Speaker’s Note

Summer should be a time for reflection, when long sultry days slow life’s pace and a break in the academic calendar affords the space for back-burner thoughts and priorities. A brief return to the freedom and abandon of childhood, with a professional focus, of course. But not too many people, besides Herb Silverman, have been successful at carefully crafting their lives in a way to achieve this ideal. Most, like myself, have done their best to become entangled in the lives of others to a degree that almost brings one to the point of complaining publicly. Almost. But this would be unseemly of me, since as your speaker I willingly allowed myself to become entangled in your professional lives and complaining shouts down the sweet pleasures of human entanglements. And there are many.

Complaining is a dichotomy in my personal evolution. Growing up, I attended the neighborhood Presbyterian church, steeped in Calvinist propriety and stiff upper lip-man-ship, where complaining was viewed on the same level as public nudity. I returned home to a world immersed in Italian culture where complaining was the lingua franca of household commerce. Traversing the half block down the alley and across the street to church was like walking from Naples to Inverness. Although I easily and often yield to an urge to complain, I feel bare and embarrassed afterwards, like I’ve yielded to something wicked and weak in myself. But even the process of me confessing this is dichotomous: confessing in public is not something that I learned as a Presbyterian, it came later when I joined the Quakers. But that’s another story.

Enough! Even though this is summer and typically a good time to fill columns with this kind of nonsense, this particular summer has been busy with a good deal to report.

Upcoming Meetings

**Fall Faculty Meeting**
*(Recital Hall, Simons Centre for the Arts, 5 p.m.)*
- Monday, September 9

**Fall Senate Meetings**
*(100 Maybank Hall, 5 p.m.)*
- Tuesday, September 3
- Tuesday, October 1
- Tuesday, November 5
- Tuesday, November 26

**Norm Olsen, 1933-1996**

We lost an old friend this summer, Norm Olsen, Professor of English and Chair for 19 years, died Sunday, July 14, 1996. Norm was born in Plainfield, N.J and graduated from Dartmouth College, with a Master’s and Ph.D. from Duke University. As the Post and Courier reported: “He served in the Army Signal Corps with the 82nd Airborne. He taught at University for nine years and was chairman of the Honors Program.

He was chairman of the College of Charleston’s English department for 19 years, beginning in 1972, and also served as director of Summer Sessions. He received the college’s Distinguished Service Award and was named a distinguished professor emeritus.”
2

In his many community activities, he was a past president of the Preservation Society of Charleston, Poetry Society of South Carolina and Footlight Players. Among his memberships were the Carolina Yacht Club, the Wharf Rat Club, and Piping and Marching Society of Lower Chalmers Street.

He had served on the boards of the S.C. Historical Society, Porter Gaud School, Charlestown Neighborhood Association, Hospice of Charleston and Friends of Charleston County Library. He was on the board of Mason Preparatory School, Florence Crittenton Home and the Huguenot Society of South Carolina. He was an active member of St. Michael’s Church..."

We will miss Norm, but his indefatigable spirit lives on in our halls.

Ain’t Misbehavin’

The graduation ceremony produced a flurry of letters to the Post and Courier regarding both Governor David Beasley’s address and the graduates’ behavior during the address. The issues centered around whether or not some graduates acted rudely when they flew paper airplanes and heckled the Governor during his speech and whether or not the Governor was boring because he chose himself as the focus of his inspirational message.

Shannon fought the battle of Jericho, Jericho, Jericho

No one could have been far enough from Charleston not to have heard that the walls of the Citadel came tumbling down. The Citadel’s Board of Visitors, reacting with class and style to the Supreme court’s decision, announced that the Citadel would enthusiastically recruit women for the Corps of Cadets beginning immediately. In a gesture of support, protest and confusion, I shaved my head.

Latvia 1, Ukraine 0

Last year I reported that the President of Ukraine (I forget his name) considered coming to Charleston to receive an honorary degree from the College, but decided against it on advice from an advance person who judged us too far off the main road. This year, I’m happy to report, realizing that the rarest beauty lies off the beaten path, away from the Jife Lubes and Blimpies, the President of Latvia, Guntis Ulmanis, and his entourage visited our jewel of a city and honored our graceful campus by allowing us to honor him with dinner and a degree (a package deal). The event was a high point of my summer. With our second child born in late May, this event was my wife Stephanie and my only night out together probably all summer.

