Good afternoon.

I'm pleased to be with you again. I apologize that I was unable to give my report at your September meeting, but as I will discuss in a moment, the last couple of months have been interesting to say the least.

Return to the Faculty
As I announced on August 1st, I will step down as president at the conclusion of the current academic year and return to the classroom as a member of the School of Business faculty.

I spent the first 16 ½ years of my academic career in the classroom, and I'm looking forward to teaching and writing again and getting to know many of you better, as faculty colleagues. My last day as president will be June 30, 2014.

Lyme Disease
Shortly after my stepping-down announcement in July, my life took an unexpected turn. I began experiencing serious back pain and abdominal pain, which quickly became so debilitating I had to be hospitalized.

I spent two weeks at MUSC undergoing tests and eventually treatment for Lyme Disease. Once we had a diagnosis and were able to begin treating the disease, I began to see improvement immediately.

From MUSC I was transferred to the Roper Rehabilitation Hospital for a week. Finally on September 4th, I moved home.

The disease caused significant muscle loss. My neck size and waist size remained the same, but I lost 15 pounds of muscle. I'm undergoing physical therapy 5 times a week
to regain my strength.

I literally see improvement every day now and expect to be normal within two months or so.

I want to thank all you who sent wishes and prayers. I was touched by the many expressions of concern that I received, and I thank the entire College of Charleston community for their support.

**Comprehensive Fundraising Campaign**

Among my top priorities this academic year is to continue our progress on fundraising and to at some point take our comprehensive fundraising campaign public.

For Fiscal Year 2013, the College raised $15.4 million. That is an all-time high for any fiscal year in the College’s history.

More importantly, this total represents five consecutive years of sustained fundraising growth. In each of the past five years, we’ve set a new record.

What these results tell us loud and clear is that we are developing a culture of philanthropy at the College. Our donors have confidence in the College and its leadership team; our case for support is strong and resonates with our supporters; and we continue to see increasing gift totals from our faculty and staff.

Through the quiet phase of our comprehensive fundraising campaign, which began in October 2009, we have raised about $52 million toward our $125 million goal. While still in the silent phase, the current campaign is already the most successful in College history. And we will have more good fundraising news in the current year.

The next president will inherit a strong fundraising team and a campaign that is well on its way to completion.
New Charleston Update

At your January meeting I gave a presentation that described the rapidly transforming economy of Charleston as “New Charleston.”

You also received a copy of that presentation in February, and I answered questions about the presentation at a special meeting of the Senate on February 12th.

In describing New Charleston, I discussed steps that the College might need to take in order to ensure that we remain relevant and competitive in our rapidly evolving economy.

My thinking continues to evolve on this topic, particularly in light of our ongoing discussions with MUSC about greater collaboration between our universities.

I believe the best solution to meeting the current and long-term needs of Charleston’s economy is to establish a comprehensive research university in Charleston. On Sunday, you may have seen an editorial in The Post and Courier, which supported the creation of such a university that would take advantage of the combined strengths of the College of Charleston and MUSC. This is the second editorial in about 6 months supporting this concept.

In addition, the Mayor and the business community and key legislators all strongly support this concept.

I see four viable ways that this could be accomplished:

Option 1: The legislature could designate the College as South Carolina’s fourth research university. Such a decision would not be unprecedented nationally. Other states, including North Carolina, Georgia, and Texas, have made the decision to designate former teaching universities as research universities. South Carolina could do the same.
Option 2: Legislation could be enacted to merge the College and MUSC, thereby creating the foundation for a comprehensive research institution. This option has been studied many times before, as we all know. The merger of two public universities located so close to one another is inherently very appealing. But each time it was rejected. What’s the difference this time? New Charleston!

Option 3: We could significantly increase the collaboration between the College and MUSC, including joint PhD programs and other PhD programs outside the field of medicine that are important to New Charleston. This would effectively give Charleston many of the resources of a major research university. However, differences in organizational culture would persist for the two separate universities, and coordinating our efforts would create some challenges. And we would undoubtedly not achieve all the synergies that a merger would create.

Option 4: The state could build a full-blown branch campus of Clemson or USC in Charleston and, potentially, require that new institution collaborate with the College and MUSC. Of course, creating all the support systems required for a completely new institution would make this the most expensive of the four options by far. Also, as I have said before, branch campuses are always inferior to the main campus; always underfunded; always overlooked. The main campus receives the bulk of the institutions resources and energy — whether it’s the energy of the president or the energy of the Board of Trustees. In my opinion, Charleston needs its own research university, rather than a branch campus of any other university.

