart SC Commission on Higher Education

Program Number and Title	Major Program Area Purpose (Brief)	FY 03-04 Budget Expenditures		FY 04-05 Budget Expenditures		Key Cross References for Financial Results*
	Operations	State:	3,066,042	State:	2,616,546	7.2-1, 7.2-2, 7.2-4, 7.2-6, 7.2-7, 7.2-8 (8a, 8b, 8c, 8d, 8e, 8f), 7.9
		Federal:	1,407,673	Federal:	1,383,032	
		Other:	227,822	Other:	253,220	
		Total:	4,701,537	Total:	4,252,798	
		% of Total Budget:	2.1%	% of Total Budget:	1.8%	
	Flow-Through Funds*	State:	9,096,154	State:	7,528,814	7.2-5 (5a, 5b, 5c)
		Federal:	1,760,389	Federal:	0	
		Other:	46,558,114	Other:	8,529,118	
		Total:	57,414,657	Total:	16,057,932	
		% of Total Budget:	25.3%	% of Total Budget:	6.8%	
	Scholarship and Grant Programs:	State:	94,812,154	State:	45,483,487	7.2-3 (3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 3k) 7.2-4, 7.6
		Federal:	0	Federal:	1,841,389	
		Other:	70,262,104	Other:	167,754,202	
		Total:	165,074,258	Total:	215,079,078	
		% of Total Budget:	72.7%	% of Total Budget:	91.4%	
	Total	State:	106,974,350	State:	55,628,847	
		Federal:	3,168,062	Federal:	3,224,421	
		Other:	117,048,040	Other:	176,536,540	
		Total:	227,190,452	Total:	235,389,808	

* Flow through Programs for the FY04-05 Year include: Greenville Higher Education Center, Access and Equity, SC Alliance for Minority Participation, Lowcountry Graduate Center, Youth Leadership Conference, EPSCOR and SC State University Business School and Transportation Center.

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

For FY04-05, a total of \$43,900, 744 is not reflected above – The total includes a <\$129,187> National Guard program transfer to trust fund account, and transfers of \$37,654,931 and \$6,375,000 to SBTCE for the Lottery Tuition Assistance Program and the Lottery Funded Technology Program.

Remainder of Expenditures: N/A	State:	State:
	Federal:	Federal:
	Other:	Other:
	Total:	Total:
	% of Total Budget:	% of Total Budget:

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

Description of Key Customers, Stakeholders and Suppliers

Key Customers

As a coordinating board for higher education, the Commission 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, the Commission 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, the Commission and its staff are organized along functional lines into the following divisions: Academic Affairs & Licensing, Finance, Facilities and Management Information Services; Student Services; and Access & Equity. Customers are also served by staff responsible for coordinating communications efforts and governmental relations.

Key Suppliers

In its role as a state level coordinating board, CHE's key suppliers provide needed data and information that is utilized 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 the CHE in carrying out its responsibilities. For example, data reported to determine critical resources are also used in the process of evaluating both existing and proposed academic programs. Student specific information that is reported by public and independent colleges enables CHE to administer the scholarship and grant programs, as well as, respond to data requests and analyze trends for policy development. Data from the K-12 community including information from middle and high schools, students, and parents provides CHE with resources to ensure the effectiveness of our higher education awareness programs.

CHE also utilizes external firms for the development and production of program materials for our higher education awareness programs (*Higher Education Awareness Program – HEAP*, and *Gaining Early Awareness and Readiness for Undergraduate Programs – GEAR UP*) and for the SCHOLAR On-line Application process. In developing HEAP and GEAR UP several years ago, the Commission evaluated the alternatives of developing program materials in-house as compared to utilizing external organizations. CHE concluded that due to the personnel expertise and technology issues associated with particular aspects of these programs external organizations could best provide the necessary services. Additionally, CHE also found that technical aspects of the SCHOLAR On-line Application process require resources and

expertise that is more efficiently provided through external sources, and CHE has relied on an external supplier for the operation and maintenance of this process. SCHOLAR is a web-based application that enables students to apply electronically to one institution and have the critical information stored and saved so that it is “automatically” used when applications to other institutions are completed. The SCHOLAR application greatly simplifies the college application process for students.

Description of Major Products and Services

As outlined below, the major programs and functions of the Commission can be categorized broadly into four areas including: Advocacy and Coordination, Information, Accountability, and Administration. As described previously, the major programs operated by CHE fall within the structure of the divisions as described on page 11 and illustrated through the organizational chart on page 12. Relevant data and descriptions of specific programs of CHE are also found in the *Business Results* section of this report.

Advocacy and Coordination

- Provide a state-wide perspective for higher education planning and policies in order to reduce duplicative efforts and services and increase efficiency and collaboration while at the same time protecting all college level students’ rights for equal access and education.
- 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- and need-based student aid, research initiatives, statewide academic electronic library, statewide licensing agreements, state procurement contracts, and state planning issues.
- Promote cooperation and collaboration in coordinating efforts to address issues affecting the states’ citizens such as: access and equity, campus safety, higher education awareness and readiness programs for K-12 students, and a seamless K-20 education system.
- Provide direction at the state-level in the area of academic quality by developing state-level policies and best practices guidance for such items as: minimum admissions standards, dual enrollment, transfer and articulation, program productivity, remedial education, quality standards for professional development courses for teachers, post-tenure review, and annual review of faculty.

Information

- Provide statewide oversight and coordination for a higher education database necessary to respond to federal and state reporting requirements, legislative and citizen inquiries, and to study, monitor and report on higher education issues such as those related to enrollment, student aid, program offerings, faculty, and facilities use and maintenance.

- Provide pertinent information about higher education to parents and students and to promote access to higher education.
- Make recommendations by means of data collection, research, and studies to the Governor, the Budget and Control Board, and the General Assembly regarding policies, roles, operations, and structure of South Carolina's higher education institutions.

Accountability

- Serve in a consumer advocate role through responsibilities of assuring accountability of public higher education institutions through, for example, performance funding, institutional effectiveness, facilities management, and data verification or audit functions of programs.
- Ensure institutional and program quality of South Carolina's public institutions through partnership with National Council for Accreditation of Teacher Education Programs (NCATE) and the Department of Education in reviewing teacher education programs; reviewing and approving institutional mission statements; reviewing and approving new academic programs and evaluating existing degree programs; reviewing annually admission standards and compliance with English-fluency Act; and reviewing minimum undergraduate admissions standards for in-state and out-of-state institutions.
- Serve in a consumer advocate role by carrying out the responsibilities for examining and licensing non-public educational providers of higher education programs that desire to provide higher education programming in South Carolina.

Administration

- Oversee the awarding of over \$200 million in state merit- and need- based scholarship, grant and loan programs including: Palmetto Fellows; LIFE; HOPE; Lottery Tuition Assistance; Need-Based Grants; National Guard Student Loan Repayment; Access & Equity programs including Graduate Incentive Scholarships, Undergraduate Scholars Program and SREB Doctoral Scholars Program; and Teacher Development Grant program.
- Administer and provide outreach programs to generate higher education awareness and provide information on preparing for college and to encourage participation in higher education including the state's Higher Education Awareness Program (HEAP) and a federal grant program, Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP).
- Oversee other state lottery-funded programs including: South Carolina Research Centers of Economic Excellence, South Carolina Higher Education Excellence Enhancement Program, and Technology Incentive Funds program for public colleges and universities.

- Oversee and administer other state and federal programs affecting SC higher education including:
 - Statewide Access and Equity Program to include monitoring implementation and evaluating the effectiveness of programs designed to provide minority groups with access to and equality of higher education programs;
 - Governor's Teacher of the Year Award Program
 - The Veterans Education and Training Program in which the state acts on behalf of the federal government to evaluate educational/vocational institutions and training establishments where veterans and dependents eligible for Veteran's educational benefits can achieve either an educational, a professional or a vocational objective
 - Teacher Quality Competitive Grants Program
 - Fund for the Improvement of Post-Secondary (FIPSE) multi-State Grant for researching and developing best practices in accountability models for higher education
 - SC Alliance for Minority Participation
 - Experimental Program to Stimulate Cooperative Research (EPSCOR)
 - Southern Regional Education Board (SREB) Programs such as Electronic Campus, Academic Common Market and Contract Programs in Veterinary Medicine and Optometry

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 utilization of the Malcolm Baldrige Criteria concepts and principles.

Category 1. Leadership

The Commission on Higher Education 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 utilizes a committee structure for the handling of business. An Executive Committee, including the 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 utilizes an Executive Management Team consisting of Division Directors. Each division includes professional staff and appropriate support staff to perform the related functions. The Executive Management Team serves as the planning and evaluative group for CHE staff. All agency employees have input into CHE's activities through their respective Division Director.

The Executive Director meets with the Executive Management Team on a weekly basis. In addition, the Executive Management Team meets with the full Commission staff on regular basis to discuss current issues and activities of CHE. Further, individual divisions also meet regularly. These various meetings are designed to ensure that the entire staff is aware of and involved in the activities of CHE. These meetings also provide a forum for the clear communication of the mission, vision, goals and the process to achieve those goals throughout the entire organization.

The Internal Operations Director controls 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 utilizes a bi-annual planning retreat for members to evaluate the programs and direction of the agency. During alternate years and also on a periodic basis, CHE's Executive Committee (Chair, Vice Chair and all Committee Chairs) meets to review Commission initiatives and direction. New appointees participate in an extensive orientation process so they may become familiar not only with issues in the field of higher education, but also the pertinent issues and policy decisions facing CHE. The Council of Public College and University Presidents works with CHE for the formal development and adoption of a Strategic Plan for Higher Education. Also, CHE staff's Executive Management Team conducts periodic planning sessions and has regular team meetings to continuously evaluate the agency's activities.

During 2004-05, CHE's Executive Director continued to meet with institutional presidents of the public colleges to consider a revised strategic plan for higher education and a revised accountability system. The Executive Director and a small group of presidents, who were representative of the various sectors, worked throughout 2004-05 to define goals and discuss considerations for accountability. Efforts in this area built upon the work in the preceding year that culminated in the receipt by CHE of a major external report on higher education in South Carolina. The report, *Foundations for the Future*, in essence provided for the CHE an up-to-date environmental scan, a series of recommendations to consider in future strategic planning efforts, and a recommended "public agenda" on which to base a revised accountability system. The public college presidents have identified and adopted a set of revised goals for working consideration. In the 2005-06 year, it is expected that these efforts will proceed to development of recommendations and a plan for implementation.