The reception for President Ulmanis was held in the President’s Board Room in Randolph Hall; the dinner and ceremonies took place in Founders Hall. The food was exquisite and the setting was elegant and fitting for a head of state. I know I’m supposed to be cool and unmoved by pomp and ceremony: after all, I’m an academic, we dwell in the sublime and engage in pomp and ceremony only when it is done in full regalia and medieval splendor. Nevertheless, I floated home on a cloud of wonder and champagne, in my hot, polyblend, rented tux.

Sitting next to me at the dinner was a reporter for a Latvian newspaper who was traveling with the entourage. Her English was about on the level of my Latvian. My hearing aid was picking up conversations on the other side of the hall and lip reading Latvian was proving ineffective. I think we talked about Molotov or the Goodyear blimp, I’m not exactly sure. But she did convey that despite the unimaginable heat she was charmed by our city and touched by the intimate elegance of the event in honor of her country’s president.

It is rumored that later during a meeting with President Clinton, a reporter asked President Ulmanis what impressed him most during his visit, to which he answered, The College of Charleston (at which point President Clinton cheered: Go Cougars! This part needs more confirmation.)

Legislation

Daniel Dukes, the Vice President for Governmental Affairs provided a summary, during the July Board of Trustee meeting, of
legislative activity relating to higher education, in general, and the College of Charleston, in particular. What follows comes directly from that summary and selected other sources.

**Appropriation Issues**

-Higher Education will receive a total of $629,893,984 in appropriated funds for formula funding for FY 1996-97. This means that the percent of full formula funding for FY 1996-97 will be 70.84%. In appropriated funds, it represents a 2.52% increase over FY 1995-96. The College of Charleston's appropriation is $24,722,763. This is an increase of 4.18% over FY 1995-96.
Note: These figures do not include the State's portion of pay raise money which will be distributed to the colleges and universities at a later date.

(For your information, the approved budget for the College of Charleston for FY 1996-97 has a grand total of $106,423,576.)

-The General Assembly included a $9 million appropriation for a new library at the College of Charleston in the Contingent Surplus Appropriation Bill. The items in this bill are funded in priority order according to the amount of revenue that the State collects over previous revenue estimates during FY 1995-96. The state must collect $123,434,432 in excess projected revenues for the library project to be fully funded.

-The General Assembly passed a bill establishing guidelines for distributing scholarship money for South Carolina students to attend college. The funds are derived from nuclear waste disposal fees collected at the Barnwell Nuclear Disposal site. The General Assembly committed to keep the Barnwell site open for ten more years in the 1995 legislative session. Therefore, a source of revenue for the scholarship money will be available for this length of time.

The funds will be allocated under two separate programs -- The Need-Based Grant Program and the Palmetto Fellows Program (merit scholarships). For FY 1996-97, $14.865 million will be distributed for Need-Based scholarships and $2.355 million for Palmetto Fellows scholarships. Private institutions will

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receive $1.22 million to award to students under the Need-Based Program. The College has received an additional $193,000 to award under the Palmetto Fellows Program for a total award allocation of $240,000.

-The EPSCOR Research Project was funded at $2,000,000. (Mitchell Colgan, Geology, has more information on the College's participation in this program.)

-The General Assembly appropriated funds to provide a 3.4% average pay raise for state employees effective October 1, 1996. Classified employees are to receive a 3.4% across-the-board raise. Unclassified non-academic employees can receive a raise of 0-6%. Faculty members can receive a 0-6% raise so long as it does not raise their salary over $56,000. The Budget and Control Board will review all raises over 6%.

-All other College of Charleston programs which receive separate line item funding from the General Assembly such as Governor's School, Accelerated Schools Programs, etc. were funded.

-The appropriation for the Professor of the Year Award was increased from $5,000 to $15,000.

-The General Assembly deleted a previous proviso in the Appropriations Bill that limited tuition and fee increases to the Higher Education Price Index. There is no limit on tuition and fee increases for FY 1996-97.

-The General Assembly has voted and the Governor has signed a bill which amends the Code of Laws allowing people to carry concealed weapons with restrictions. The bill prohibits the carrying of concealed weapons on a college campus.

**The Higher Education Bill**

-The General Assembly passed S.1195 (R 368) the "Quality Incentives Bill" amending the Code of Laws affecting the governance of higher education.

This bill was saved for last since it is the single reason of why this summer has not been one of quiet reflection and childlike abandon for me. In my mind, the outcome of the next few months will determine whether South Carolina
continues on its uphill struggle for improvements in higher education or spriral to disaster in a maelstrom of misconceptions and clumsy tinkering (Jack's word. It's perfect.).

The Bill is a result of a Joint Legislative Committee on Higher Education which made a report to the legislature in February of this year. The Bill provides for a new Commission on Higher Education with expanded powers and a formula for funding all of higher education in South Carolina based completely on a set of "performance indicators" measured by certain "critical success factors".

