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Governor of South Carolina Offers to Let Some Public Colleges Go Private

By PETER SCHMIDT

Gov. Mark Sanford of South Carolina announced on Friday a plan to let some of his state's public colleges transform themselves into private institutions if they do not wish to be under the control of a proposed higher-education governing board.

Mr. Sanford, a Republican, said his main goal is to place the state's public colleges in the hands of a strong, centralized governing board that will eliminate waste and duplication in their efforts, but he also is willing to permit some colleges to opt out of the new governance structure by going private, so long as they are willing to forgo state financial support.

The governor has been calling for the creation of a strong public-college governing board for about a year, but Friday's announcement marked the first airing of his privatization proposal. National experts on higher education governance described the idea as unprecedented, noting that, while other states have given certain public colleges enough independence to function almost as private institutions, no state has opened the door to the wholesale transformation of public colleges into private ones.

"This is something I have not seen before, and I have been looking at these things for a while," said Patrick M. Callan, president of the National Center for Public Policy and Higher Education, based in San Jose, Calif.

"I guess it would save the state money," Mr. Callan said. "But the price that they would pay for it is the donation of a huge public asset to what would become a private university."

Governor Sanford failed last spring to persuade the State General Assembly to go along with a proposal to abolish the South Carolina Commission on Higher Education, which is a coordinating board, and replace it with a stronger governing body. On Friday, his press secretary, Will Folks, characterized the new proposal as a way to diffuse some of the opposition to his governance plan.

"The governor is always willing to lay different options on the table for folks who may not be inclined to go along in the direction in which he is going," Mr. Folks said.

Governor Sanford's office issued a news release about his plan, but would not provide any additional details. The news release said that his plan would let any public research or teaching university in the state become a private, not-for-profit institution, free from state regulation. The state would transfer to any college that went private all buildings, real estate, and other facilities on its campus so long as the college agreed to forgo any direct appropriations from the state, and signed a permanent covenant agreeing always to charge South Carolina residents a lower tuition than other students.

"Given the unusually high number of colleges and universities we have in South Carolina and the scarce dollars with which we've got to fund all of them, this is a way to give certain schools the flexibility they want while saving the state money at the same time," Mr. Sanford said.

The governor said his proposal "also stems from the fact that we're going to be aggressively pushing for a governing board in South Carolina -- one that can implement a true statewide vision for higher education that gets at the waste and duplication currently in the system and makes sure the right arm knows what the left arm is doing."

South Carolina's roughly four million residents are served by 33 public colleges, and Governor Sanford, who took office last January, has argued that the state cannot afford to operate that many public higher education institutions. He has blamed the relatively high tuitions at South Carolina's public colleges -- which are about 105 percent the national average -- on the state's inability to adequately support all of its colleges, and suggested on Friday that his plan may help hold tuitions down.

Mr. Folks suggested that the governor's privatization offer would be especially appealing to those public colleges that rely less on state support than other institutions. He pointed to Clemson University, Coastal Carolina University, and the Citadel, each of which derives less than 20 percent of its funds from the state, as especially likely to benefit from privatization.

Officials at those three institutions were unavailable for comment late Friday. But Andrew A. Sorensen, the president of the University of South Carolina System, said officials there are "always open to exploring new ideas that will improve the education system in South Carolina."

Anthony DiGiorgio, the president of Winthrop University, said he appreciated the fact that Governor Sanford's plan allows for the complete deregulation of public colleges, "which is something that we have been talking about in the state for a long time." He added, however, that he planned to weigh the proposal very cautiously, partly because he fears that Winthrop might lose its "public spiritedness" by opting to go private. He predicted that lawmakers would approach the proposal with caution as well, and he expressed doubt that the state legislature would end up approving either the creation of a strong governing board or the full privatization of public colleges, even if it accepted elements of the governor's plan.

On Thursday, the day before Mr. Sanford unveiled his proposal, two consultants hired by the state higher-education commission proposed a very different approach to overhauling the governance of South Carolina's public colleges.

The consultants -- Aims C. McGuinness Jr., a senior associate at the National Center for Higher Education Management Systems, and Richard Novak, executive director of the Center for Public Higher Education Trusteeship and Governance at the Association of Governing Boards of Universities and Colleges -- rejected the idea of creating a governing board for the institution. Instead, they suggested that the commission be replaced by an entirely new type of oversight body, a hybrid public-private board consisting partly of gubernatorial and legislative appointees and partly of business and community leaders, with its finances to be derived from both public and private sources. They argued that only such a panel would have enough freedom from political interference to provide the state with the strong educational leadership that it needs.

Conrad Festa, the state higher-education commission's executive director, said he doubts that South Carolina's General Assembly will act on either the consultants' proposal or the governor's in the coming year. "Every legislator I have talked to is very careful not to jump before they really know what they are

jumping into," he said.

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