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

Program Number and Title	Supported Agency Strategic Planning Goal/Objective	Related FY04-05 Key Agency Action Plan/Initiative	Key Cross References for Performance Measures*
<i>Executive Director's Objective 1</i>	1) Work in cooperation with institutions and other key stakeholders to develop a public agenda for higher education and to provide for a revised accountability program for higher education in light of the plan.	Hold regular meetings with institutional presidents and a small working group of presidents in order to make progress. The Foundations' report, FIPSE grant research and the National Commission on Accountability will be among information to inform the process.	No Chart
<i>Executive Director's Objective 2</i>	2) Advocate for funding for institutional operating needs, cooperative initiatives for higher education including for example, the statewide higher education electronic library, and for student programs to promote the accessibility and affordability of higher education for the state's citizens.	Coordinate and work with institutions to advocate for operating funding. Conduct work to develop recommendations to address parity 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. Work to develop a statewide mentoring initiative aimed at reducing the high school drop-out rate.	No Chart
<i>Executive Director's Objective 3</i>	3) Strengthen the Commission'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.	The Executive Director will continue to improve institutional relations with CHE and to strengthen relations with other key constituents including Commerce and K-12. Provide support in statewide educational and other related initiatives through participation in various statewide councils and task forces. Work in cooperation with key stakeholders in regard to the Education and Economic Development Act legislation.	No Chart
<i>Executive Director's Objective 4</i>	4) Continue to provide for the effective and efficient management of programs and initiative under the purview of the Commission.	Programs under the purview of CHE are managed efficiently and opportunities to improve are recognized and implemented.	<i>See 7.2-1 through 7.2-9</i>

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

Category 3. Customer 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 twelve regularly scheduled Commission meetings or through numerous committee meetings. These meetings, along with other contacts as discussed below, provide the mechanism for evaluating satisfaction among these customer groups.

The citizenry of the state has a variety of means of addressing CHE. Citizens can contact CHE directly, either through 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, and guidance counselor workshops, and the Student Advisory Committee (with members ranging from 10th grade to college sophomore) allow for citizens and other stakeholders to interact with Commission staff. As an additional opportunity for citizens, CHE maintains a website with a variety of information, data, and links to related sites such as state colleges and universities. A page specifically designed for parents and students is also provided with relevant information and a link to an electronic application process that allows students to apply on-line 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 (a Southern Regional Education Board program that provides in-state tuition to students attending certain programs in other states). Also, Finance, Facilities and Management Information Services 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 on its staff a legislative liaison that is charged with monitoring and providing coordination with this customer group. Certain other staff members whose area 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 Commission 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 the Commission, with the support of the 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 the Commission after appropriate analysis by the staff. Another key area of communication between the institutions and CHE is through the Council of Public College and University Presidents. The Council meets as a group and also meets with the Commission in order to provide coordination among the institutions and direct input into CHE's activities. CHE's Executive Director meets with the Council on an ongoing basis.

Category 4. Measurement, Analysis and Knowledge Management

CHE has several activities that rely heavily on the use of data. The Commission on Higher Education Management Information System (CHEMIS) maintains data collected from institutions relating to scholarship/grant awards, student enrollment, student completions, facilities, courses, and faculty. This system serves as the principal repository for data used in staff analysis of institutional and higher education issues and responding to informational requests of CHE's various stakeholders. These data also provide the basis for CHE's determination of funding needs of higher education, the evaluation of performance of the state's colleges and universities, and allocation of appropriations. Program specific data is gathered for the financial aid programs administered by CHE, the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) grant program, the Access & Equity program, and the Higher Education Awareness Program (HEAP).

In addition to the CHEMIS database, CHE also acts as the state-level coordinating body for the collection and submission of data for the Integrated Post-Secondary Education Data System (IPEDS), which is maintained by the U.S. Department of Education for the Federal Government. Much of the IPEDS data that is required for federal reporting is collected as part of the CHEMIS database, and the CHE can use the reported data to provide information for the Federal reports. Additional data reported by institutions are used to meet the national statistical requirements and also provide CHE access to national comparative data. CHE is very cognizant of data requirements placed on institutions and works as much as possible to streamline data reporting requirements and eliminate unnecessary or duplicative reporting.

Category 5. Human Resources Focus

As a state coordinating board, CHE's primary business focus is policy-oriented, rather than direct service or product delivery. As such, the people making up CHE and its staff are the most valuable asset of the agency. Only through attracting, educating, and retaining a quality staff can the appointed Commission members be assured that they are receiving the best possible analysis and review of issues being considered. Of the 54 members of CHE staff, 8 have doctoral degrees, 15 have other graduate degrees, and 20 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 opportunities. Annual conferences on programmatic areas ensure current knowledge of relevant issues. Each year, a member of the staff participates in the State Budget and Control Board's Executive Institute. In addition, several staff members are pursuing additional formal educational opportunities. Also, along with these opportunities, there exists an informal mentoring program provided by the more senior staff members. In short, CHE places a very high value on the quality of its human resources and recognizes the importance of continual development.

Category 6. Process Management

Each area and program provided through CHE operates with the assistance of one or more advisory committees. Also, all meetings of CHE, including advisory committees, are held as public meetings, thereby providing public access and accountability. Academic quality is an overriding principle in every educational environment. Higher education is no different. Each concept for a new or modified academic program offering goes through an evaluation by a committee involving institutional academic officers. All issues relating to state funding are discussed with institutional finance officers. Questions and considerations relating to scholarships and financial grants programs are reviewed extensively with institutional financial aid officers. Assessment and performance evaluation issues are discussed with institutional research and/or institutional assessment officers. In each of these areas, and all others within CHE, processes are reviewed on a periodic basis to insure both quality and efficiency, with input solicited from the participants, the business community, and other constituencies of higher education.

Category 7. Business 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 7.2 or performance levels and trends for the key measures of mission accomplishment.

7.2-1: 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 these annual reports as well as other reports issued is available on-line at <http://www.che.sc.gov/HmMisc/Publications.htm>. Most reports are accessible on-line or available by contacting CHE staff. A few of the more significant annual reports of institutional data are listed below:

- CHE produces annually the *South Carolina Higher Education Statistical Abstract* that contains the latest facts and figures for our state's higher education system. The current and past years' reports are available at <http://www.che.sc.gov/Finance/Stat.htm>. The 2005 publication marked the 27th year of this publication. It is noted that the publication was recognized by the South Carolina State Library as one of ten *Most Notable Documents of 2004*.
- CHE produces annually a report entitled, *A Closer Look at Public Higher Education in South Carolina: Institutional Effectiveness, Accountability, and Performance*, to meet its legislated mandate per South Carolina State Code Section 59-101-350. This report is submitted each January to the Governor's Office and General Assembly. In recent years, the report has served as the agency accountability report for each of the state's 33 public institutions of higher education. The report pulls together information from the performance funding process, institutional assessment activities and other required reporting as legislated. Copies of the present and recent past reports are located on the Commission's website at <http://www.che.sc.gov/AcademicAffairs/InstEff.htm>.
- Annual institutional report cards produced as a result of the performance funding process are also found on the CHE's website along with additional data and information on this process. The link http://www.che.sc.gov/Finance/Perf_Fund/Perform_F.htm provides access to this information.

7.2-2, 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 (i.e., Commission on Higher Education Management Information System). CHE staff use the data regularly in responding to questions regarding South Carolina's higher education systems. See Section 4 (i.e., Category 4, Measurement, Analysis and Knowledge Management) for additional details.

During the year, staff responds daily to requests for information, but also responds to numerous special requests for data outside of regular reporting and/or readily available data reports. Last year, the number of these special data requests was approximately 200. In future reports, CHE will show trend data for such requests.

7.2-3: SCHOLARSHIP AND GRANT PROGRAMS

CHE is responsible for administration of the majority of higher education scholarship and grant programs made available by the General Assembly. South Carolina provides funding for several undergraduate scholarship programs. Three programs (Palmetto Fellows, LIFE and HOPE) are merit-based programs. Students must meet criteria based on grades, class rank and/or college entrance exam scores to earn merit awards and on grades for continued eligibility. Another program, Lottery Tuition Assistance, provides funds for students at two-year institutions enrolled in degree programs. The state also supports need-based student aid programs. These programs provide funds to students based on their need. The need-based programs (CHE Need-Based and SC Tuition Grants) include funds provided to CHE to disperse to public and independent institutions and funds appropriated to the SC Tuition Grants program which is a need-based aid program for independent institutions. Of the funds dispersed to CHE, approximately 20% goes to the independent institutions through the SC Tuition Grants program. Unless specified, Tuition Grant dollars are not reflected in the information that follows. In brief for the merit awards and lottery tuition assistance:

Palmetto Fellows requires that students at a minimum meet an SAT score of 1200, a class rank in the top 6% (or for classes in which the top 6% is not a whole number, the next student), and a high school grade point average of 3.5 on the uniform grade point average. Alternatively, students may meet a 1400 SAT/or ACT equivalent and a high school grade point average of 4.0 on the uniform grading scale. This award is provided for 8 semesters provided students maintain eligibility. Students must be enrolled in four-year institutions.

LIFE requires for initial eligibility that students meet two of three criteria: 1100 SAT/ACT equivalent; class rank in the top 30% or high school grade point average of 3.0 on the uniform grading scale. This award is provided for 8 semesters provided students maintain eligibility. Students may be enrolled in two- or four-year institutions.

HOPE requires that students have a 3.0 high school grade point average on the uniform grading scale and be enrolled in a four-year institution. The award is for the freshman year only.

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

Students may not receive more than one of the merit awards or lottery tuition assistance at the same time, but may earn additionally need-based aid.

The table below reflects some of the staff activity in regard to disseminating information and responding to student appeals. On the following pages, data are provided to illustrate the volume of scholarship and grant provided to South Carolina students.

