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University of South Carolina

BOARD OF TRUSTEES

Ad Hoc Committee on Strategic Planning

December 10, 2009

The Ad Hoc Committee on Strategic Planning of the University of South Carolina Board of Trustees met on Thursday, December 10, 2009, at 1:00 p.m. in Osborne Building Room 107C.

Members present were: Mr. Mack I. Whittle, Jr., Chairman; Mr. William C. Hubbard; Mr. John C. von Lehe, Jr.; Mr. Miles Loadholt, Board Chairman; and Mr. Eugene P. Warr, Jr., Board Vice Chairman. Dr. C. Edward Floyd and Ms. Darla D. Moore were absent.

Others present were: President Harris Pastides; Secretary Thomas L. Stepp; Vice President for Academic Affairs and Provost Michael D. Amiridis; Chief Financial Officer and Vice President for Finance and Planning William T. Moore; Vice President for Student Affairs and Vice Provost for Academic Support Dennis A. Pruitt; Associate Vice President for Finance and Budget Director, Division of Business and Finance, Leslie Brunelli; Special Assistant to the President J. Cantey Heath, Jr.; Dean of the College of Mass Communications and Information Studies and Interim Vice President for Communications and Public Affairs Charles Bierbauer; Director of the Office of Media Relations Margaret Lamb; Media Consultant Lee Goodman; and Board staff member Karen L. Tweedy.

Chairman Whittle called the meeting to order and welcomed everyone. Ms. Lamb introduced a member of the media who was in attendance. Chairman Whittle stated that notice of the meeting had been posted and the press notified as required by the Freedom of Information Act; the agenda had been circulated; and a quorum was present to conduct business.

President Pastides commented that Dr. Moore would initially update the Committee about the status of Focus Carolina (the comprehensive, system-wide strategic planning initiative). Later, Dr. Moore will discuss how the federal stimulus funding had been applied strategically to support Focus Carolina goals. Ms. Brunelli will also describe strategic budgeting strategies the University was using in the wake of a \$67 million budget reduction in recurring funds with additional cuts anticipated. Dr. Moore will follow with a discussion of the campus system study.

President Pastides noted that these topics were examples of Carolina's beginning efforts to organize as a comprehensive and strong university system. The major goal of that effort, he stressed, was to educate more South Carolinians and to do it better.

Additionally, Ms. Brunelli will review various aspects of the current decentralized budget model.

Dr. Moore will summarize the University's capital budget which was being examined as part of a thirty-year capital plan.

And, finally, the Committee will be asked to engage in preliminary discussions about potential topics for a spring planning retreat involving the full Board.

I. Update on Focus Carolina:

A. Initiatives and Action Plans

B. Blueprint Process/Budget Cycle

Dr. Moore drew the attention of Committee members to the materials they had received for the meeting. Included was the Vision Statement as well as the University Mission Statement which had been approved by the Board of Trustees and the Commission on Higher Education. Also listed were the five identified strategic goals and respective initiatives which were developed by faculty-led teams composed of faculty, staff, students, alumni, and friends of the University carefully selected to represent a well-rounded "spirit" of the University of South Carolina. He described the various initiatives as "very solid, carefully-developed and well thought out."

Dr. Moore highlighted three of the goals and provided examples of identified initiatives. One of the initiatives for the goal "Teaching and Learning" was to "elevate the importance of quality teaching and mentoring within the University by improving classroom conditions, valuing teaching in hiring and compensation decisions, and providing faculty with support to improve their teaching skills and to develop and improve courses."

An initiative associated with the goal of "Research, Scholarship and Creative Achievement" was to "create and promote programs to attract, develop and retain strong faculty." Dr. Moore characterized this ambitious goal as requiring budget support and long-term planning.

Another initiative was to "improve the University's administrative, technological and physical research infrastructure so that it is comparable to that at other comprehensive research universities."

The final goal, "Recognition and Visibility," had as one initiative to "develop a plan to increase the recognition and visibility of scholarly activities of the faculty and students on a national level." Dr. Moore referenced the detailed action plans which had been developed to implement this initiative.

Following the identification of initiatives for each of the five strategic goals, the President had charged the vice presidents to identify action plans and action steps.

Dr. Moore reviewed various action steps that had been proposed for one of the initiatives for the "Quality of Life in the University Community" goal. The particular initiative was to "develop a plan to systematically address deferred maintenance needs in order to improve the safety and physical environment of faculty, staff and students."