This concerns me because states which have gone this route as well as a nationally recognized advisory group in higher education recommend funding based on performance criteria comprise 5-10% of a given institution's formula (The Bill mandates 100%). Further, experts recommend the number of performance criteria be small (The Bill mandates 37). Finally, enrollment is not a criteria at all in the Bill.

The new Commission on Higher Education is creating three Task Forces to "review and make recommendations for implementing the Critical Success Factors mandate by the General Assembly as the basis for future funding of higher education." These task forces will begin work in August.

An encouraging sign is that Jack Parson, Political Science, and Chair of the Conference of South Carolina University Faculty Chairs, was asked by R. Austin Gilbert, Chairman of the Commission on Higher Education, to nominate a list of faculty to serve on these task forces. The appointments will be selected from among the nominees.

I have included in this Newsletter several items related to this issue: an informative article by Sybil Fim, the higher education reporter for the Post and Courier, a summary of the major provisions of the Bill issued by the CHE, and finally the letter to Jack Parson from R. Austin Gilbert outlining the Task Forces.

( The following article appeared, in edited form, in the Post and Courier this past Spring. It appears here with their consent, for which the Newsletter expresses thanks.)

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The Higher Education Bill
by Sybil Fix, Higher Education reporter for the Post and Courier

The way South Carolina doles out money to its colleges is not a lesson in clarity or logic.

Sometimes schools with fewer students get more money per student. Sometimes schools of lower reputation get more money. Sometimes larger schools get less money. The funding is based not on quality or production, but on such things as enrollment, the square footage of the buildings and the acreage of the land.

It's a system, some argue, that breeds inefficiency and number-mindedness rather than focus and quality.

Now, a law likely to be passed by the state's legislature within the month seeks to turn that round.

In what is an unprecedented funding reform in the United States legislators are trying to tie university funding entirely to accountability and performance.

So, at least in theory, the better the school, the more money the school gets per student. If the school isn't good enough, it could be shut down. But the impact on South Carolina's students may depend largely on the success of fairly implementing a law that has lofty goals but gives little detail and no roadmaps.

Some cautiously speculate that the law, too hard to fully implement, will become an ignored piece of paper.

Others predict it will destabilize institutions, make the public educational system destructively competitive and afraid to take risks.

No one seems to be even remotely sure of just how it work.

"There is an awful lot of detail and interpretation to be worked out so it is way too early to forecast what the consequences are going to be," said Joseph Marks, a higher education funding guru at the Southern..."
Regional Education Board in Atlanta. But it is an initiative that goes further than others have attempted and that makes it important. It is important to watch.

In theory, said Fred Sheheen, Commissioner of the S.C. Higher Education Commission, the body charged with making the law work. Anything you can do to make quality the driving factor is going to be an improvement.

But he conceded, "The question is, can we do it? Can we achieve the intent of the law?"

The Bill
The higher education law now being fine-tuned in the legislature --the bi-partisan result of a lengthy study of the state's higher education system--would set out to create a system of funding schools based on certain standards or performance.

Among them are classroom quality, quality of faculty, entrance requirements for students and achievements of graduates.

Each year a school would gather data increasing its performance in each of the standards and submit it to the commission on Higher Education. By January 1997, the Commission is charged with creating a way of measuring the performance standards and computing them into an evaluation formula that would determine the amount of money given to each school.

Schools that meet minimum standards would get baseline funding; schools that exceed or don't meet those standards would be rewarded or punished monetarily.

Beginning in 1999, one hundred percent of each school's funding would be based on performance. According to the law, by that time the commission would have the authority to recommend consolidation, reduction or closure of programs based on performance.

That is a big reversal from the current funding mechanism, which resembles a rebus more than a scientific formula, education officials concede.

While in appearance schools are funded on the full-time students they have, in reality the system considers such things as space and degrees.

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"It encourages schools to enroll more and more students and build more and more buildings," said Sheheen. "It is very, very good that the new bill is getting away from that."

The new law, said Dr. Carol Garrison, associate provost and dean of the graduate school at the University of South Carolina, "will give us all something to shoot for. What we are about is getting better, and this type of funding will recognize those types of attempts."

Not so simple
But the new law is replete with catches, ambiguity and potential pitfalls, some legislators and educators agree.

The first may be the funding mechanism itself, said Joseph Burke; former provost of the State University of New York system who is now director of the Center for Effective Public Higher Education, a branch of the Nelson A. Rockefeller Institute of Government in Albany, N.Y.