Table 7.2-3a, Staff Activity regarding Scholarship/Grant Awareness and Appeals

Staff Activity	2002-03	2003-04	2004-05
Number of events staff participated in to provide scholarship and grant program updates to students, parents, guidance counselors and to increase awareness	34	26	47
Workshops hosted for Financial Aid Representatives to review regulations and program changes to ensure proper administration	2	3	1
Number of student scholarship/ grant appeals processed for which decisions were rendered	194	236	245

Table 7.2-3b, State Appropriations for Undergraduate Scholarship and Grant Programs

General Fund and Lottery Appropriations for the State Scholarship and Grant Programs:

Source: Data pulled from appropriation acts for FY's 2000-01 through 2004-05

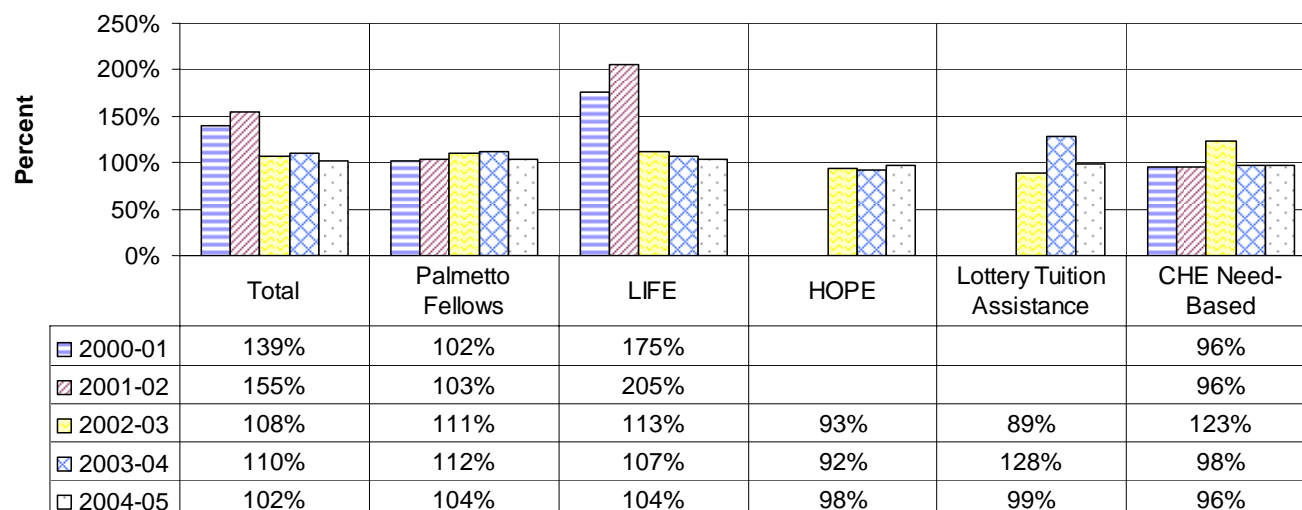
	FY2000-01	FY2001-02	FY2002-03	FY2003-04	FY2004-05	% Change FY01 to FY05
*Palmetto Fellows <i>(portion of PF that is from State General Fund & Education Endowment (Barnwell) Revenues)</i>	\$12,291,300 \$12,291,300	\$12,291,300 \$12,291,300	\$17,259,618 \$12,000,000	\$19,567,905 \$14,567,905	\$23,176,712 \$12,000,000	88.6%
*LIFE <i>(portion of LIFE that is General Fund)</i>	\$26,500,000 \$26,500,000	\$26,500,000 \$26,500,000	\$94,610,414 \$54,610,414	\$111,520,063 \$71,520,063	\$122,374,744 \$29,646,795	361.8%
HOPE	n/a	n/a	\$5,787,600	\$6,500,000	\$6,183,017	n/a
LTAP	n/a	n/a	\$34,000,000	\$29,000,000	\$39,750,000	n/a
Need Based Grants <i>(portion of NB that is from State General Fund & Education Endowment (Barnwell) Revenues)</i>	\$12,500,000 \$12,500,000	\$12,500,000 \$12,500,000	\$12,478,497 \$12,000,000	\$15,478,497 \$12,478,497	\$22,438,427 \$12,000,000	79.5%
** Tuition Grants <i>(portion of Tuition Grants that is from Lottery Revenues)</i>	\$19,276,872	\$21,216,872	\$19,369,269	\$22,325,740 \$3,000,000	\$23,322,247 \$4,000,000	21.0%
TOTAL	\$70,568,172	\$72,508,172	\$183,505,398	\$204,392,205	\$237,245,147	236.2%

*The numbers shown represent only the amounts from the Appropriations Act. For the Palmetto Fellows and LIFE programs, additional amounts may be provided since these are "open-ended" funded programs and qualified students are provided the awards.

** Program providing grants based on need to qualified students at SC's Independent Colleges and Universities. SC Tuition Grants Commission administers this program.

Graph 7.2-3c, Comparison of Annual State Appropriations for Undergraduate Scholarship and Grant Programs to Year-end Dollars Awarded

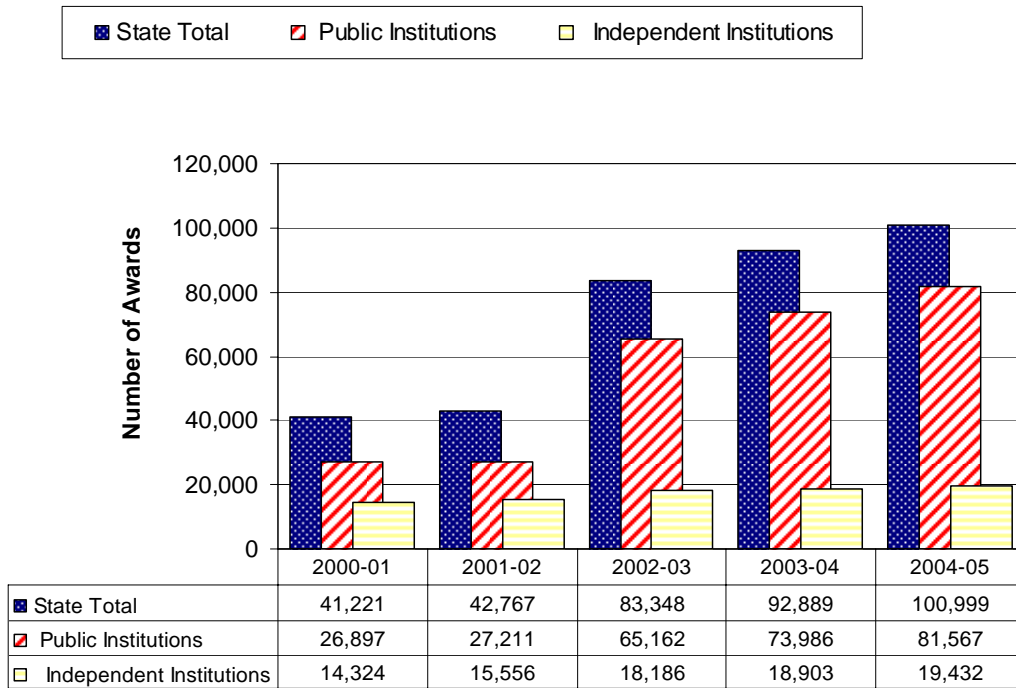
Year-End State Scholarship Dollars Awarded as a Percentage of State Appropriations, Total and by Program (Palmetto Fellows, LIFE, HOPE, LTAP, and Need-Based)



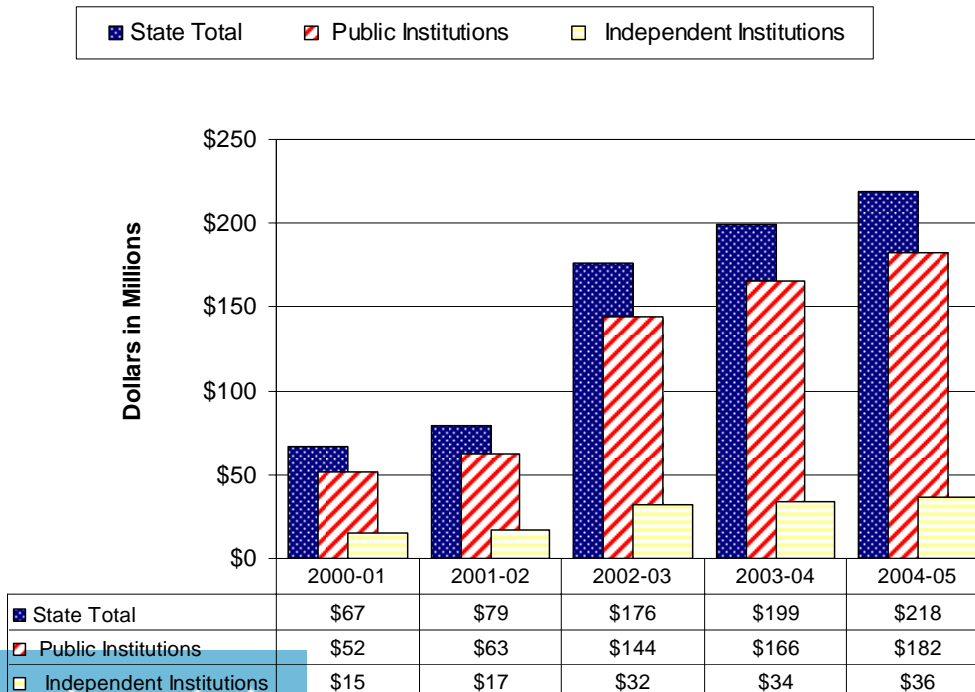
(Graph 7.2-3c Revised, 11/8/05)

**Graph 7.2-3d, Annual Awards for State Undergraduate Scholarship and Grant Programs
Type Institution (Public or Independent) by Year, FY01 to FY05**

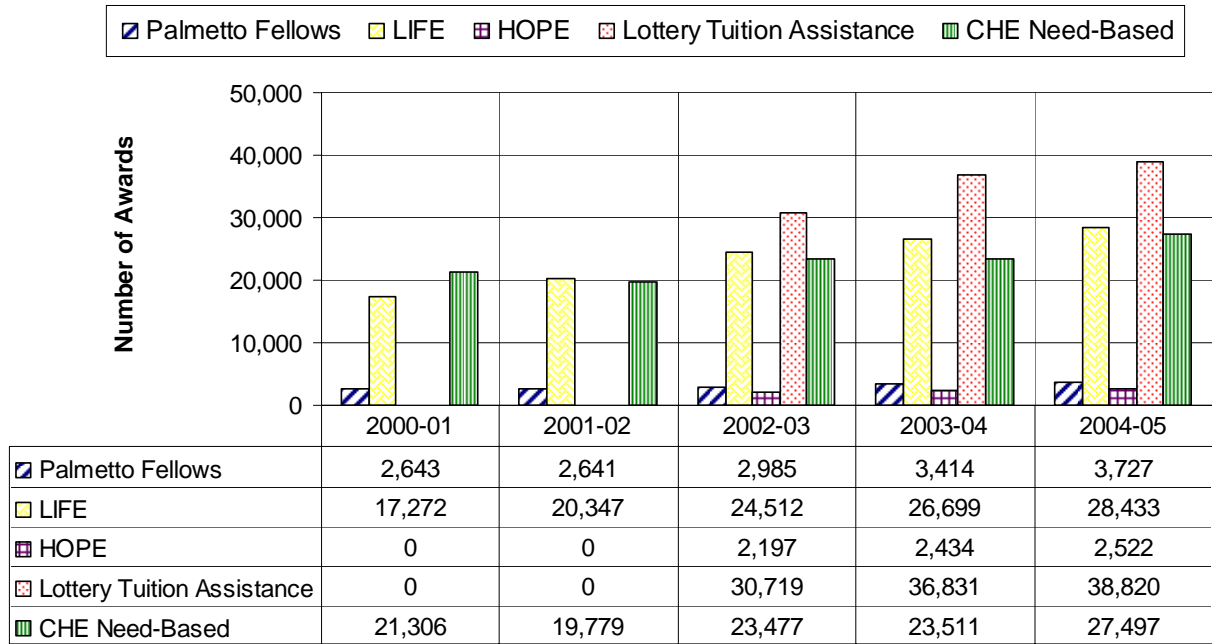
Number of Undergraduate Scholarships and Grants
(Palmetto Fellows, LIFE, HOPE Lottery Tuition Assistance, and CHE Need-Based Grants)