The first action step - plan and budget for a minimum \$2 million per year for deferred maintenance needs - was permanently included in the University's thirty-year capital plan. It is a very important initiative.

The second action step which had been proposed was to conduct a comprehensive review of physical space needs. Dr. Moore advised that the University had retained Sasaki Associates, Inc. to update the campus master plan to include the integration of the Innovista plan as well as the athletics plan.

To accomplish the master plan update, Sasaki had been tasked to undertake a thorough academic space needs analysis (laboratories, classrooms, offices, etc.). Once that study was completed next year, more specific action plans will be generated.

The third action step - to conduct a system-wide review of fire safety - already had a program in place with funding identified to sprinkle virtually all buildings. Dr. Moore stated that all residence halls will be sprinkled by 2013.

Chairman Whittle asked whether the University had available a sinking fund for new structure maintenance or equipment "wear and tear." Dr. Moore indicated that in the thirty-year plan it was not budgeted per building, but rather a central fund fed by student fees and accumulated carry forward funding, etc., was used.

Dr. Moore referenced the fourth action step - provide greater operating support for emergency preparedness. He noted that many members of the goal teams were not aware that the University had in place an emergency management team which was well managed by University Police. The use of stimulus funding was enhancing that effort.

Referring to the goal "Teaching and Learning," Dr. Moore stated that one of the initiatives from this goal team was to "recruit and retain a high quality and diverse undergraduate student body."

The first action step listed under this initiative was to "conduct a comprehensive review of undergraduate enrollment management activities to determine optimum five year goals for: enrollment size, quality, multidimensional diversity; pricing strategies; discounting strategies." Dr. Moore stressed that this institution needed a system wide tuition study to address levels of tuition, discounts, differential tuitions between residents and non residents. In terms of fees, the University utilized a very complicated fee system which was actually a serious programming challenge for the Bursar's Office. The University will most likely request consulting assistance to rationalize and simplify the process.

Dr. Pastides explained that because of the number of differential fees, it was difficult to program adequately a system to bill and collect the revenues appropriately. Secretary Stepp noted that included in the information distributed to the Board during the yearly budget review process was a list of University fees which consumed approximately 20 pages.

One of the initiatives for the goal "Research, Scholarship and Creative Achievement" was to "enhance the quality of graduate education through creation or integration of interdisciplinary degree programs and improve the quality of life for graduate students."

Dr. Moore specifically referenced the second action plan "to improve the quality of graduate life" which would include, for example, support for health insurance and scholarships. He reported that the University had already increased the graduate assistant health stipend by 22 percent from \$300 to \$366 per year; over the next couple of years, that amount would increase to \$400 per year.

In addition, there was a \$50,000 per year allowance for Law School scholarships; this support was in place for the next 15 years.

Another initiative was to "assess the University's current allocation process to determine how to direct more resources to research, scholarship and creative achievement."

One of the action steps involved a review of the University budget model - how do we allocate the operating resources at the University? Dr. Moore commented that it was anticipated the University would have completed a prototype of a revised model to bring forward for Board consideration by next spring.

Another initiative under the goal of "Research, Scholarship and Creative Achievement" was to "improve the University's administrative, technological and physical infrastructure so that it is comparable to that at other comprehensive research universities." Action plans to complete the up-fit of the Horizon I and Discovery I research buildings with identified funding were of utmost importance. "Needless to say, once completed, these two structures will have a tremendous impact on research productivity at the University."

Dr. Moore indicated that by January 22<sup>nd</sup> all of the initiatives with proposed action plans will have been submitted to the President for consideration. Following his review, the University will begin the process of identifying indicators and metrics to measure the status of the five identified goals.

President Pastides stressed that stimulus funding was allowing the University to move forward. "We spent nearly a year on Focus Carolina to 'build a Christmas tree'; we spent this semester putting on the 'ornamentation'. Had we not had the stimulus funds, we only would have had whatever cost savings we could have squeezed out of an efficiency here or a savings there. Now we have to go through the meticulous process of choosing the initiatives we believe are most important. The next phase will be to monitor and measure how we are doing."

Dr. Moore indicated that the University was beginning the annual strategic planning

process. Every academic and service unit will submit a "blueprint for excellence" this coming spring; all of the deans and vice presidents will generate a five-year budget projection which must support this strategic plan and reflect the University's system vision, mission and goals. In addition, the budget must balance with no built in deficit.

