MINUTES
BOARD OF DIRECTORS MEETING
November 12, 2015
Lowcountry Graduate Center, Room 243

Board Members Present:
Constance L. Book – Provost of The Citadel
Myron Harrington, Jr. – Member, Board of Visitors, The Citadel
Allison Dean Love – Member, Board of Visitors, The Citadel and Vice Chair
Brian McGee – Provost and Executive VP for Academic Affairs, College of Charleston
Mark Sothmann – Provost and VP of Academic Affairs, Medical University of South Carolina
Joseph Thompson, Jr. – Member, Board of Trustees, College of Charleston
Nancy Muller (non-voting) – Director and Associate Dean, Lowcountry Graduate Center (LGC)

Present by Conference Call:
Barbara Johnson-Williams – Trustee, Medical University of South Carolina

Board Members Absent:
Cherry Daniel – Trustee, College of Charleston
Godfrey Gibbison (non-voting) – Dean, College of Charleston, School of Professional Studies (SPS)
Terrye Seckinger (non-voting) – Member, Board of Directors, Commission on Higher Education

LGC Staff and Guests Present:
Chris Duncan – LGC Marketing Coordinator
Donna Johnson – LGC Business Manager
Clayton Nagy – IT System Support Technician
Audrey Ashton-Savage – Adjunct Assoc. Professor of Marketing, University of New Hampshire
Patricia Simpson – LGC Student Services Coordinator & LGC Board Secretary
Sue Sommer-Kresse – Consultant to the College of Charleston

Conference Call – Guests:
Lauren Edmonds, Senior Market Research Manager – EAB Strategic Research
Natalia Alvarez Diaz, Market Research Manager – EAB Strategic Research
Jessica Warren, Market Research Associate – EAB Strategic Research
It was noted that appropriate notice was given, and this organizational meeting was compliant with the statutes of the state regarding public meeting laws under the Freedom of Information Act. A quorum was confirmed present.

I. Welcome (Brian McGee)

At 1:10 p.m., McGee called the meeting to order and welcomed the members of the LGC Board (the “Board”). All in attendance were asked to briefly introduce themselves. Guests were recognized.

II. Minutes

Board Action: Motion to approve the minutes as previously distributed electronically, of the June 24, 2015 Board meeting. Love moved to approve the minutes. The motion was approved by acclamation.

Board Action: Motion to approve the minutes as previously distributed electronically, of the October 27, 2015 Board meeting. Love moved to approve the minutes. The motion was approved by acclamation.

III. Consultant Report: Strategic Assessment and Recommendation (Audrey Ashton-Savage)

McGee briefly summarized that a multi-step process had been undertaken to assess the LGC’s circumstances and performance to enable the Board to shape its future strategy and structure. A strategic task force, comprised of several Board members and including Sue Sommer-Kresse, had met on multiple occasions, assessing strengths and challenges facing the organization. The group outlined several strategic options. Preferences were shared separately by its members; namely: Seckinger before a gathering of Board members in August and by Sommer-Kresse at the Board’s meeting in October. As a next step, consultant Audrey Ashton-Savage had been hired by the provosts for her independent assessment, to be followed with research from the Educational Advisory Board (EAB).

McGee then introduced Ashton-Savage, summarizing her 20-year experience in higher education. Her presentation was accompanied by Power Point slides.

A. Methodology

After reviewing internal documents of the LGC (recent financials statements, current budget, internal enrollment and graduation data, consortium agreement, Board meeting minutes, and strategic planning task force report) and the published 2014 Avalanche/CAEL report on the talent gap in Metro Charleston, the consultant explained that she conducted 24 informal interviews of varying length with LGC staff, Board Members, key personnel at member institutions, program directors from member and partner institutions, and representatives from area businesses and business organizations. Some were in person and others were conducted by telephone. She summarized comments received as follows:
1. Positive Feedback about the LGC

- “Raves” about the facility – its technology, free parking, safe and convenient access with minimal traffic congestion
- “Kudo’s” to the LGC’s student-centered staff
- A desire for more program success stories, like those for USC’s MSW program and The Citadel’s Project Management program
- An asset important to the Lowcountry area, considered “vital” to its future growth
- Good relationships with key area employers