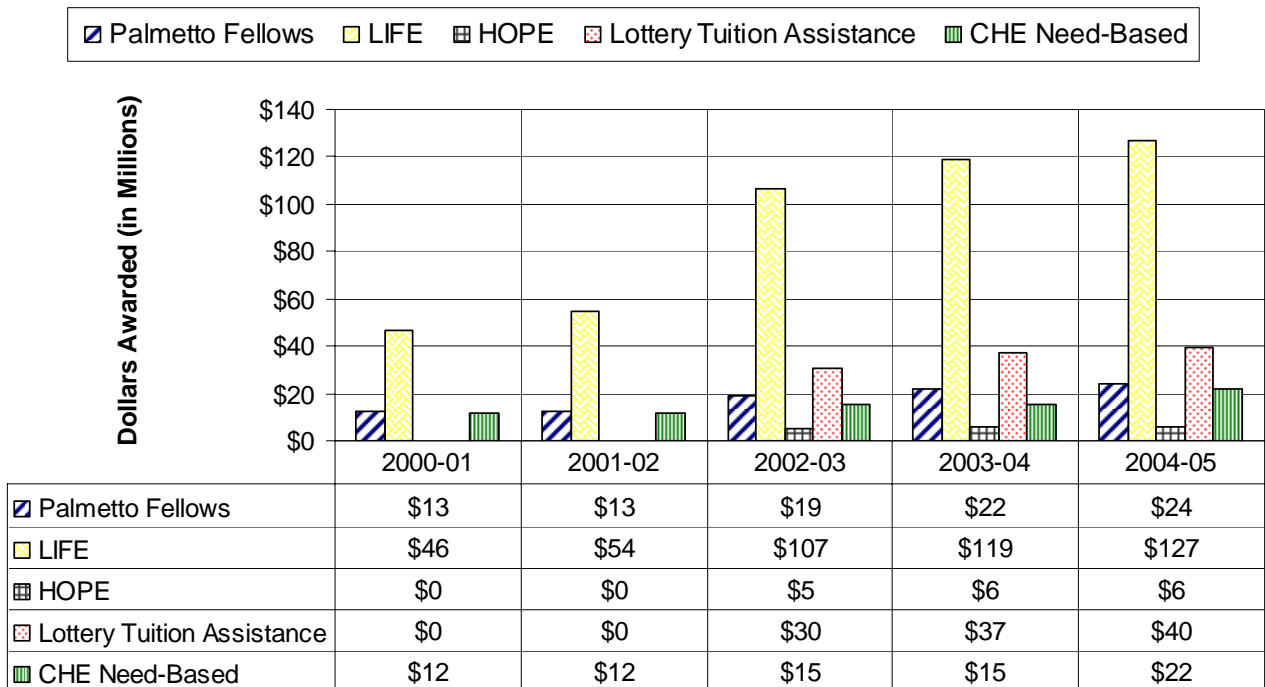
Total Dollars Awarded Undergraduate Scholarships and Grants
(Palmetto Fellows, LIFE, HOPE Lottery Tuition Assistance, and CHE Need-Based Grants)



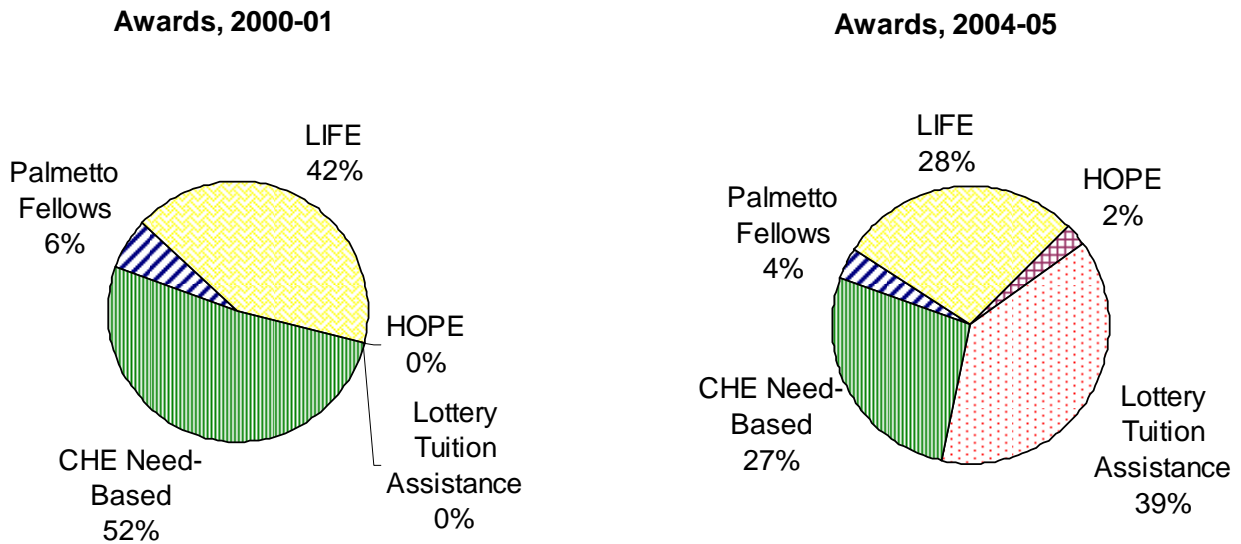
Graph 7.2-3e, Scholarship Awards by Program, Academic Years 2000-01 to 2004-05



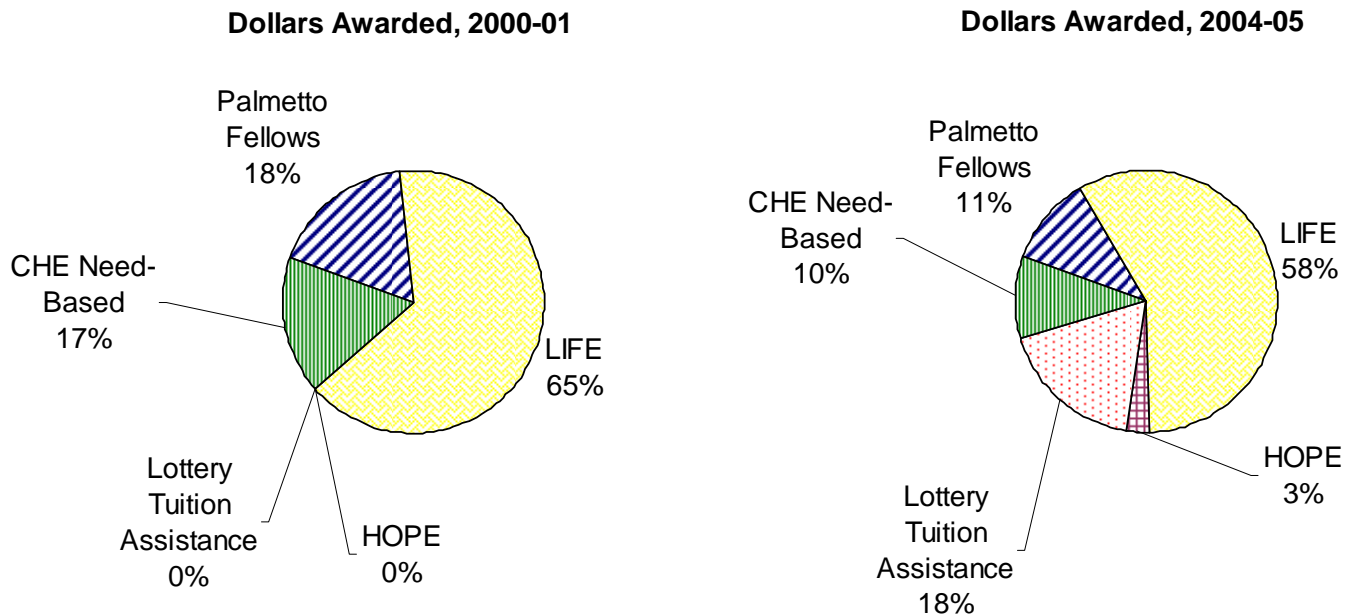
Graph 7.2-3f, Scholarship Dollars Awarded by Program, Academic Years 2000-01 to 2004-05



Graph 7.2-3g, Percentage of State Undergraduate Scholarship and Grant Awards by Program, Academic Years 2000-01 and 2004-05



Graph 7.2-3h, Percentage of State Undergraduate Scholarship and Grant Dollars Awarded by Program, Academic Years 2000-01 and 2004-05



Graph 7.2-3i, Average Award Amounts by Program, Academic Years 2000-01 and 2004-05

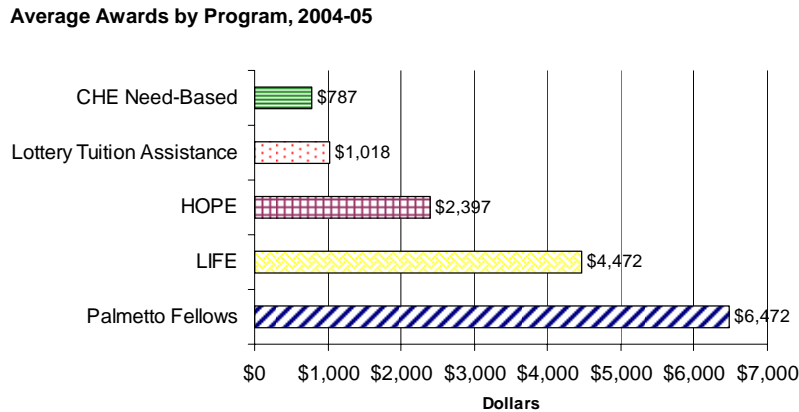
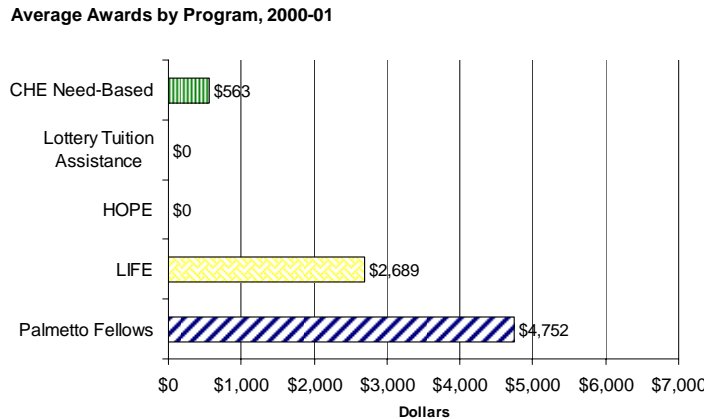


Table 7.2-3j, Lottery Funded Teaching Scholarship Grants Program, Awards and Dollars

In 2001, as part of the South Carolina Education Lottery Act, the General Assembly passed legislation for a Teaching Scholarship Grants program. The purpose of this program is to support classroom teachers in their efforts to improve their content knowledge by completing coursework and degree programs. The program, authorized in §59-150-380 of the SC Code, provides that teachers who hold a professional certificate and teach in the public schools of the State will be awarded grants not to exceed \$1000 per year to attend the State’s public and independent colleges and universities for the purposes of upgrading existing core content area skills or obtaining a Master’s Degree in the teacher’s core content area. If there are insufficient funds for these grants for eligible recipients for a particular year, priority must be given to those classroom teachers (i.e., not administrators, counselors, media specialist, or other support personnel) whose teaching areas are critical need subject areas as defined by the State Board of Education. The program has been funded since FY 2002-03 with \$2 million in lottery funds provided each year through FY 2004-05. There were no funds provided for the program for FY 2005-06.