II. Strategic Finance:

A. Application of Stimulus Funding:

Dr. Moore stated that the deans, chancellors and vice presidents had submitted competitive proposals totaling more than \$150 million requesting use of stimulus funding; available this first year was \$29 million (approximately \$20 million for the Columbia campus and the School of Medicine). He emphasized that the funding was "one-time money"; if stimulus money was applied toward recurring projects, the dean must show that the budget will support those recurring funds.

Each proposal must demonstrate how that particular funding would support the unit strategic plan as well as the Focus Carolina vision/mission/goals. The President then reviewed and determined which proposals to approve.

Dr. Moore referenced a pie chart for the Columbia campus detailing the dissemination of stimulus funding. The dollar amounts that were approved supporting the research and scholarship goal (approximately \$4.9 million) represented 26 percent of the total amount. Dollars dedicated to the teaching and learning goal totaled \$4.6 million or 25 percent of the total amount. A substantial portion was dedicated to the quality of life goal (\$7.5 million or 39 percent) because deferred maintenance and health and safety improvements were very expensive. The recognition and visibility goal received \$1.7 million or 9 percent of the total.

Dr. Moore highlighted a few examples of stimulus funding projects.

Thomas Cooper Library received \$875,000 to renovate study rooms. Earlier today the Buildings and Grounds Committee had approved the physical infrastructure portion of this renovation; in addition, computer equipment will be purchased to make the study rooms state-of-the-art. This renovation will support the teaching and learning goal.

An approved proposal from the Moore School of Business will provide stimulus funding for the recruitment, salary differential and start-up costs of eight new tenure-track faculty (which supported the teaching and learning goal as well as the research goal since the new hires will conduct research).

Provost Amiridis noted that the Moore School of Business had intended to hire these eight faculty members next year; having that money available allowed the University to bring them here in 2010. This was an example of stimulus funding being used toward recurring monies.

Dr. Moore referenced the Walker Institute which had been selected to receive

\$100,000 in order to support a new symposium series dedicated to the Rule of Law topic.

Dr. Moore directed the attention of the Committee to a chart which summarized the distribution of stimulus funding for the entire University system. He noted that the other campuses had requested funding in the goal areas of Teaching & Learning and Quality of Life improvements rather than Research & Scholarship.

Dr. Moore pointed out that all of the \$29 million had been committed. And, it was anticipated that the funding would be available for a second year.

Mr. Hubbard asked if there was any stipulation regarding the use of stimulus funding for grounds improvements because extensive planning or a lengthy process would not be required. Dr. Moore noted that such improvements would certainly support the campus quality of life goal.

B. Budget Management:

1. Reductions in State Appropriations
2. Plans for Remainder of FY 2010; Outlook

Chairman Whittle called on Ms. Brunelli who directed the attention of the committee to a chart which summarized University budget cuts during the past two years. She noted that there were four midyear reductions last year.

In September the University received a 4.04 percent cut as did all state agencies. The University was preparing for another reduction next week. Ms. Brunelli reported that the Board of Economic Advisors had lowered the state revenue estimate again last month. The state had experienced a shortfall of approximately \$126 million primarily in sales tax and income tax collections; a reduction in the 3 percent range was anticipated.

FY 2009 cuts totaled \$49 million; the September cut will total \$11.8 million across the system; with the 3 percent estimated cut next week the grand total for the year will be \$67 million. That figure was 30 percent of the University's state appropriation since FY 2008.

Ms. Brunelli pointed out that the last round of budget cuts occurred in 2001-2004. "We are far below where we were after we started recovering at that point." Last year, the *Chronicle of Higher Education* published a notice that South Carolina had experienced the most severe cuts in higher education. That may not be the case any longer, she continued, based on the information received from SEC counterparts. Alabama and Auburn were also sustaining 30 percent reductions; LSU may be as high as 40 percent soon. Arkansas was actually faring the best in the SEC; they have had the least cuts to date. Florida was approximately 20 percent, but their cut was much larger in dollars and they were heavily subsidized by state appropriations.

Ms. Brunelli characterized Georgia's situation as very interesting. Last year their budget was slightly reduced; currently, that figure had increased to 16 percent already for this year. In addition, they will experience a tuition increase in January across the Georgia system which was most unusual. They had also implemented a 10-day

furlough for all faculty and staff.