2. Feedback on Concerns about the LGC

- No new partnerships established with sustained doctoral programs
- Challenged to meet the workforce development needs in light of the area’s explosion in growth
- Fear that the LGC tries to “act like a college” marketing itself as a brand when it is not a degree-granting institution but rather a facility
- Frequently arising concern with the amount of lease payments to the College of Charleston relative to the LGC’s use of the shared campus
- Concern by member institutions about the LGC seeking ‘other” providers for programs (i.e., other SC state institutions, out-of-state public, private and for-profit degree seeking entities)
- Fear of possible duplication/competition, given the membership in the LGC’s advisory boards drawn from among area employers
- Reduction in state appropriations limiting the effectiveness of the LGC, as it now lacks funding to give in turn to institutional members to help fund their own new programs in graduate studies, as the LGC once did for the College of Charleston’s MS in Communications, joint MS in Computer Science, and Graduate Certificate in Urban Studies, all of which are now housed primarily or exclusively downtown
- Low level of awareness of the LGC in the business community
- Belief that a new model is needed for renewed “usefulness” to member institutions

3. Feedback: Desired functions/activities

- Market research to help quantify and refine educational products for the area’s workforce development
- Pro formas to demonstrate future financial viability and value to the state
- Grant-making to The Citadel, the College of Charleston, and MUSC to fund their respective new program development needs
- Professional development offerings for institutional faculty
- Non-degree executive development programs for managers in the workforce
4. Feedback: Functions Not Needed For LGC to Provide

- Program specific marketing: Institutional member staffs believe they are “fine doing their own programs” even marketing locally to prospective graduate students drawn from the area’s workforce
- Student advising and counseling that is redundant with that which is already provided by each member or partner institution
- Program offerings that compete/duplicate Trident Technical College associate degrees and continuing education

B. Key Findings and Observations by the Consultant

1. The LGC suffers from the perception of “Mission Wobble.” It needs to build consensus among all institutions, area employers, and community partners on a single mission. The Board needs to revisit each of four highlighted elements of the current Mission Statement to insure its relevancy and value to workforce development in the area.

2. The LGC needs to justify its cost and thus its value to the state of facilitating access to advanced degrees and graduate certificate completions in order to strengthen its political allies. Noteworthy are the amount of tuition dollars generated from enrollments in evening and weekend classes at the LGC’s facility by the area’s workforce. Major question: Are the carryover funds from the state due to non-performance by the LGC? Why should the state give the LGC even $785K a year if there exists a carryover of funds?

3. The LGC’s programs that are most sustainable and relevant to the area’s talent pool are considered “professional” in nature rather than research-based in content and student learning outcomes, e.g., MSW and Project Management. This suggests the future path it should pursue for success.

4. The LGC essentially has four options (and variations therein): a) Do nothing and continue as is; b) Become independent of member institutions and function freely for program access and offerings, with a “broad based” board of directors; c) Fully house the LGC inside one of its member institutions, either by the College of Charleston or The Citadel. Treat the state’s allocation as a grant to be administered. By applying a standard, institutional overhead rate, an estimated $100,000 could be freed up from the annual state appropriations for program development, market research, etc. The LGC would stop advertising programs and advising students, leaving such functions to the institutional owners of their programs. Dissolve the LGC Board, as the LGC would be absorbed organizationally into a single member institution; or d) Dissolve the LGC and cease to exist.
The consultant recommended that the LGC Board pursue Option C, on the following basis: 1) such a structure could liberate limited funds for much needed program development by the member institutions; 2) administration is simplified; 3) the configuration permits certainty about cost structure and avoids the sticky negotiation of how much to pay the College for space, as this amount becomes predetermined with a standard overhead rate being applied; and 4) it provides stronger integration organizationally within a single institution. When asked, she clarified that the LGC could free up $100,000 for program development grants to faculty if it stopped marketing programs and stopped providing student services advice and counseling. As she envisioned, new program development funding could be made available to all three formerly member institutions, including MUSC, upon their application as grantees, even if the proposed to-be-developed program is not offered at the LGC location. McGee further clarified that the LGC would thus become a “grant programming center,” receiving proposals from the institutions for the distribution of monies, and following a selection process for choosing among the proposals which ones to fund. Ms. Ashton-Savage added that the LGC’s mission would remain the same but the focus would be exclusively on the three (or two, if MUSC so chose) State funded institutions here in The Lowcountry.