Teaching Grants Program Activity	2002-03	2003-04	2004-05
Number Awarded	339	548	817
Total Dollars Awarded	\$339,000	\$548,000	\$817,000

Table 7.2-3k, National Guard Student Loan Repayment Program

During the 2001 legislative session, the General Assembly approved Act 41 which gave CHE the responsibility of administering the National Guard Student Loan Program. As a result, the Commission on Higher Education, in consultation with the South Carolina Student Loan Corporation, developed the loan repayment program for National Guard members to provide incentives through the repayment of eligible student loans for those enlisting and remaining a minimum of six years in either the South Carolina Army or Air National Guard in areas of critical need. CHE along with the SC National Guard administer this student loan repayment program. Below is a chart of the program activity for the past three years.

	Funds Available (Note 1)	Funds Obligated (Note 2)	Number of Awards	Payment on Awards	Aggregate of Payments	Aggregate Obligated Funds On Hand (Note 4)	Aggregate Number of Awards (Note 3)
FY03	\$1,350,000	\$1,350,000	100	\$0.00	\$0.00	\$1,350,000	100
FY04	\$1,697,399	\$1,674,000	124	\$32,923	\$32,923	\$2,961,399	205
FY05	\$1,688,570	\$1,674,000	138	\$113,560	\$146,483	\$4,603,751	329

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.

Note 2: Funds obligated are based on an award of wither \$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 that any partial payment of an award can occur is on the first anniversary of the award.

Note 3: Of the 100 awards in FY2002-03, 19 Guard members failed to meet their obligations and lost their awards. This allowed 19 additional awards in either FY04 or FY05. Interest on the funds allowed the remaining new awards to be made in those fiscal years.

Note 4: Based on current levels of funding, the program is projected to make payments that equal the annual appropriation in FY08.

ITEM 7.2-4, PROGRAM PARTICIPATION, SOUTHERN REGIONAL EDUCATION BOARD (SREB)

The Southern Regional Education Board (SREB) was founded more than 50 years ago specifically to help states improve and share resources in higher education. Today, SREB continues to organize and administer regional arrangements to avoid costly duplication and expensive development of new programs including the Academic Common Market which provides access to undergraduate and graduate programs in specialized areas by waiving out-of-state tuition. SREB data collection, SREB policy documents, comparative research and publications on K-20 issues as well as participation in several other programs are benefits of South Carolina's membership in this sixteen state consortium. The Commission on Higher Education coordinates South Carolina's participation in higher education programs under the SREB. Data provided below include participation trends in student participation in programs made available through South Carolina's participation in SREB.

Table 7.2-4a, South Carolina Students Certified for Participation in SREB Programs

Program	2000-01	2001-02	2002-03	2003-04	2004-05
1) NC School for the Arts	5	6	6	7	7
2) Contract Programs for Veterinary Medicine and Optometry	80	90	90	102	104
3) Academic Common Market Program	97	101	102	125	121
4) Doctoral Scholar Participants (Total New and Continuing)	7	9	6	3	10

1) North Carolina School for the Arts is a conservatory-based high school program that provides for the training of professionals in the arts. Through SREB contractual arrangements, students from South Carolina are able to attend this school with tuition assistance.

2) Under the SREB contract programs for veterinary medicine and optometry, spaces are made available for South Carolina residents at the in-state rate at five partner programs. Through this program, South Carolina is able to maintain availability of these programs for our citizens while the state avoids the expense of building and staffing these professional schools. Optometry programs for South Carolina residents at in-state rates are made available at Southern College and University of Alabama. Veterinary Medicine programs are available at Tuskegee University, University of Georgia, and Mississippi State University.

3) The SREB Academic Common Market was established in 1974 by SREB to share between states specified degree programs located at southern public colleges and universities through an exchange of students across borders at in-state rates. As a cooperative agreement among states, the Academic Common Market seeks to eliminate unnecessary duplication of degree programs among states while supporting those programs which are able to serve additional students. The program allows residents of the 16 participating states (Alabama, Arkansas, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia and West Virginia) to pay in-state tuition rates while enrolled in certain degree programs at participating out-of-state colleges and universities. Florida, North Carolina and Texas participate at the graduate level only.

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

ITEM 7.2-5, ACCESS AND EQUITY – MINORITY PARTICIPATION IN PUBLIC INSTITUTIONS

From 1981 to 1986, (Era of Compliance), South Carolina implemented a federally mandated desegregation plan designed to: (1) Enhance the State's public historically Black colleges, (2) Desegregate student enrollments at the State's baccalaureate degree granting public colleges and universities, (3) Desegregate faculties, staffs, and governing bodies of all public colleges and universities in South Carolina. In 1985, the Commission on Higher Education adopted the South Carolina Plan for Equity and Equal Opportunity in Public Institutions of Higher Education - 1986-87 and Beyond, which over a three-year period, provided funds to support (1) a Graduate Incentive Fellowship Program, (2) an Other Race Grants Program, (3) a Minority Recruitment and Retention Grants Program, and (4) programs to enhance the State's two public Historically Black institutions.

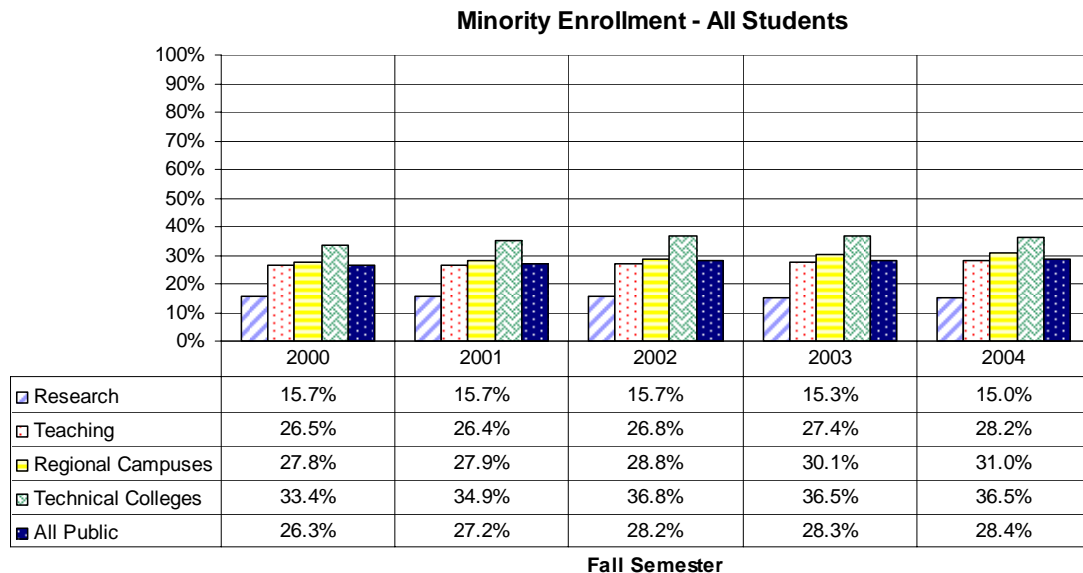
In February 1988 (Era of Commitment), CHE approved guidelines for the Access and Equity Program. Implementation of the Program began on July 1, 1989, allowing funds to be awarded to institutions with well-planned activities that (1) flow from the institution's mission and address the recruitment and retention of minority students and employees, (2) meet specific institutional requirements related to the characteristics of students and faculty, (3) are carefully conceptualized, and (4) are linked to guidelines to emphasize the need to achieve campus climates and academic settings that encourage participation and achievement by African American students.

CHE provides statewide governance to 33 public institutions in the area of Access & Equity. Ensuring educational equity for all students and faculty in higher education is one of the primary functions of CHE. The vision of Access & Equity is to achieve educational equity for all students and faculty in higher education. Minority enrollment should be at least proportional to the minority population in South Carolina and minority graduation rates should be comparable to the graduation rates of other students. Progress in the recruitment and retention of minority faculty should be made to enhance diversity among those who convey knowledge to our students.

