

General Assembly Remarks

George E. Cooper

Tuesday, January 4, 2011

9:00 a.m. ~ MLK

Good Morning!

Thank you Dr. Blackwell. I appreciate your leadership in arranging this school opening event to begin the second semester of the 2010-2011 academic year at SC State University.

I am honored to join you at the beginning of the 2011 spring semester and welcome you all back from an extended vacation period, one that you all deserve after completing another successful semester. I would like to acknowledge your dedicated support and the efforts you

continue to make in support of SC State University. Without your collective efforts, we would not have met the challenges that we faced. In other words, your individual and collective efforts have allowed us to focus on mission priorities which include providing meaningful educational experiences for our students, engaging in scholarly relevant research, and extending support of our extension and outreach efforts which address the needs of citizens of our community and service areas across the state.

As we continue excellence made possible through our collective efforts, I want to acknowledge a significant accomplishment made as a consequence of collaboration

and teamwork by members of the Board of Trustees, Administration, Faculty and Staff. I am speaking of the December 7, 2010 reaffirmation of accreditation by the Southern Association of Colleges and Schools (SACS)/Commission on Colleges. This reaffirmation is for an additional 10 years and certifies that we have fully met the standards set for regional accreditation through our administrative organization, curriculum, and the management of our budget and physical resources. While we have been reaffirmed, we still have much work to do in responding to the accountability measures stated in our plan and implementation of our Quality Enhancement Program. We have accomplished this while confronting

difficult challenges. This demonstrates that when we work together, all things are possible for SC State University. Let us all stand and give ourselves a round of applause!

We now must prepare for the fifth year report which will be due to SACS in 2015. The report will demonstrate that we are on course in implementation of our plan and related goals.

Working together will be even more important for us as we work through continued short-falls in state resources. We will soon be led by a new Governor, Nikki Haley. The governor, like us, will have to work with a State Legislature who will determine how to stretch

shrinking revenues to meet priorities for state agencies, including higher education. Information from our lobbyist suggests that SC State and other State Colleges should be bracing for another big cut in State support, which could be up to 15 percent. For SC State University, this could mean a loss of an additional \$2.0 million in FY 2011-2012. We have heard that there will be an estimated \$800 million shortfall in our State's expected revenues and costs to maintain services. We also know that the three years of Federal stimulus funding will end, and the State will be unable to fill any gaps with Federal stimulus aid in its next budget. SC State received approximately \$3.2 million in FY 2009-2010 which was

included in the total received in educational and general (E&G) support. If the Legislature and governor fail to sustain this level of support, we could lose an additional \$3.2 million in unrealized Federal stimulus funds. Combined, and despite stimulus aid, SC colleges lost \$110 million in State support last year. To put our loss of state appropriations in perspective, SC State received \$30 million in FY 2007-2008 and \$13 million in FY 2009-2010 in State E&G appropriations.

In the January 2, 2011 issue of the "Chronicle of Higher Education," Eric Kelderman in his article on "Colleges to Confront Deep Cutbacks" writes: "Those enormous budget gaps, and the likely battles over where to slice

spending without tax increases, put public colleges in those states at the greatest risk of steep cuts in financial support during the legislative sessions that will begin this month in many states. The forecast may be even bleaker in some states, like South Carolina. The State's new Governor, Nikki R. Haley, a Republican backed by the Tea Party, has sworn off tax increases as a way to fill the state's \$877-million revenue shortfall, which nearly equals the amount it spent on higher education in 2010. While several Republican governors and legislators have expressed concern about the rising costs of higher education, many also view colleges as a tool for economic development.”

Despite difficult economic times, we have accomplished great things:

1. The Commission on Higher Education granted approval for a stand-alone B.S. degree program in nuclear engineering. Previous approval was for a joint degree program with the University of Wisconsin – Madison. Thank you Dean Lewis and Vice President Blackwell for navigating us through the approval process with the SC Commission on Higher Education.
2. With Board of Trustees approval, SC State implemented a research incentive program. Payments for the incentive program were made to

principal investigators in December 2010. This should serve as a stimulus to increase faculty participation in grants and contracts, thanks to the planning committee and assistance from Vice President Smalls, Vice President Wesson and Mr. Malone, Office of Sponsored Programs.