Burke, a performance-funding advocate, said a national study he is conducting shows that basing a school's entire funding on performance ignores real economics, deprives schools of certainty and kills innovativeness.

He called it "absolutely unworkable, self-defeating, completely destabilizing and irrational."

Schools have real costs such as salaries and building and facility maintenance that have nothing to do with performance. How, he asked, can a school try to keep a good professor when it does not know what type of budget to count on two or three years away?

"You have to have enough money on the table to get the school's attention, but not so much that it calls into doubt every type of budgetary stability," he said.

In addition, he said, "You don't want to limit experimentation and risk-taking. If you have to produce results and you have all your money out there, you are going to be extremely careful."

Testament to Burke's view is that while several states -- Tennessee, Missouri, California, Kentucky and Arkansas, among others -- have
moved toward performance-driven funding, no state in the country has implemented a plan where 100 percent of a school's funding is based on performance.

In most of those cases, Burke said, less than 10 percent of the funding formula is based on performance. That means that schools that excel can reap rewards of $500,000 or $1 million as an inventive -- not as base funding.

But Senator McKinley Washington, D-Ravenel, a main sponsor of the bill, said the legislature decided that 100 percent performance funding would be the best way to accomplish South Carolina's goals.

Other main sponsors of the bill are Senators Nikki Setzler, D-Lexington, Holly Cork, R-Beaufort, and Representatives Ronald Townsend, D-Anderson, David Wright, R-Lexington, and Leon Howard, D-Columbia.

"We felt we would not get as good a result otherwise," Washington said. "This is the starting point for us."

How good is good? The performance indicators of South Carolina's proposed new law are a Pandora's box, some argue.

"It is a nightmare," said Jack Parson, chairman of the South Carolina University Faculty Chairs -- spokesman for the faculty of the state.

First of all, not all the performance indicators are easily measurable.

Take graduation rates. While they may indicate a level of quality at one school, they can be truly misleading at others, argues Parson. In addition, they do not necessarily indicate preparation (thousands of high school students graduate, but perhaps should not), and usually can be measured only in relation to admission standards.

Employment rates for graduates and employer feedback are other performance indicator, but they are hard to gather and compare, Parson argues.

Another performance indicator is the quality of faculty -- how many of them have Ph.D.s, their salaries, how much public service they do. How does one link those to quality of teaching?

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Yet, among the performance meters there is no mention of exit testing to test a student's comprehensive knowledge upon graduation, for example.

It is also unclear how the indicators will be fairly used to compare the schools and decide which is more successful in educating students.

"You want to know how you quantify criteria that are not quantifiable," said Sheheen. "It is highly problematic. You can only sift it so fine ... It was not discussed by the General Assembly."

Another performance indicator are hours of teaching per faculty member. That does not speak to the quality of the faculty, but rather to a concern in South Carolina that professors are paid too much to work too little.

Indeed, many of the law's performance indicators such as administrative efficiency or the sharing of equipment, are measurements of efficiency, not quality, and counter the assumption that the bill is supposed to improve the quality of education.

This will be a major step in focusing on and eradicating duplication," said Senator Glenn McConnell, R-Charleston. "The idea is to get schools to look at the way they utilize their money ... how much money do they spend on entertainment accounts?"

Before the compromise draft of the bill, the performance indicators were ranked. Interestingly, "institutional cooperation and collaboration" ranked above student performance indicators.

That would indicate that the state legislature wants schools to be run more like businesses, a concept that, because of the rigidity of the profit/investment equation, academicians refute.

Perhaps McConnell is the most candid when he says that cost-cutting and eliminating duplication are the real goals of the bill.

Far-reaching effects Burke, Sheheen, Parson and others question the possible effects of the law. One possible scenario is that, with the entire budget of schools tied to performance, the best schools...
would be rewarded with more money, the worst ones with less. That could line up schools in a natural, competitive ranking of sorts, and a public school system could face the prospect of limiting access.

"Is that what we want to do in public education?" he asked. "I don't mind us becoming more selective. The faculty has a built-in interest in that. But we are a public service and we have a responsibility to provide educational opportunities to the public."

Said a frustrated McConnell: "These are questions and profound policy considerations that would have been debated by a number of us and they never were. "Not but a handful of people asked any questions."

Other scenarios come to mind. By encouraging cost-cutting measures, schools could be compelled to take steps that will actually work against academic quality. The law might have an ingrained flaw in putting academic quality with savings, Burke said.

"I think the bill is strong in regulation, in intrusive things and does not emphasize quality enough," he said. "What is the good of them being the most efficient institutions in the world if they have no quality?"