Additional details are available in the publication entitled, *The SC Access and Equity Program: A Fresh Approach, 2004*. Accessible at http://www.che.sc.gov/AccessEquity/A_Fresh_Approach.pdf

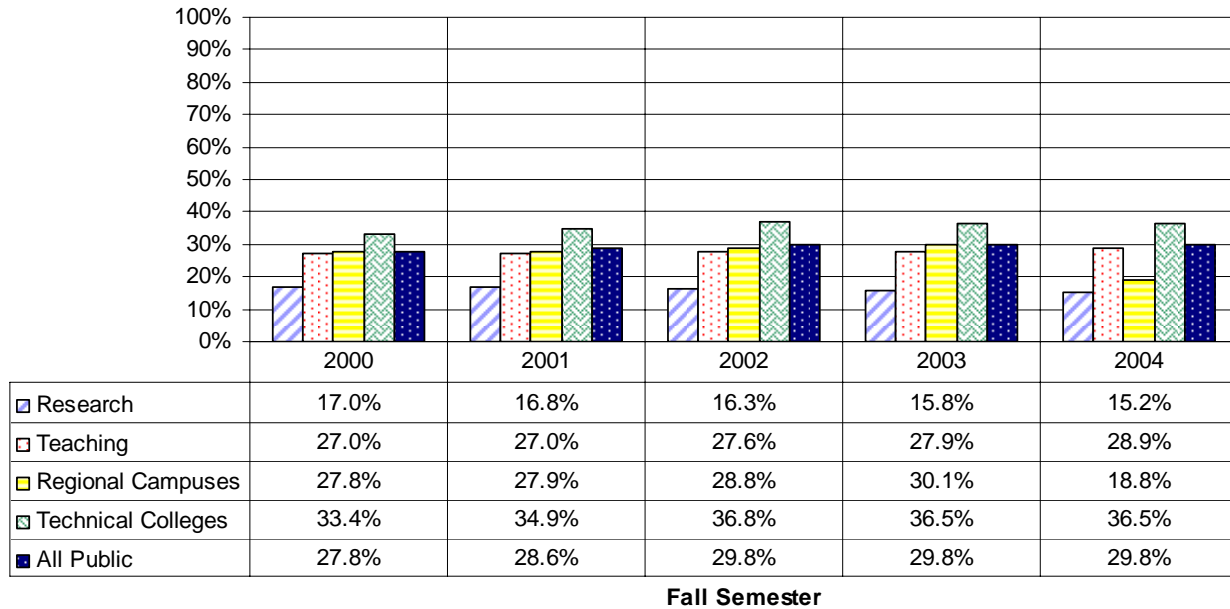
Graph 7.2-5a, Minority Enrollment in South Carolina Public Colleges by Sector by Level, Fall 2000 – Fall 2004

The data in the three graphs that follow show trends for minority headcount enrollment including total, undergraduate and graduate. As of Census 2000 data, SC's minority population was 32.7%

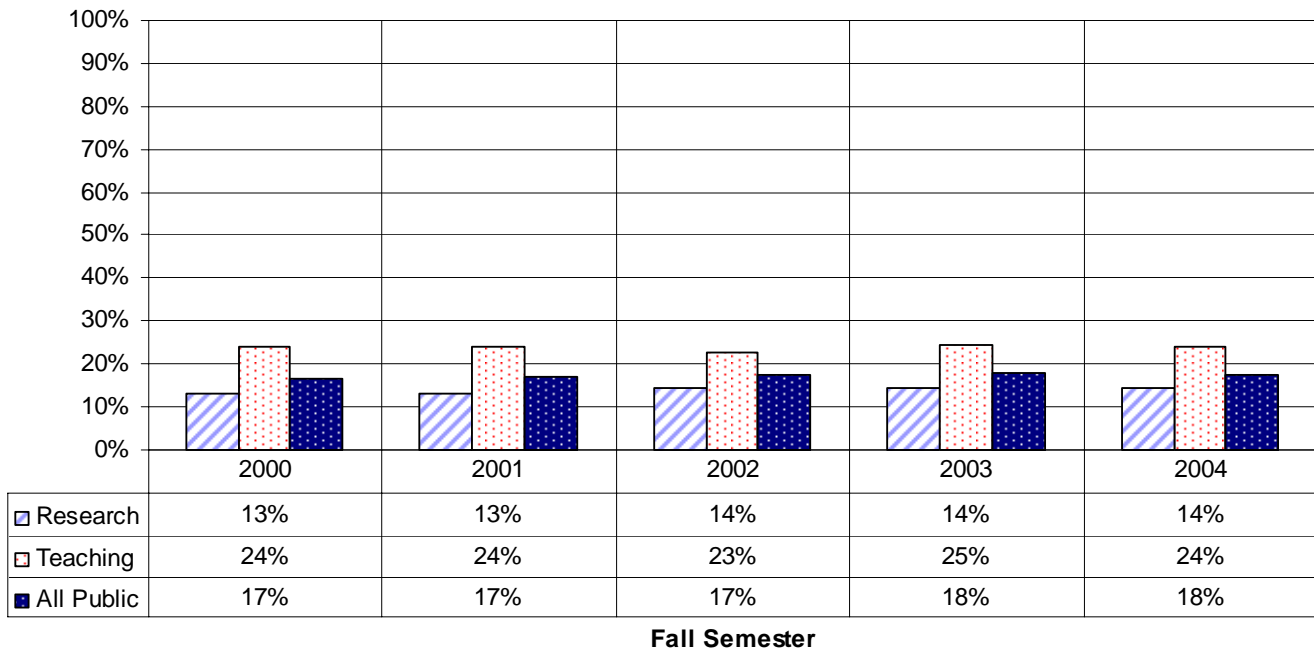


(Percent Minority Enrollment in South Carolina Public Colleges by Sector and Level, continued)

Minority Headcount Enrollment - Undergraduates



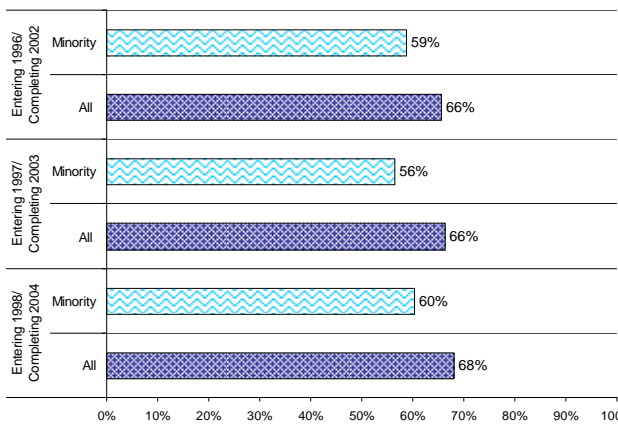
Minority Headcount Enrollment - Graduate and First Professional Students



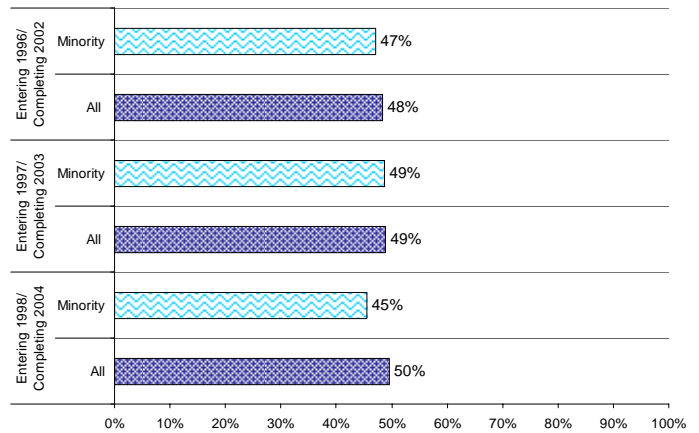
Graph 7.2-5b, Graduation Rates of Minority Students Compared to All Students by Cohort, South Carolina Public Colleges

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). 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 NCES, IPEDS Graduation Rate Survey information and include rates for the three most recent cohorts for South Carolina Public Colleges and Universities.

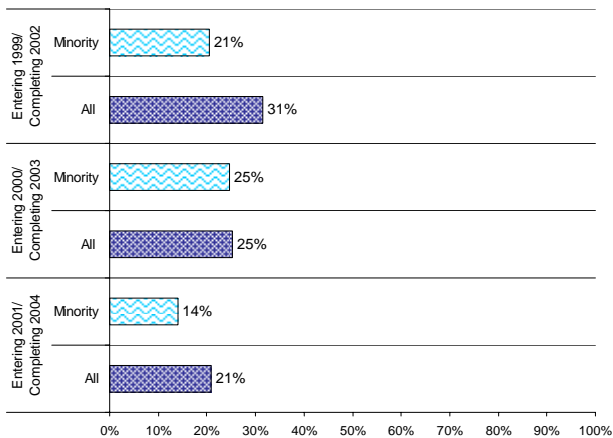
**Graduation Rate in 150% of Normal Program Time
Research Institutions (USC Columbia and Clemson)**



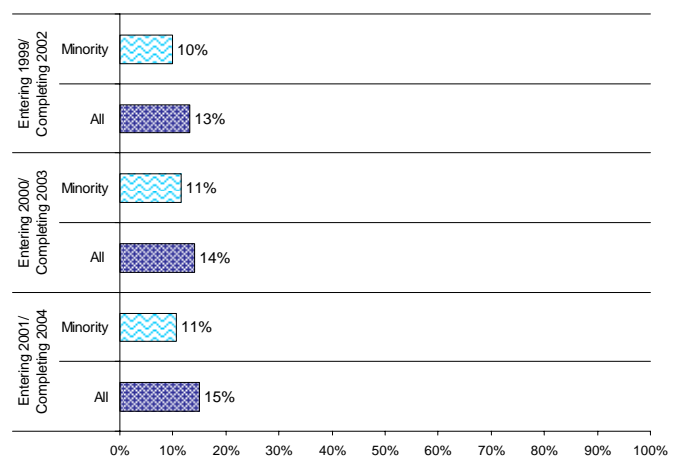
**Graduation Rate in 150% of Normal Program Time
Comprehensive Teaching Institutions**



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

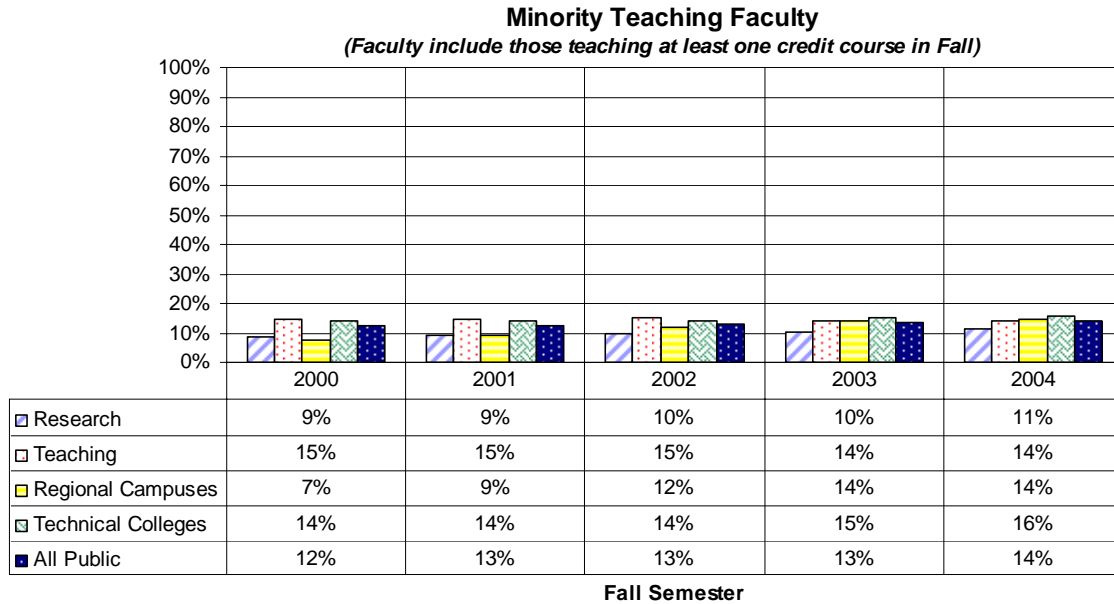


**Graduation Rate in 150% of Normal Program Time
Technical Colleges**



Graph 7.2-5c, Percent of Minority Faculty Teaching in South Carolina’s Public Colleges

The data in the chart below show the percent of those teaching in the fall who are minority. These data are used for performance funding Indicator 8C4, Percent of Minority Teaching Faculty.