3. Construction was completed on Hodge Hall Annex at a total cost of approximately \$20 million. This building will be named after former President, Leroy Davis in a formal naming ceremony scheduled to coincide with the February 2011 Board of Trustees Meeting. Thanks to our Board of Trustees for approving funding and Vice President

Smalls and his staff for the oversight in planning and construction.

4. Approval was granted in December 2010 to begin construction on a new Computer Science and Engineering Building (\$24.5 million). Construction is expected to begin in January 2011 if there is no bid protest. Construction of this building will create some challenges for us as we navigate around the construction site to attend classes and find alternate parking. It will also allow us to resume movement to the “Pedestrian Mall” which will result in closing the center of campus to vehicular travel. Should funding

become available, we could have some form of bus travel from remote areas to the campus proper.

5. We have all noticed that Construction at the James E. Clyburn Transportation Center is proceeding on schedule since the bid was awarded on July 14, 2010. Approximately \$24 million in Federal Transportation funds are available to complete the first two phases.
6. The County of Orangeburg has provided a \$1.1 million planning grant (matching) for the construction of a pedestrian cross-walk from University Village Apartments to campus and crossing Chestnut Street.

7. The Audit of Financial statements has been completed, and a draft has been shared with the Board of Trustees. There was only one finding that was cleared before the report was issued.
8. We have also had an audit of transportation related grants by the Legislative Audit Committee (LAC). The SC State University staff have been cooperative in providing information to allow this process to proceed according to the LAC time-line. No official comments will be made concerning the LAC audit by the University until the report is released officially.

Yet, we still have challenges at SC State:

Our E&G budget is tuition dependent. In the current fiscal year, two-thirds of our budget was derived from tuition and fees. Deferred maintenance continues to be a high priority since the majority of our buildings are older than 25 years of age.

We must continue to align resources to address mission priorities and participate in surveys that will frame our new strategic plan. We will continue to admit traditional students who bring with them a need for financial assistance (current needs). We must find ways to supplement our enrollment base with non-traditional students who can pay and out-of state students who pay

1/3 now. We must enhance articulation agreements with SC two-year and community colleges to increase enrollment in selected majors. We must continue to increase emphasis on customer service in strengthening relationships with parents, students and stakeholders. We must improve our six-year graduation rates. And, we must be positive about our University as we seek and gain support from the State, outside organizations and agencies and our alumni.

As we position ourselves for the 2011-2012 fiscal year, we must prepare for another big cut in State support. Our lobbyist indicates that budget writers anticipate a 15 percent or \$2 million cut. **Fund raising will be our**

highest priority. We must seek increased support from Federal agencies, the private sector, foundations and individuals. Our foundation's goal is \$3 million. We have already raised \$2 million. Our research plan prepares increasing grant revenues by 2015—\$27 million to \$50 million annually. Furthermore, using our Title II resources from the Department of Education, we must define and sustain priorities:

- 1) Implementation of the Quality Enhancement Program;
- 2) Support for Student Success and Retention efforts;
- 3) Support for technology enhancements through the “Banner Software System;”

4) Elevation of our Honors Program to College Status;

and

5) Support for a new major in Communications.

In addition, we must find creative ways to engage the Governor, State Legislature and citizens to place greater value on education so that we can stabilize our budget in better financial times. Governor Haley has expressed interest in meeting with higher education leadership to discuss challenges and opportunities through our institutions and I will be involved. The South Carolina legislature has passed transparency legislation to account for funds allocated to state agencies. This builds potential support through accountability for funds provided from

state sources. We are one of the higher education institutions which have agreed to post expenditures on our University web site, and formally we are planning new strategies to engage our Legislature and Legislative Black Caucus to increase their understanding of our mission and role in providing access to educational opportunity.

In preparation for our next fiscal year and reduced state appropriations, I am having discussions with the Cabinet on budget and budget priorities. These conversations will be expanded soon to include input from faculty and staff as we set priorities that address budget short-falls and priorities for fundraising.

As I close, I want you to know that in these difficult times, I am optimistic about our future and believe that by working together we can continue the traditions important to SC State University as we continue to provide access and opportunity for those students who choose to attend our University.

I wish you all success as we prepare for the challenges of the 2011 spring semester and beyond. I hope you find the sessions rewarding.

Thank You