Parson fears that changing the way schools are funded will detract from the basic fact that they are underfunded.

"No amount of tinkering with the funding formula will change the decade-long budgetary neglect of higher education in South Carolina," he said. "We are still going to be applying significantly fewer dollars to education than neighboring states."

While changing the reward system, in fact, the state is not radically changing the amount of funding going to public colleges and universities. The commission may be limited in its ability to greatly reward schools for great achievement without handicapping others.

That, argues Burke, is another reason not to base 100 percent of funding on performance.

"If you are going to judge schools on how they run the race, you have to give them the same starting line," Burke argues. "There are huge equity issues...Are they adequately funded to begin with? You want to have competition but you don't want it to be unfair."

A Magic Formula
Making the new system work may rest on the wisdom of the people charged with figuring how to reward performance with money --the Commission on Higher Education.

One way to ensure equity is to make sure schools are rewarded for improvement, Sheheen said. So, even if they don't excel, they are rewarded for trying.

Usually, Burke said, the measure of a school's performance is based, in differing degrees, on state or national averages, an ideal target level and the improvement margin.

However, no one can say to what degree improvement will be rewarded here.

Burke cautions that yearly improvements in higher education are slight, too small to support a mediocre school's entire budget.

He fears that, by making all funding performance-driven, schools will be afraid of losing money and will set very low goals for themselves.

"It could have an inverse effect on quality ... The pressure becomes almost irresistible in order to not have huge swings in money," Burke said.

The other key factor in making the new system productive will be the protection of access -- making sure that students can get into the state's schools, Sheheen said.

Acceptance of in-state students is listed as a performance indicator. That is the only clause in the bill that addresses access, and it could be easily threatened by the law's drive for quality.

To make sure access and equity are not violated, in devising the funding formula the commission will have to make sure that different performance indicators are applied differently to different types of school, Sheheen said.

For example, technical schools accept almost
everyone and don't generally require SAT tests. Liberal arts colleges have narrower acceptance rates.

"You can have both, access and quality, if properly done," Sheheen said.

Washington said the bill will accomplish its goal only if each school is evaluated on its own merit in view of its specific mission. The mission statements of schools are considered performance indicators.

"I am very excited about that," he said. "I think the entire state has some very good institutions if they are evaluated individually. Everyone will be treated more fairly."

The other factor that will affect the effectiveness of the law is the willingness of the General Assembly and the Commission on Higher Education to take what may be unpopular steps to really implement it.

For example, while the commission will have the ability to recommend closure of schools, for political reasons Sheheen and others believe none will ever be allowed to close, regardless of poor quality.

The system could become too harsh or difficult to implement, Burke said.

For sure, there is no black and white map to follow.

"No state in the union has attempted this, so we will see," Sheheen said.

"We will have to be very creative," he said, smiling, "and very quick."

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SOUTH CAROLINA
COMMISSION ON HIGHER EDUCATION
SPECIAL REPORT NO. 1
JULY 1996

PERFORMANCE FUNDING

A SUMMARY OF MAJOR PROVISIONS
OF
ACT 359
AND
THE COMMISSION’S PLANNING STRUCTURE
RESTRICTURING THE COMMISSION

THE NEW LAW PROVIDES FOR FOURTEEN COMMISSION MEMBERS APPOINTED BY THE GOVERNOR:

- 6 MEMBERS FROM EACH CONGRESSIONAL DISTRICT
- 3 EX-OFFICIO MEMBERS TO REPRESENT THE PUBLIC COLLEGES AND UNIVERSITIES
- 3 MEMBERS FROM STATE AT-LARGE
- 1 INDEPENDENT COLLEGE REPRESENTATIVE (NON-VOTING)
- 1 AT-LARGE MEMBER TO SERVE AS CHAIRMAN

AS OF JULY 15, 1996, THE FOLLOWING APPOINTMENTS HAVE BEEN MADE:

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<th>Name</th>
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<tr>
<td>Rosemary H. Byerly</td>
<td>Inman</td>
<td>7/01/1998</td>
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<td>Charleston</td>
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<tr>
<td>Dr. Colgate W. Darden, III</td>
<td>Lexington</td>
<td>7/24/1998</td>
</tr>
<tr>
<td>Dr. C. Edward Floyd</td>
<td>Florence</td>
<td>7/01/1998</td>
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<td>R. Austin Gilbert, Jr.</td>
<td>Florence</td>
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<td>Frank Gilbert</td>
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<td>Winfred S. Greene</td>
<td>Columbia</td>
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<td>Dr. David W. Maxwell</td>
<td>Tamassee</td>
<td>7/26/1998</td>
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<td>Thomas R. Olsen, Sr.</td>
<td>Sumter</td>
<td>7/01/2000</td>
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<td>Lewis Phillips</td>
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<td>Bill H. Stern</td>
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<td>Roger B. Whaley</td>
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<tr>
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* Appointed by the Governor upon the recommendation of the respective Legislative Delegation
** Appointed by the Governor at Large
*** Appointed by the Governor as Institutional Ex-Officio
+ Independent college president, Ex-Officio without vote
The legislation established the goal of higher education in the state "to be a global leader in providing a coordinated, comprehensive system of excellence in education by providing instruction, research, and lifelong learning opportunities which are focused on economic development and benefit the State of South Carolina."

The missions for the four sectors of higher education are:

**RESEARCH UNIVERSITIES**
- college-level baccalaureate education, master's, professional, and doctor of philosophy degrees which lead to continued education or employment
- research through the use of government, corporate, nonprofit-organization grants, or state resources, or both
- public service to the State and local community

**FOUR-YEAR COLLEGES AND UNIVERSITIES**
- college-level baccalaureate education and selected master's degrees which lead to employment or continued education, or both, except for doctoral degrees currently being offered
- limited and specialized research
- public service to the State and local community

**TWO-YEAR INSTITUTIONS- BRANCHES OF U.S.C.**
- college-level pre-baccalaureate education necessary to confer associates' degrees which lead to continued education at a four-year or research institution
- public service to the State and local community

**STATE TECHNICAL AND COMPREHENSIVE EDUCATION SYSTEM**
- all post-secondary vocational, technical, and occupational diploma and associate degree programs leading directly to employment or maintenance of employment and associate degree programs which enable students to gain access to other post-secondary education
- up-to-date and appropriate occupational and technical training for adults
- special school programs that provide employee training for prospective employees for prospective and existing industry in order to enhance the economic development of South Carolina
- public service to the State and local community
- continue to remain technical, vocational, or occupational colleges with a mission as stated above and primarily focused on technical education and the economic development of the State
THE LEGISLATION SET 37 PERFORMANCE INDICATORS DIVIDED INTO 9 CATEGORIES TO DETERMINE THE QUALITY OF HIGHER EDUCATION AT THE COLLEGES AND UNIVERSITIES.

I. MISSION FOCUS
   A. Expenditure of funds to achieve institutional mission
   B. Curricula offered to achieve mission
   C. Approval of a mission statement
   D. Adoption of a strategic plan to support the mission statement
   E. Attainment of goals of the strategic plan

II. QUALITY OF FACULTY
   A. Academic and other credentials of professors and instructors
   B. Performance review system for faculty to include student and peer evaluations
   C. Post-tenure review for tenured faculty
   D. Compensation of faculty
   E. Availability of faculty to students outside the classroom
   F. Community or public service activities of faculty for which no extra compensation is paid

III. INSTRUCTIONAL QUALITY
   A. Class sizes and student/teacher ratios
   B. Number of credit hours taught by faculty
   C. Ratio of full-time faculty as compared to other full-time employees
   D. Accreditation of degree-granting programs
   E. Institutional emphasis on quality teacher education and reform

IV. INSTITUTIONAL COOPERATION AND COLLABORATION
   A. Sharing and use of technology, programs, equipment, supplies, and source matter experts within the institution, with other institutions, and the business community
   B. Cooperation and collaboration with private industry

V. ADMINISTRATIVE EFFICIENCY
   A. Percentage of administrative costs as compared to academic costs
   B. Use of best management practices
   C. Elimination of unjustified duplication of and waste in administrative and academic programs
   D. Amount of general overhead costs
PERFORMANCE INDICATORS

VI. ENTRANCE REQUIREMENTS
   A. SAT and ACT scores of student body
   B. High school standing, grade point averages, and activities of student body
   C. Post-secondary non-academic achievement of student body
   D. Priority on enrolling in-state students

VII. GRADUATES' ACHIEVEMENTS
   A. Graduation rate
   B. Employment rate for graduates
   C. Employer feedback on graduates who were employed or not employed
   D. Scores of graduates on post-graduate professional, graduate or employment-related examinations and certification tests
   E. Number of graduates who continue their education
   F. Credit hours earned of graduates

VIII. USER-FRIENDLINESS OF INSTITUTION
   A. Transferability of credits to and from the institution
   B. Continuing education programs for graduates and others
   C. Accessibility to the institution of all citizens of the State