IV. Board discussion

LGC staff was asked to leave the meeting so the Board could openly discuss the consultant’s report. Board comments are summarized as follows:

McGee: The wording of the LGC’s mission as currently stated reflects a bias towards the three member institutions. From the state’s perspective, are these institutions meant to be the primary beneficiaries of the LGC, or is the beneficiary in fact the local workforce? Much has changed since the LGC was first conceived. Distance education places less importance on a single, physical location. New players have entered the local competitive landscape, some considered of questionable value. Meanwhile, it is noteworthy that graduate programs are of mixed profitability today. Some are legacy and some are workforce related. In the future, all have to become self-sustaining. That is a mandate at the College of Charleston. As far as the LGC is concerned, do the two objectives have to be mutually exclusive?

Sothmann: MUSC has never offered a graduate program at the LGC and is headed in an opposite direction from the LGC’s activities. Its new MPH program and MS in Informatics are intended to help educate its own workforce in population health, in sync with the future direction of the U.S. healthcare delivery system. MUSC has no money and thus will likely have to launch these offerings as strictly online programs or at best in a hybrid format. MUSC should be “factored out” of any consideration of LGC’s future grant-making or graduate program offerings. Today, MUSC is chiefly focused not on new program development but how to reduce a medical, nursing, or other graduate student’s debt load upon graduation. MUSC is looking therefore strategically and inwardly at online instruction, not for the benefit of others. If the LGC were to
become imbedded in any single institution such as proposed by Option C, all others in the state will view it as competition. There isn’t a sufficient “firewall” to make this option as presented acceptable to others and thus a workable model. Meanwhile, is there not a means for an articulation agreement between the LGC and Trident so that the two are working in unison, on a continuum for the benefit of the local workforce? For example, instead of paying rent to the College of Charleston, should the LGC be providing career advice for all local adult learners in higher education, helping to guide their pathways through courses that count towards a BS degree and ultimately lead them through graduate instruction and always on a pathway of career advancement?

Love: The current political reality facing the LGC is whether there will be any monies for it in the FY 2017 state budget. Sommer-Kresse reminded the group that both Governors Sanford and Haley had repeatedly sought to strike from the budget the LGC, only to have it restored when the governor’s line item veto was overridden by Legislators. Some questioned whether the LGC has political allies today in Columbia like it once had. Love added that the marketing conducted by the LGC – including creative campaigns such as themes of growing one’s career like “peas in a pod” - had been very effective and a good use of funds. Ashton-Savage clarified that she wasn’t talking about eliminating publicity or promotional efforts to elevate awareness in general but rather advertising dollars spent on billboards such as those in recent months.

Book: The CRDA is interested in building the local talent pool in support of employers and future workforce development. She recommends that the LGC undertake more market research, such as Muller described is underway at present, developed with input from The Citadel, Clemson, the Advisory Board, and others, for sharing with all state institutions interested in workforce development in the Lowcountry. The Citadel has no space. It also lacks faculty to meet teaching needs of its newly approved master’s programs and graduate certificates. Its success depends on enrollments from full-time working professionals locally to generate the tuition dollars they need to hire new faculty. Its current faculty is already thinly stretched and needs to rely on local enrollments for tuition dollars. She considers the LGC’s liaison with HR professionals of major employers to be very valuable to both research and recruitment. As far as program development is concerned, The Citadel does that internally, i.e., it doesn’t rely on outside entities to advise it or frame curriculum requirements. The Board should therefore give the EAB a “blank charge” for its recommendation, as if it had the opportunity to “build the LGC today.”

Harrington: Employers should be asked to fund this endeavor for their benefit, in public-private partnerships. If the state is giving new employers huge tax incentives to enter the state and create jobs, entities such as the LGC should be granted a percentage share of that tax break. This is what the LGC should lobby for from elected representatives from The Lowcountry. The LGC needs to “step out of the box” for funding sources, not unlike the Greenville University Center does.