System campus finance officers had met in Columbia last week to discuss at length the effect of their cuts. Most of the campuses were relying on a budgeted tuition increase from increased enrollment. They were also making very targeted cuts; several of the campuses had worked very hard to save utility dollars which were being applied toward the cuts.

Ms. Brunelli advised that the Board of Economic Advisors will meet after the holidays to assess whether it will be necessary to have another reduction in the spring. "As you know, it is much harder to take a cut that late in the year because you are taking an annualized cut late in the year when you have already started to expend those funds." President Pastides indicated that the University could possibly endure one additional small cut in the next calendar year.

Discussion ensued regarding future budget cuts and the potential effects on the quality of education.

III. Update on USC System Campus Study: Dr. Moore commented that a substantial group including all of the chancellors, the two-year campus deans and most of the senior administration had been studying the USC System.

As background information, Dr. Moore reported that 36 percent of all baccalaureate degrees earned in this state were awarded on a USC campus; for graduate and professional degrees, that number was nearly 50 percent last year.

The Commission on Higher Education had asked the Moore School of Business to conduct an economic study hypothetically ranking South Carolina as 30th in the nation rather than 47<sup>th</sup> for baccalaureate degrees earned. The computed effect on the state budget, state gross product, etc. was dramatic confirming, of course, the fact that education created wealth. Mr. Hubbard pointed out that the rule of thumb was that on average a four-year degree over a lifetime could potentially generate \$1 million of extra income; with a master's degree or doctorate, that figure would increase.

How can the University of South Carolina, therefore, meaningfully make a difference? Dr. Moore noted that the University of South Carolina catered to place bound students who otherwise would not be able to earn a college education. Ninety-nine percent of the students at the regional campuses were South Carolinians; their average age was 24. Thirty-one percent were African Americans; sixty-four percent were female. Many of them were single adult parents.

The student/faculty ratio of 14/1 at the two-year campuses was higher than the Columbia campus indicating that there was additional capacity. With record enrollment this semester, however, that number had decreased on several of the campuses.

Where was the study going? Dr. Moore reported that an inventory of all degrees offered in the USC System had been completed. In addition, objective data had been

collected to answer a full spectrum of questions including the average age of students; tuition amounts; square footage of the facilities, etc.

Perhaps more importantly, all of the chancellors and deans had been asked to assess the growth potential of their particular student population emphasizing, of course, undergraduates. Questions to consider included: What were the obstacles to growth? What were the opportunities for growth? Which degrees were in greater demand? The University was now beginning to sift through and analyze all of the information.

Key questions were how efficient and effective was the University and how well could the institution deliver more degrees? To help answer that question the University was seeking consulting help. Dr. Moore advised that the Association of Governing Boards of Colleges and Universities had received a large grant and had selected 20 systems in the nation (Carolina was one of them). In January it was anticipated that two consultants, the former chancellor of the University of Wisconsin System and the chancellor of the Southern Illinois System, were planning to spend a day at USC Columbia discussing how systems could be organized to deliver more education at approximately the same cost.

In addition, it was anticipated that the University will conduct a basic cost efficiency study using national benchmarking. Currently, the four-year campuses reported to the President; the two-year campuses reported to the Provost who in turn reported to the President. Was this reporting system the best organizational structure to achieve the objective of delivering more degrees to more South Carolinians in the state? Dr. Moore expected to get answers to that question over the next year.

Further, Dr. Moore pointed out, the University of South Carolina System had four different institutions with separate SACS accreditation, separate faculty governance structures, and different general education core requirements for their students. The Provost and the Vice Chancellors for Academic Affairs of all the senior campuses in the system had committed that by the year 2013 a process will be in place whereby a student who completed a core course at Sumter, for example, could transfer to Columbia or Aiken or Beaufort without losing that core course credit - it will count toward the core requirements of the other institution.

Dr. Moore noted that the University of South Carolina System compared to other higher education systems centralized services (i.e., human resources, legal, finance, facilities, enrollment, registrar, financial aid, information technology, health & safety). He believed that few opportunities for consolidation existed. "We are already consolidating and considering a hybrid model now. Where we can find efficiencies we will certainly exploit those."

IV. Update on Review of Budget Model: Chairman Whittle called on Ms. Brunelli

who explained that the University's Operating Resources Committee had been charged with reviewing the Columbia operating budget model.

Ms. Brunelli reminded the committee that Valued Centered Management, or VCM (the model by which the University's operating budget was set) had been instituted at the University as a result of the Strategic Directions and Initiatives Committee study several years ago. The University was in its 7<sup>th</sup> full year of using this model.