IX. RESEARCH FUNDING
   A. Financial support for reform in teacher education
   B. Amount of public and private sector grants
AT ITS JULY 1996 MEETING, THE COMMISSION ESTABLISHED THE FOLLOWING PLANNING STRUCTURE:

I. Steering Committee
   A. The Planning and Assessment Committee of the Commission will serve as the Steering Committee.
   B. The Vice Chair of the Commission chairs the Planning and Assessment Committee.
   C. The Committee will seek input from the Council of Presidents of State Institutions, the council of board chairs of the various public institutions of higher learning, and the business community.
   D. The Steering Committee will meet prior to the task forces to develop a detailed time-line and a uniform format for the task force reports.
   E. Members
      • Roger Whaley, Chairman
      • David Maxwell
      • Bill Stern
      • 1st District Member

II. Task Forces - Composition
   A. Membership appointed by the Commission Chair upon appropriate recommendation
      • One representative of the Commission
      • Two representatives of the business community
      • One at-large representative
      • One faculty representative
      • Two representatives recommended by the Board chairs
      • One representative recommended by the Council of Presidents
   B. The Chair of the Commission on Higher Education will appoint a chair of each task force from the business community.¹
   C. The task forces will develop the measures to be used for all types of institutions, but benchmarks and application of the measures will be subsequently assigned to committees which may be constituted by type of institution.
   D. Commission will provide staff support

¹In addition to the committee membership from the business community
III. Task Force - Responsibilities

A. The three task forces will develop measures for the performance indicators.

♦ ACADEMICS

(1) Mission Focus
   (B) Curricula offered to achieve mission

(2) Quality of Faculty
   (A) Academic and other credentials of professors and instructors
   (B) Performance review system for faculty to include student and peer evaluations
   (C) Post-tenure review for tenured faculty
   (D) Compensation of faculty
   (E) Availability of faculty to students outside the classroom
   (F) Community and public service activities of faculty for which no extra compensation is paid

(3) Instructional Quality
   (C) Ratio of full-time faculty as compared to other full-time employees
   (D) Accreditation of degree-granting programs
   (E) Institutional emphasis on quality teacher education and reform

(8) User-Friendliness of Institution
   (A) Transferability of credits to and from the institution

(9) Research funding
   (A) Financial support for reform in teacher education
   (B) Amount of public and private sector grants

♦ ADMINISTRATIVE MANAGEMENT

(1) Mission Focus
   (A) Expenditure of funds to achieve institutional mission

(4) Institutional Cooperation and Collaboration
   (A) Sharing and use of technology, programs, equipment, supplies, and source matter experts within the institution, with other institutions, and with the business community
   (B) Cooperation and collaboration with private industry
PLANNING/INSTITUTIONAL EFFECTIVENESS

(1) Mission Focus
   (A) Approval of a mission statement
   (B) Adoption of a strategic plan to support the mission statement
   (C) Attainment of goals of the strategic plan

(3) Instructional Quality
   (A) Class size and student/teacher ratios
   (B) Number of credit hours taught by faculty

(7) Graduates Achievements
   (A) Graduation rate
   (B) Employment rate for graduates
   (C) Employer feedback on graduates who were employed or not employed
   (D) Scores of graduates on post-undergraduate professional, graduate, or employment-related examinations and certification tests
   (E) Number of graduates who continue their education
   (F) Credit hours earned of graduates

(8) User-Friendliness of Institution
   (B) Continuing education programs for graduates and others
THE LEGISLATION ESTABLISHED THE FOLLOWING TIME-LINE:

**AUGUST - DECEMBER 1996**

Activities to define, quantify, and benchmark legislatively determined performance indicators

**JANUARY 1997**

Submission of implementation plan for performance funding to General Assembly for approval

**JUNE 1997**

Legislative approval of FY 1997-1998 Appropriation based on current formula and performance-based funding formula (no institution will receive less than its FY 1996-1997 Appropriation)
## TIME-LINE FOR PERFORMANCE FUNDING

### JUNE 1998

| Legislative approval of FY 1998-1999 Appropriation based on current formula and performance-based funding formula (no institution will receive less than its FY 1996-1997 Appropriation) |

### JUNE 1999

| Allocation for higher education based 100 percent on performance-based formula |
Dr. Jack Parson
Dept. Political Science
College of Charleston
66 George Street
Charleston, SC 29424

Dear Jack:

I am sure you are aware of legislation enacted by the 1996 Session of the General Assembly which assigned to the Commission on Higher Education important new responsibilities, among them the task of crafting and implementing a system of performance funding for the institutions of higher learning in our State.