Where these four options are concerned, we should remember that the need for a comprehensive research institution in Charleston is no longer being questioned by community leaders, or business leaders, or donors. The focus of this discussion has moved to identifying the best approach to developing such a university.

Obviously, the College of Charleston will continue to be a part of these discussions. With over 500 talented roster faculty and a large physical plant, we do have the foundation on which a great research university could be built. Our exceptional commitment to undergraduate teaching, when combined with an expanded research
mission, could, in time, give our state a highly regarded public research institution the likes of Miami University in Ohio, or William and Mary in Virginia.

In contemplating the options for our city and region, there are two major barriers to the College’s involvement in or designation as an emerging research university.

The first is our organizational culture. We at the College love our centuries-old focus on undergraduate education, and we recognize that research universities can easily lose their passion for great teaching. Faculty and alumni in particular will want assurances that we will not lose our undergraduate focus. And I would hope we all would insist that we retain our student-focused culture.

Second, developing a comprehensive research university will cost money. Any of the four options I have described will require a significant new investment.

None of those options should be undertaken if the primary goal is efficiency or cost savings.

If the College of Charleston is a part of any newly created research university, new state money would have to be made available to support a new and expanded mission. In addition, tuition and fees would need to be in line with those charged by Clemson.

Because the College of Charleston’s programs already are underfunded, reallocation of existing funds could play only a very minor role.

You already know that our faculty salaries are too low even under our current mission. You know that our operating budgets already are too small, given the kinds of students we serve and our current aspirations. You are right to worry that the College cannot succeed as part of a research university without significant new financial resources.

We know how to build and develop a research university in Charleston. It wouldn’t be easy. It wouldn’t attain the level of quality we’d all like to see for a decade or more. But it can be done.
There is simply no cost-free solution. The challenge is to explain to the public and the legislature that a research university more than pays for itself in increased economic activity, including the creation of high-paying jobs.

How confident am I that adequate funding will be made available?

Let me paraphrase Ray Greenberg, former President of MUSC, in his last presentation to CHE in August.

He contrasted South Carolina to Georgia, North Carolina, and his new home state, Texas. He said, like South Carolina, all three states are Southern; all three are fiscally conservative; and all three are socially conservative. And culturally, Georgia, North Carolina, and South Carolina are all similar.

The difference is that the other three states have all been willing to invest significantly in higher education — but not South Carolina. Let me remind you that in 2010 the entire higher education budget in South Carolina was about $421 million. In that same year the state appropriation for just the University of Georgia was $458 million.

Ray concluded by saying that Georgia, North Carolina, and Texas want to be great … South Carolina doesn’t.

I would say that a different way: South Carolina doesn’t know how to be great. We try, but we have significant cultural and structural barriers to greatness.

Three examples:

1. Greatness requires more than being a low-cost manufacturing hub. New inventions and new products should be designed in South Carolina, not just built in South Carolina.
2. How many organizations do you know that can succeed without a leader? In South Carolina, the governor’s position is so weak that it is dominated by individual senators and representatives.

3. We have no strong advocates for higher education in South Carolina except ourselves. And we appear self-serving.

The questions are these, in no particular order:

Will South Carolina invest new resources in higher education? Will South Carolina allow the College’s trustees to increase tuition to levels approaching the tuition charged at Clemson? Will our state’s leaders see the opportunity to make the Charleston region an economic leader in the Southeast and create a research university to meet our regional need?

I believe in the potential for greatness in this state. I will continue to work here at the College, to work with you as a faculty colleague, in part, because I believe in that potential. I truly hope the governor and the legislature will see the opportunity for greatness that lies before us.

Charleston School of Law

Speaking of the future of higher education in Charleston, I want to comment briefly on the news accounts that you may have seen concerning the possibility of a merger of the College of Charleston and the Charleston School of Law.

To be clear, the College has not engaged in negotiations with any parties about any proposed sale of the Charleston School of Law.

As is always the case, the College remains interested in discussing partnerships and collaborations that seek to advance our academic mission and that are consistent with our public purpose.
The license granted to the Charleston School of Law in September 2003 by the South Carolina Commission on Higher Education (CHE) explicitly prohibits the law school from seeking a merger with any public university in South Carolina, including us.