One of the positive aspects of this model was the fact that it offered more autonomy; previously, the budget for a fiscal year was allocated to the various academic units. Under the VCM model, these units generated revenue which required monitoring "on both sides of the ledger" (the money coming in and the money going out).

Ms. Brunelli stressed that the "value" part of VCM was never developed. It was understood that units could purchase services or not if the service did not meet their standards. "But we have not had any ability to develop what defines meeting the standard."

Another concern, which Ms. Brunelli characterized as the "biggest issue," was the fact that funding resources may have been stranded as carry forwards were used to cover budget cuts. Most likely the Operating Resources Committee will need to assess that situation and make recommendations accordingly.

Another one of the larger pieces of the carry forward dilemma was OneCarolina - the computer system replacement. The University had been banking funding since 2005 to avoid financing the purchase of that major overhaul.

Within each of the academic units there were list of projects the deans were planning to do. "But when you aggregate everything, that is where the concern is - is everyone going to do everything at the same time and how will the University's cash flow work?"

Discussion ensued about the various aspects of VCM including unexpected consequences; it was hoped to "tweak the system" to correct unintended variances.

Dr. Moore anticipated a prototype model in place this coming spring and in effect by FY 2012.

V. Capital Planning Update:

- A. 30-Year Capital Budget
- B. Moore School Funding

Dr. Moore referenced inflow and outflow charts which had been produced depicting funding sources and uses. He reminded the Committee that the University would reach maximum debt capacity in approximately 5 years.

In the next few years we have the Moore School coming on line - that will be the biggest borrowing in our University's history. A new law school was also built into this budget model.

There are some fairly substantial assumptions that go along with a law school building in five years, not the least of which is getting a state bond

bill, and getting a state bond bill that has sufficient money in it for USC to devote \$45 million toward that project.

In addition, we are assuming substantial fund raising activities. Dr. Pratt is doing a great job moving toward that goal, but he needs to raise around \$30 million in 5 years, counting what he has already in order to make this work.

This model also includes a minimum of \$2 million a year in addition to what we have now in the budget for deferred maintenance.

Chairman Whittle pointed out that all debt was not created equal. For example, the Moore School of Business will create revenue which will subsequently offset the debt.

Dr. Moore noted that the ratings agencies recognized that fact; even though the University will come on line with a substantial amount of debt because of the Moore School of Business, the very fact that it had federal lease payments behind it certainly helped to maintain a robust credit rating.

On Monday, December 14<sup>th</sup>, the Executive Committee will be asked to approve a contractual agreement with the National Advocacy Center to lease the current Moore School of Business. The resulting payments will commence in a few years which will ultimately buy the new Moore School of Business. It was anticipated that the revenue from the lease income would enable the University to borrow over \$70 million; more than \$65 million of that amount will be used for the actual construction.

Dr. Moore explained the \$6-\$7 million difference as capitalized interest. The University will borrow money to build a new school so that current Moore School faculty, staff and students will be able to move. Following renovation of the vacated building, the Federal Government will begin to pay rent.

During this three year gap, the University must continue to service the debt; a state institution bond in the amount of \$15 million will be issued. Dr. Moore advised that the Business Partnership Foundation had dedicated \$10 million to this project.

In addition, a new student health center had been built into the capital plan model; proposed as the funding source was an increased health fee.

It was planned to present the 30-year capital plan for approval to the Buildings and Grounds Committee and to the full Board in February.

VI. Plan for Spring Board Retreat: Dr. Moore announced that the President, Provost and he, as well as several others, had discussed four possible agenda topics for a proposed spring board retreat. The first one he suggested was sizing the University. Chairman Whittle believed that the facilities usage study should be completed prior to discussing this topic. Size to him was not about the incremental number of students, but rather incremental tenured faculty and "bricks and mortar" which must be in place and financed. Dr. Moore commented that Sasaski Associates, Inc. had indicated they could not complete the Master Plan until it was determined how big the University was going to be.

Mr. Hubbard remarked that in the early '70s the processing system was quite impersonal. Classrooms were large and everyone was processed using social security

numbers. The University had spent 20 years trying to personalize this process. He stressed the importance of not losing Carolina's character as a residential campus.

Dr. Moore suggested another topic "ripe for discussion" was the system organization. By the time of the retreat extensive information will be available as a result of the system study.