In meeting its responsibilities under the law, the Commission is required to "coordinate and collaborate at a minimum with the Council of Presidents of State Institutions, the Council of Board Chairs of the various public institutions of higher learning and the business community."

The Commission will create three Task Forces to review and make recommendations for implementing the Critical Success Factors mandated by the General Assembly as the basis for the future funding of higher education.

It is the purpose of this letter to invite several nominations to serve on the Task Forces to represent the public university and college faculties. The appointments will be selected from among your nominees. Your choices may be faculty members, but are not limited thereto. Please examine the attached listing of Task Forces and request your nominees to indicate a preference for service.

Sincerely,

R. Austin Gilbert
Chairman

Encl.
RAG :slh

PROPOSED PLANNING STRUCTURE FOR PERFORMANCE INDICATORS

I. Steering Committee

A. The Planning and Assessment Committee of the Commission will serve as the Steering Committee.

B. The Vice Chair of the Commission chairs the Planning and Assessment Committee.

C. The Committee will seek input from the Council of Presidents of State Institutions, the council of board chairs of the various public institutions of higher learning, and the business community.

D. The Steering Committee will meet prior to the task forces to develop a detailed time line and a uniform format for the task force reports.

II. Task Forces

A. There will be three task forces addressing performance indicators for the four sectors of higher education appointed by the CHE Chairman. They will be assigned the broad topics of Academic Indicators, Administrative Management Indicators, and Planning/Institutional Effectiveness Indicators. (See Attachment for groups of indicators.)

B. The task forces will develop the measures to be used for all types of
institutions, but benchmarks and application of the measures will be subsequently assigned to committees which may be constituted by type of institution.

C. Each task force will reflect the broad constituencies of higher in the state and will include:

One representative of the Commission
Two representatives of the business community
One at large representative
One faculty representative
Two representatives recommended by the Board chairs
One representative recommended by the Council of Presidents

D. The Chair of the Commission on Higher Education will appoint a chair of each task force from the business community.

E. The Commission will provide staff support.

SUGGESTED PERFORMANCE INDICATOR GROUPINGS BY COMMITTEE TYPE

COMMITTEE I  ACADEMICS (13 Indicators)
(1) Mission Focus
   (B) curricula offered to achieve mission

(2) Quality of Faculty
   (A) academic and other credentials of professors and instructors
   (B) performance review system for faculty to include student and peer evaluations
   (C) post tenure review for tenured faculty
   (D) compensation of faculty
   (E) availability of faculty to students outside the classroom
   (F) community and public service activities of faculty for which no extra compensation is paid

(3) Instructional Quality
   (C) ratio of full time faculty as compared to other full time employees
   (D) accreditation of degree granting programs
   (E) institutional emphasis on quality teacher education and reform

(8) User Friendliness of Institution
   (A) transferability of credits to and from the institution

(9) Research Funding
   (A) financial support for reform in teacher education
   (B) amount of public and private sector grants

II. COMMITTEE II--ADMINISTRATIVE MANAGEMENT (12 Indicators)

(1) Mission Focus
   (A) expenditure of funds to achieve institutional mission

(4) Institutional Cooperation and Collaboration:
   (A) sharing and use of technology, programs, equipment, supplies, and source matter experts within the institution, with other institutions, and with the business opportunity
   (B) cooperation and collaboration with private industry

(5) Administrative Efficiency
   (A) percentage of administrative costs as compared to academic costs
   (B) use of best management practices
   (C) elimination of unjustified duplication of and waste in administrative and academic programs

(6) Entrance Requirements
   (A) SAT and ACT scores of student body
   (B) high school class standing, grade point averages, and activities of student body
   (C) post secondary non academic achievements of student body
   (D) priority on enrolling in state residents

(8) User Friendliness of Institution
   (C) accessibility to the institution of all citizens of the State
111. COMMITTEE III PLANNING/INSTITUTIONAL EFFECTIVENESS (12 Indicators)

(1) Mission Focus
(C) approval of a mission statement
(D) adoption of a strategic plan to support the mission statement
(E) attainment of goals of the strategic plan

(3) Instructional Quality
(A) class size and student/teacher ratios
(B) number of credit hours taught by faculty

(7) Graduates' Achievements
(A) graduation rate
(B) employment rate for graduates
(C) employer feedback on graduates who were employed or not employed
(D) scores of graduates on post undergraduate professional, graduate or empicyrnt refated examinations and certification tests
(E) number of graduates who continued their education
(F) credit hours earned of graduates

(8) User Friendliness of Institution
(B) continuing education programs for graduates and others

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