ITEM 7.2-6, VETERAN’S EDUCATION AND TRAINING PROGRAMS

Through the Veteran Education and Training program, CHE staff is responsible for the approval of academic and on-the-job-training programs for the purpose of enabling veterans to receive related educational benefits. This activity includes the approval of degree, diploma and certified programs at public and independent colleges and universities across South Carolina.

Related Activity	2001-02	2002-03	2003-04	2004-05
Number of Public and Independent Colleges at which Degree, Diploma and Certificate Programs were Approved	93	98	98	146
Number of Business/Organizations across SC involved in On-the-Job Training Apprenticeship programs:	142	94	128	147
Number of Veterans Served in the Career Training Programs	344	358	417	415
Number of Career Training Programs in which Veterans Served Participated	143	172	218	314

ITEM 7.2-7, PROGRAMS FOR PROMOTING EARLY AWARENESS OF HIGHER EDUCATION AND PREPARATION FOR PARTICIPATION IN HIGHER EDUCATION

7.2-7a, Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)

The SC GEAR UP program operates a variety of exciting programs across South Carolina with the goal of assisting low-income students to be prepared for and succeed in college. Each of the programs is evaluated for impact and effectiveness. Evaluations include pre and post surveys, activity evaluations, and/or interviews that include student, parent and educator components.

GEAR UP Early Awareness Programs – This year the GEAR UP AIM College program has had major impact on the students of South Carolina. The Aim College Program is a CD rom-based, grade-specific program which identifies key elements that assist students, families, and educators in developing an early awareness of the importance of higher education and the benefits of planning ahead for success in postsecondary education. The programs provide important academic and career planning information and learning tools that enable the recipients to be better prepared for the challenges and success of high school and college. Rigorous course work in math, science, and technology is emphasized. 261,500 AIM College CDs were distributed to South Carolina students in grades 7 – 12 at the beginning of the Academic Year, 2004-2005. The AIM College coordinator visited schools to provide professional development for teachers and guidance counselor and contacted all district level personnel regarding program updates. By request counselors and teachers were trained on AIM College content. AIM College is accessible through the website www.aimcollege.org.

GEAR UP High Performance Partnerships – The business and education portion of the SC GEAR UP program, High Performance Partnerships (HPP), is coordinated through the SC Chamber of Commerce with four staff members. HPP is a program charged with improving academic achievement by partnering business with underachieving schools. During the year, the High Performance Partnership staff developed and maintained a total of 167 business partnerships with 132 schools statewide. Each partnership is unique and is supported by the HPP staff as well as the SC GEAR UP staff.

GEAR UP Mentoring Program - The State Department of Education (SDE) implements a mentoring training program with the 65 GEAR UP school districts. This component includes extensive training for business partners participating in mentoring service to HPP schools. The SDE mentor training program continues to train mentors at the request of HPP. Housed at the State Department of Education, this program provides mentor training support to the High Performance Partnership business and education program as well as the IMPACTS Program. The IMPACTS program provides a mentor coordinator and mentors in three school districts to assist GEAR UP students. During the 2004/2005 school year, six GEAR UP schools housed mentoring programs through the GEAR UP initiative.

GEAR UP Saturday Academies and Summer Institutes (SA/SI) - Saturday Academies/Summer Institutes (SA/SI) build strong middle and secondary school/college partnerships with programs which enhance the academic skills of “at risk” students in each participating school. The SC GEAR UP program has seven colleges housing the Saturday Academies and Summer Institutes. These colleges are College of Charleston, The Citadel, Denmark Technical College, Lander University, Midlands Technical College, University of South Carolina-Aiken, and University of South Carolina-Upstate. The colleges' programs are unique to each location and provide students with a variety of activities and academics that assist them in developing the necessary skills to be successful in the high school and college environment. The intention is to link the university culture with that of the middle school culture in order to nurture their desire to complete a postsecondary education. The seven colleges or university based Saturday Academies/Summer Institutes each met for 20 five-hour sessions on Saturday mornings with GEAR UP

seventh graders and for a minimum of five such sessions with GEAR UP eighth graders to accelerate the students' academic achievement, better prepare them for the PACT, and increase their probability of attending college. The average daily attendance for 7th graders participating in the seven Saturday Academy and Summer Institute programs was 38. In 2004-2005, 450 middle school students in 36 schools participated in the SA/SI program. In addition, all seven programs met for at least two weeks during the summer with the seventh (rising eighth) graders for the same purpose. Some of the summer programs were all or partially residential. For evaluation purposes, CHE staff made regular visits to the Saturday Academies/Summer Institutes to observe and visit with students, faculty, and staff for the purpose of monitoring programs and assuring success of the programs. In addition, CHE staff provided training to SA/SI staff on the uses of data from the EXPLORE test, a part of the ACT Assessment Program.

GEAR UP students in the SA/SI programs take the ACT Explore test. The test is used as a student assessment tool to determine what areas the students are weak in and to determine what areas the teachers will address during instruction time for SA/SI programs. During the 2004/2005 year, 535 seventh graders took the ACT Explore Test.

The chart below shows statistically significant positive improvements for the GEAR UP students taking the ACT Explore Test for the last six years.

	Cohort One (99-00)			Cohort Two (00-01)			Cohort Three (01-02)		
	Pre	Post	+ / -	Pre	Post	+ / -	Pre	Post	+ / -
English	N/A	12.20	--	11.80	13.00	+1.2	11.80	13.30	+1.5
Mathematics	N/A	11.70	--	11.30	13.30	+2.1	11.30	13.80	+2.5
Reading	N/A	11.40	--	11.80	12.60	+0.8	11.80	13.10	+1.3
Science	N/A	13.60	--	14.20	14.70	+0.5	14.20	15.20	+1.0
Composite	N/A	12.40	--	12.40	13.50	+1.1	12.40	13.90	+1.5

	Cohort Four (02-03)			Cohort Five (03-04)			Cohort Six (04-05)		
	Pre	Post	+ / -	Pre	Post	+ / -	Pre	Post	+ / -
English	11.60	13.00	+1.4	11.40	12.70	+1.3	11.50	12.50	+1.0
Mathematics	12.00	13.70	+1.7	12.00	14.20	+2.2	12.40	13.60	+1.2
Reading	11.60	12.80	+1.2	11.50	12.10	+0.6	11.40	11.80	+0.4
Science	14.50	15.30	+0.8	14.50	14.40	-0.1	14.20	14.40	+0.2
Composite	12.60	13.80	+1.2	12.50	13.50	+1.0	12.50	13.20	+0.7

* Note: EXPLORE is usually administered during either end year 8th or 9th grades.

** Note: SA/SI program administers EXPLORE during the fall as a 7th grade pre-test and 8th grade post-test.

GEAR UP SC Governor's School for Science and Mathematics - During the 2003/2004 year, 52 juniors and seniors from The Governor's School for Science and Mathematics participated in the TEAM GEAR UP program. TEAM GEAR UP students travel to Saturday Academies and partnership programs. The program encourages interaction with student mentors by exploring science through innovative presentations and rigorous strategies. These students served 450 middle school students across the State

during a total of 14 workshops. In addition, 6 rising 9th grade GEAR UP students and 9 rising 10th grade GEAR UP students were awarded scholarships to attend the SC Governor's School for Science and Mathematics Summer Science program.

GEAR UP Program Evaluation - The Annual Performance Report (APR) shows GEAR UP's success and progress for the United States Department of Education. The APR is used by the U.S. 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 GEAR UP. Below are data from the GEAR UP statistical sample provided in the APR that demonstrate the intensity of services provided to GEAR UP students, parents, and educators for the 2004-2005 school year.

Services Provided in South Carolina

<i>Type of Service Provided to STUDENTS</i>	Number of Students Who Received Service	Cumulative Service Hours Provided by Programs*
Tutoring / academic enrichment	2805	995
Computer assisted lab	2482	392
Mentoring	1859	638
Advising/academic and career planning	2840	468
College visit/college student shadowing	908	107
Job site visit/job shadowing	570	39
Summer programs	664	1224
Educational field trips	1673	216
Workshops	1836	125
Family events	325	28
Cultural events	1804	134

<i>Type of Service Provided to PARENTS</i>	Number of Parents Who Received Service	Cumulative Service Hours Provided by Programs*
Workshops on college prep/financial aid	787	131
Counseling/advising	739	22
College visits	266	10
Family events	1026	133

Number of TEACHERS who participated in GEAR UP sponsored professional development	Average hours of professional development per participating teacher
139	26

Note: "Cumulative Service Hours Provided by Programs" represents the cumulative program specific average service hours collected from SC GEAR UP programs: Saturday Academies and Summer Institute, High Performance Partnerships, IMPACTS, and SCOIS.

7.2-7b, Higher Education Awareness Program (HEAP)

The South Carolina Commission on Higher Education (CHE) coordinates the activities of the Higher Education Awareness Program (HEAP). Approaching its 15th year anniversary, HEAP serves all South Carolina Middle Schools which have an 8th grade student population. HEAP serves roughly 49% female and 51% male students with ethnic distribution 33.4 % African American, 58.5% White, and 8.1% Other.

As outlined in Act 271 of 1992 the mission of the HEAP initiative is to provide information to 8th grade students and their parents, increase student and parent/guardian knowledge about the availability of post-secondary education, and motivate students to aspire for higher education. In 1991-1992, HEAP served 7 schools, 1100 students and 6 higher education partners. That number increased in 1992-1993 school year to include 96 schools, 18,200 students and 37 higher education partners. Currently, HEAP provides educational support to 263 schools, 56,000 eighth grade students, and 54 higher education partners.

The middle schools and higher education institutions receive support services to include three core parts which address middle and high school pathways to success and college and career exploration through:

- a) Educational CD-rom addressing high school preparation and college awareness,
- b) Partnerships connecting middle schools and institutions of higher education for college and career awareness, and
- c) Sub-grants to middle schools provide an array of activities for middle school students ranging from motivational speakers to college tours.