A few days ago, one of the law school’s founders wrote a letter to his partners in which he described three futures for the Law School, one of which suggested that the College of Charleston become the owner of the law school.

Since then, that same owner has appealed to the CHE to permit conversations between the College and the Law School. CHE meets this Thursday.

But we have had no discussions of any kind to date.

I personally would like to see the Law School become a part of the College. I believe we would benefit; they would benefit; and New Charleston would benefit. But that decision is up to the legislature, CHE, and our Board of Trustees.

**Faculty and Staff Salary Increases**

Next, I’d like to talk about faculty and staff salary increases.

In developing this year’s budget for the state, the legislature did not choose to provide for a salary increases for state employees. However, I am pleased to report the Board of Trustees approved funds to support faculty and staff raises.

I am deeply appreciative of the high priority placed on faculty salary increases by our Board of Trustees in the last two budget cycles. I hope you will join me in expressing your thanks to the Board for recognizing this need.

In this academic year, we have a 1% salary pool to support merit raises for faculty and staff. An additional 1% pool will be available to provide raises for faculty and staff whose salaries are below market and who qualify for merit raises.
Further, in the budget approved by the Board of Trustees last June, $800,000 was allocated to support what we believed at the time would be a state-mandated salary increase for all employees. As I mentioned, that mandate ultimately was not included in the state budget, and our Board is now deciding how best to use those funds to support the College.

My hope is that these funds will be used solely to support salary increases for faculty and staff. That decision, however, will be made by the Board of Trustees in either our October or January meetings.

In the near future, the Provost and I will provide you with more information about the process for determining faculty and staff raises for this academic year.

We will continue to work hard on faculty compensation until we close the gap with our peers. As a reminder of our commitment, last month we announced that, beginning next year, salaries for those tenured and promoted to associate professor would be increased by $5,000, while the salaries of those promoted to full professor would be increased by $6,000. That makes next year the third year in a row that we have significantly increased the dollar value of faculty promotions. We need to make salary progress any way we can!

**Great Colleges Survey**

At your September meeting, you heard from Brian McGee about the results of the Great Colleges to Work for Survey.

I won’t rehash what Brian already covered except to say that I am disappointed with the results of the survey, particularly the finding that many of our faculty lack faith in the senior administration of the College.

I am not entirely surprised by these results, however, because all of us – Board of Trustees, President, and Executive Team – have not provided you with all the resources
you need to meet the objectives of your university, departmental, and school strategic plans.

We got painfully close to doing so in 2009-2010. After we developed and the Board passed the Strategic Plan in October 2009, we spent roughly 9 months preparing the Board for the types of tuition increases we would need to fund the plan – including 100 new faculty. I argued that we needed to think about tuition over a three-year period, not just one year at a time.

Consequently, we prepared tuition increase scenarios for the next three years. We knew we needed about $35 million to $40 million new unencumbered dollars to fund the plan. So we worked backwards to determine the tuition increases needed and came scenarios like 15%, 10%, 17%.

In June of 2010, the Board was ready to move to support the plan. We debated tuition increases between 9.9% and 28% for the next fiscal year and settled on 14.7%. We were off and running!

Then on September 29th, Senator Hugh Leatherman, a man who has always been a friend to the College, forced all public universities to roll back their tuition increases to 7%. And every year since then has capped tuition. There went the $35 million to $40 million; there went salaries; there went department budgets and new faculty; there went the strategic plan. And we were so close…

I will meet with the Faculty Advisory Committee to the President and the Staff Advisory Committee to the President later this semester. At the top of my agenda for these meetings is to explore how we might improve communication and trust between the senior administration and the faculty and staff doing the critical work of the College. Doing so is important to me, and it will be important to my successor.

Closing
In closing, I want to thank you for all the hard work you do, and for your important accomplishments in the classroom, in your research, in your creative works, and in the community.

As you know, many of our students’ families were in town last week for Parent Weekend. I had the opportunity to speak to many of our parents on Sunday morning at an event called Conversations with the Presidents. SGA President Jordan Hensley and I both provided updates on various College initiatives and activities.

As is always the case, I heard from parents about how much their students feel supported and encouraged by their professors. It is a defining attribute of this institution, and it is a credit to all of you and your faculty colleagues.

It continues to be my privilege to work with you. And I look forward to a productive and rewarding year at the College of Charleston.

I’d be happy to take your questions.