Muller: The LGC is not promoting and advertising individual programs, unless they are new program launches. The LGC’s marketing efforts are aimed at building awareness of this portal for local working professionals, communicating options for their career advancement. She
echoed points mentioned earlier about the LGC’s value to the state: 1) At 7% income tax, a graduate’s incremental earnings power of $50,000 translates in 10 years to $3,500 to the state on its $5,800 investment per master’s degree graduate. This represents 60% ROI to the state on its funding for that individual who otherwise might not be able to easily access the program; 2) In economic terms, $50,000 over 10 years is plowed back into the local economy in spending on housing, car purchases, food, clothing, dining out, and local property taxes paid in support of public schools, roads, and other government services. From the employer’s point of view, a recent national study of > 1,000 employers reveals the cost of an unfilled position for > 3 months to average $14,000. One in six indicate a cost > $25,000. This explains why an employer such as Boeing is willing to pay 100% of tuition equivalent to $15,000 (i.e., 10 courses @ $1,500 each) to avoid that unfilled job. Said differently, a 20% fee paid to a recruiter on the annual salary of $75,000 of a new master’s level engineer hired to fill a position equals $15,000, equivalent to the tuition for an employee who could otherwise advance with education. That doesn’t include the cost to the firm of internal interviewing, orientation, and training. The LGC represents a good deal for the state, economic development, and local employers because it leverages existing teaching assets. The most important thing the LGC needs is faculty willing and available to teach evenings and weekends those adult learners who are working full-time, with their institutional leadership at their backs. Perhaps the problems identified by the consultant are problems of communication rather than structure and strategy per se.

V. Closing remarks and adjournment: (Brian McGee)

In light of this discussion, McGee believed that Ashton-Savage’s remarks should be considered “observations” rather than “recommendations.” McGee then asked Muller to outline a list of services or functions by the LGC for each of the three provosts in turn to rank in order of greatest value to the Lowcountry. He further asked that a Board teleconference meeting be organized in December after the EAB has completed its assessment of today’s meeting for a Board discussion of its proposal for the next layer of research.

Muller then asked if she could supply Steve Osborne with a proposed expense structure for FY 2016-2017 since he asked to be provided these numbers as soon as possible. She briefly explained the assumptions in the pro forma supplied to the Board for the meeting; namely: 1) To additional revenue, a weighted average fee assessment of 5% against all tuition dollars generated, eliminating exemption of any grandfathered programs; 2) restructuring of staff to reduce the LGC’s sharing of FT College of Charleston personnel to achieve a savings to the LGC in personnel costs; 3) continued move toward digital marketing away from traditional marketing expense, as a cost reduction; and 4) reduced payment for space and administrative fees – whether remaining on the North Campus or moving elsewhere – to market rates of $30/ft2 on 10,500 square feet of classroom space. She pointed out that this proposed budget is balanced. Book commented that she thinks it is imperative that the LGC’s expense budget be balanced with its annual revenues. Obviously, after the future structure of the LGC is decided as a result of the current study and analysis, the final FY 2016-2017 budget structure will have to be aligned before being approved by the Board.
As there was no objection expressed, McGee said that he saw no reason not to supply Osborne with the pro forma for his own budgeting purposes since the LGC’s numbers are now integrated in the College of Charleston’s upcoming budget rather than a part of CHE’s budget as in the past.

At 3:45 p.m., Thompson moved that the meeting be adjourned. It was seconded and closed.

VI. Additional Announcements

The next face-to-face meeting of the LGC Board of Directors is scheduled to take place on March 2, 2016 from 10:00 a.m. to 12:00 p.m. at the LGC in North Charleston. The next scheduled meeting is June 29, 2016, 2:00 – 4:00 p.m.

Sothmann will assume chairmanship from Book of the Academic Affairs Committee, beginning with its February 2, 2016 meeting, as per the Consortium Agreement. The next scheduled meeting is May 24, 2016, 2:00 p.m. – 4:00 p.m.

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