Each year CHE distributes a CD-ROM-based curriculum that encourages students to prepare for post secondary education. In the 2004-2005 school year, 56,000 CD-ROMs were distributed to 263 middle schools for guidance counselors to dispense on parent night. Additionally, partnering institutions work with middle school guidance counselors to coordinate speaker presentations, campus visits, and other college awareness activities. Annually HEAP allows middle schools the opportunity to apply for sub-grants up to \$1000 that allow funding for other activities in addition to the CD-Rom and partnership activities. In 2004-2005 school year, the HEAP program awarded \$51,000 to 71 schools. As a requirement to receive HEAP funding, all students must complete a program specific survey. In 2004-2005 of the 6446 students surveyed, 62 % were able to visit a college campus and 47% of students said the visit helped them decide to enter postsecondary education.

As a result CHE will continue to serve the students of South Carolina through GEAR UP and HEAP by providing academic preparedness and early awareness for postsecondary education. Instead of traditional twelfth grade college counseling, which is often too late, HEAP begins providing information and resources to eighth graders and their parents about the benefits of taking appropriate courses and exploring postsecondary options. GEAR UP continues the effort, set forth by HEAP, to provide ninth through twelfth grade students college awareness activities. Together these programs address the importance of attaining a high school diploma to succeed. According to recent report from the Manhattan Institute (National Center for Public Policy and Higher Education, 2004) 47% of SC students do not graduate from high school. It is imperative for programs such as HEAP and GEAR UP to reinforce the need to stay in school and enroll in higher education.

In order to advance in today's job market some postsecondary education or training is needed and it can be attained in South Carolina. According to statistics from the Department of Education, of the graduating seniors from public high schools in 2002-03, 65% entered a freshmen class with 42% entering

a 4-year college, 4 % entered a 2-year college, and 19% entered a technical college degree program. Of the remaining 35%, 4% entered other schools or diploma/certificate programs, 20% entered the armed forces or were employed, and 11% pursued other activities. Both HEAP and GEAR UP provide SC specific information about financial aid, scholarships and grants. In 2004–05, 100,999 South Carolina students received \$218,476,236 in scholarship and grant funding. Therefore, if students and parents receive college awareness information and resources early and prepare themselves by taking rigorous courses, they will have numerous opportunities to meet financial needs for postsecondary education. HEAP and GEAR UP will continue to meet the needs of South Carolina students in preparing them to be contributing members of our community.

ITEM 7.2-8, ENSURING QUALITY ACADEMIC PROGRAMS

Table 7.2-8a, 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. The Commission has been unable to conduct its on-going process for the statewide review of academic programs. The last reviews completed as part of this process included: a review of Nursing and Engineering/Engineering Technology programs completed in 2000-01 and a review of Computer Science programs completed in 2001-02. CHE has maintained its participation as part of its responsibilities under the three-way partnership of CHE, the State Department of Education and NCATE (National Council for the Accreditation of Teacher Education) in the review of teacher education programs. The review of existing education programs was completed in 2004-05 as reflected in the table below.

2003-04	2004-05
All education programs at 6 public institutions were reviewed	All education programs at the remaining 5 public institutions were reviewed. This year marked the completion of the 2.5 year review cycle.

Table 7.2-8b, 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 to ensure that programs are well developed, provide adequate resources, and are not unnecessarily duplicative is another major responsibility of ensuring academic program quality. The following table summarizes activity in this area.

Academic Program Approval and Review					
Related Activity	2000-01	2001-02	2002-03	2003-04	2004-05
Number of Program Planning Summaries Reviewed:	32	22	27	40	39
Number of New Program Proposals Reviewed:	26	16	39	24	27
Number of Existing Programs Terminated:	27	65	5	26	18

<i>Academic Program Approval and Review, continued</i>					
Related Activity	2000-01	2001-02	2002-03	2003-04	2004-05
Number of Program Modifications Reviewed:	11	6	7	4	5
Number of Existing Centers Terminated	n/a	n/a	n/a	13	1

Table 7.2-8c, Academic Policy Development and Participation in Advisory Activities

The table that follows summarizes other important work of the CHE in light of the CHE's advisory role in regard to academic policies. As a note, members of CHE's division of Academic Affairs and Licensing serve as liaison to more than 30 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, and participating in other specific activities.

Related Activity	2000-01	2001-02	2002-03	2003-04	2004-05
Number of NEW Academic Policies Developed:	0	1 (Expanded Statewide Agreement on Nursing Articulation)	1 (Program Productivity Standards)	2 (Nursing Agreement, Expansion of Transfer Articulation Courses) Plus Endorsement of "Standards for University Success" and Dual Enrollment	–
Number of NEW Grant Proposals or Guidelines Developed:	0	2	5	3	–
Number of Reports, Articles, Presentations Prepared on Academic Issues:	12	27	11	9	12
Participation in Interagency Taskforces & Committees: (# of Taskforces/Committees)	17	26	15	27	34

Table 7.2-8d, Competitive Grant Programs for Public Institutions

As part of its responsibilities, CHE acts to foster an environment for research and technology initiatives through administering several competitive grants programs. CHE has administered in the past a state funded competitive grant program for four-year institutions that was aimed at increasing research activities of these institutions. Considerable energy and attention are also directed toward improving teacher education and engaging in K-20 activities through activities related to the state’s partnership with the National Council for the Accreditation of Teacher Education, the activities of the State Department of Education, and several grant programs administered by CHE which are designed to provide enhance 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.

The data shown for each program reflect: # Granted / # Submitted

Competitive Grant Program	2000-01	2001-02	2002-03	2003-04	2004-05
Improving Teacher Quality Program ⁽¹⁾	9 / 17	13 / 17	21 / 22	8 / 15	1 / 7
Research Incentive Program Funds not provided after 2002)	34 / 39	33 / 86	N/A	N/A	N/A
Professor of the Year: # of Submissions	40	39	37	37	38
# of Finalists	10	10	10	10	10
# of Top Award	2	2	2	2	2
Service Learning Competition # Submissions	Not Applicable	20	17	23	14
# Awards ⁽²⁾		2	2	3	3
Centers of Teacher Excellence Program	1 / 4	1 / 4	2 / 3	2 / 4	2/4
Technology Incentive Grant Program (This particular program is no longer funded)	N/A	13 / 20	N/A	N/A	N/A

(1) The program was known as the Eisenhower Grant Program in FY01 and FY02.

(2) Awards provided to a Public Senior Institution, a Public Two-Year Institution and an Independent Institution. Independent Institutions joined the competition in 2002-03.

Table 7.2-8e, Competitive Grant Program for Public Institutions – Dollars Awarded

The following table details the dollars awarded through the various competitive grants shown in 7.2-8d.

Program	2002-03	2003-04	2004-05
Improving Teacher Quality Program	\$943,132	\$963,146	\$959,261
Professor of the Year Program	Each of the two award winners receives a \$5,000 prize. Each finalist receives \$500.		
Centers of Teacher Excellence Program	\$500,226	\$500,226	\$662,953

Table 7.2-8f, Institutional Program Licensing Activity

A major area of endeavor for CHE is the licensing of degree-granting and non-degree institutions, profit as well as not-for-profit, seeking to operate in the state. This process is designed to provide consumer protection by ensuring that minimal standards are met which have been increasingly aligned to the standards of the regional accrediting body, the Southern Association of Colleges and Schools (SACS).

Institutional Program Licensing Activity					
Related Activity	2000-01	2001-02	2002-03	2003-04	2004-05
New Agent Permits:	78	93	115	62	68
Transcripts Requested:	286	252	335	343	311
<u>New Licenses – Degree Granting:</u>					
Initial Licenses	1	6	4	2	4
Amendments to Licenses	5	2	12	5	14
Non-Degree Granting Licenses Issued:	144	167	164	168	148
Licenses Relinquished, Deferred, Denied, or Revoked	0	2	4	7	4
Student Complaints	38	64	40	30	25

ITEM 7.2-9, RESEARCH CENTERS FOR ECONOMIC EXCELLENCE

In 2002, the General Assembly passed the Research Centers for Economic Excellence Act to create a program to build areas of research excellence focused around endowed professorships. Oversight of the program is provided by a separately appointed board, the Research Centers of Excellence Review Board. Per the program legislation (SC State Code, as amended, §2-75-05, *et seq.*), CHE is required to provide staff and support for the operations of the Review Board, and CHE must approve the budget for the board's operations. Education lottery funds in the amount of \$30 million per year have been appropriated for the program since FY 2002-03. Over the last three years, 24 research proposals totaling \$100 million have been approved for funding.

Research Centers for Economic Excellence – Summary of Funded Proposals			
2002-03			
Institution	Funding Yr	Proposal Title	Proposal Amount
Clemson	2002-03	Automotive Research	\$5 million
Clemson	2002-03	Automotive Manufacturing	\$5 million
Clemson	2003-04	Automotive Design & Development	\$5 million
USC	2002-03	Nanostructures	\$4 million
MUSC and College of Charleston	2002-03	Marine Genomics	\$4 million
MUSC	2002-03	Proteomics	\$4 million
MUSC	2002-03	Neuroscience	\$3 million
MUSC/USC	2002-03	Brain Imaging	\$5 million
MUSC/Clemson/USC	2003-04	Regenerative Medicine	\$6 million
Total in 2002-03			\$30 million
Total 2003-04 Funding approved in 2002-03			\$11 million
2003-04			
Institution	Funding Yr	Proposal Title	Proposal Amount
Clemson	2003-04	Photonics Materials	\$5 million
Clemson	2004-05	Restoration	\$3 million
Clemson	2003-04	Vehicle Electronic Systems	\$3 million
USC	2003-04	Polymer Nanocomposite	\$3.5 million
USC	2003-04	Hydrogen Fuel Cell Economy	\$2.5 million
	2004-05		\$2.5 million
MUSC and USC	2003-04	Translational Center Therapeutics	\$5 million
USC and Coastal Carolina	2004-05	Travel & Tourism Technology	\$2 million
MUSC and USC	2004-05	Drug Discovery in Cancer	\$5 million
Total in 2003-04			\$19 million
Total 2004-05 Funding approved in 2003-04			\$12.5 million
2004-05			
Institution	Funding Year	Proposal Title	Proposal Amount
Clemson	2004-05	Electron Imaging	\$5 million
Clemson	2005-06	Supply Chain, Optimization & Logistics	\$2 million
Clemson	2005-06	Urban Ecology and Restoration	\$6 million
USC	2004-05	Fuel Cells/Hydrogen Economy	\$3 million
MUSC	2004-05	Gastrointestinal Cancer Diagnostics	\$5 million
MUSC/USC	2004-05	Vision Science	\$4.5 million
MUSC/USC/Clemson	2005-06	Clinical Effectiveness & Patient Safety	\$2 million
Total in 2004-05			\$17.5 million
Total 2005-06 Funding approved in 2004-05			\$10 million
Total Since Inception of the Program			\$100 million