A third topic was graduate education. As the Provost had already discussed, the graduate population had decreased while the undergraduate numbers had increased. Provost Amiridis suggested that such a decrease was the result of budgetary resources. Until 2000-2001 the tuition for doctoral education for students receiving financial aid through teaching or research assistantships was heavily subsidized by the central administration. These subsidies ceased in 2000-2001 which then made doctoral education very expensive. At the same time, post doctoral associates became more attractive because they were considered more productive and more advanced.

Dr. Moore also recommended an identity topic - recognition and visibility (branding) of the University.

President Pastides commented that it was anticipated they would have preliminary feedback under Dean Bierbauer's leadership relative to initial thinking about the University identity. "I think the longer we wait to declare who we are and where we are going will hold us back. That is another topic I would like the Board to listen to and interact with."

Chairman Whittle reiterated the four suggested topics: sizing; structure; identity; graduate education. "Concerning graduate education, there was a point when we wanted to offer a quality undergraduate experience. I think we feel like we have drifted away from that."

Secretary Stepp commented that conversation had been held about the location and length of time for a retreat. "During the course of the year there are a couple of senior campuses we would like to visit; the retreat may be an opportunity to do so. The proposed agenda should drive where we are, how long we are there and what we need to do."

Mr. von Lehe remarked that the topic which will be brought before the Board prior to the retreat was the University's debt capacity. Chairman Whittle responded that debt capacity will drive sizing and system organization. He suggested that perhaps this topic should be a sub set before the sizing piece because if the decision was made to add 5,000 more freshmen, for example, the University did not have the bonding capacity to generate the money to build additional classrooms and housing.

Dr. Moore proposed dividing the financial component into two pieces: the operating budget to support faculty and also the capital budget to support physical space needs.

Chairman Whittle requested a discussion of the projected overall operating budget for the next five years when the topic of sizing was reviewed in order to make decisions

about the number of students the University could adequately support at an appropriate funding level.

President Pastides commented that the University of South Florida had established the level of the quality bar, priced it and then determined what they could accomplish with the budget that was ultimately provided to them. "For us, that will be a conversation with the Education and House Ways and Means Committees and with the General Assembly so that they will understand that quality is the metric we will not compromise. So the degrees of freedom are the size of the class or the tuition."

Mr. Hubbard mentioned a presentation which Dr. Pruitt had given regarding overall demographics. Dr. Pruitt commented that he had presented information about the number of national students and South Carolina students available in a pool to attend college as well as the types of students targeted. For instance, if the University targeted traditional 18-year-old students, there was a cost to recruit and service them. If the pool included veterans, international students, or low socio-economic students, a different cost was attached to attracting those students as well as servicing them once they arrived at the University. Attracting high ability students to the South Carolina Honors College also required a different cost; this figure included scholarships and the additional infrastructure for that increased population at the University.

There is a dramatic difference in attracting the various kinds of students. If you attract students for the Moore School of Business, it is an easier sell because we have a very high ranked program. There are different costs to recruiting and then sustaining different kinds of students.

Provost Amiridis also expressed how difficult it was to put a price on quality.

If you look at what we did two years ago and what we are doing today, we have roughly the same number of students with a substantially reduced budget. If you look at several of our classrooms and several of our academic units, the classrooms have gotten larger. In addition, 50 percent of the credit hours in several units are taught by non tenure track faculty members because it is less expensive. So, how do you adjust this?

Chairman Whittle responded that it was nearly impossible to put a price on the quality of education; however, it was possible to gather information about what peer institutions were spending.

Mr. Hubbard commented that there were so many competing factors.

I think the Board needs to look at all of this very holistically. We all want to educate more South Carolinians, but we want to do it in a high quality manner. You can't let this discussion become one of "either/or." Everything you do, every tweak to that has a whole different set of ramifications in terms of the residential vs. the commuter; class size; teaching quality; mentoring; advisement. All of these factors play so heavily into this decision.

Dr. Pruitt also noted that many students were taking cyber University courses. Those students were another consideration. How do we accommodate those students or do we encourage them to attend a course in the classroom?

Mr. von Lehe mentioned the concept of a unified system of higher education in the

state. Dr. Moore responded that the topic will be addressed.

Since there were no other matters to come before the Ad Hoc Committee on Strategic Planning, Chairman Whittle declared the meeting adjourned at 2:50 p.m.

Respectfully submitted,

Thomas L. Stepp  
Secretary