Exploring a New Relationship Between the Medical University of South Carolina and the College of Charleston:

ISSUES TO CONSIDER

A White Paper
August 31, 2013
Executive Summary

Recent economic forecasts indicate our region would benefit from the presence of a comprehensive research university to promote research partnerships and to produce the highly-skilled workforce necessary for continued economic growth. Whereas in the past, discussions between the College of Charleston and the Medical University of South Carolina (MUSC) did not reveal sufficiently compelling reasons to warrant a merger or a formal collaborative agreement between the two institutions, these fiscal forecasts and workforce needs have prompted a new look.

A formal relationship between the institutions should be synergistic (not simply additive), cost effective, and supportive of economic development in the region. Because there are various forms this relationship could take, and in order to benefit from the experiences of others, the Provosts of the two institutions convened a committee of twelve faculty and senior administrators (six from each institution) to systematically review and analyze relevant issues arising with recent mergers and formal alliances to stimulate an informed discussion with stakeholders.

The review revealed several issues important to consider in determining the best structure for a closer relationship, including but not limited to the degree of compatibility of the institutions’ cultures; whether their academic missions and student populations are complementary; the degree to which each institution emphasizes research and the impact the relationship would have on grant opportunities; whether a relationship improves national and state rankings; the effect of an agreement on personnel; the impact on governance structures; how alumni relations and philanthropic giving would change; and the potential for cost savings compared to costs incurred.

Identified outcomes of a formal collaboration or a merger include (1) stronger undergraduate and graduate degree programs in high demand areas; (2) the infrastructure to support joint degree programs with other institutions that offer expertise in areas not offered by MUSC and the College of Charleston; and (3) synergistic research collaborations between the two institutions, as well as with other academic institutions and industry partners. In short, a stronger collaborative arrangement would support the economic growth of the region by providing knowledge capital—both through research advances and by supplying well-trained graduates for high-demand fields.

Visits to selected institutions, some of which have merged and others of which have created a formal collaborative agreement, will be essential to expand on the analysis presented in this report to determine the most appropriate path forward for the College of Charleston and MUSC. Planning money will be required to conduct this more in-depth review, and the funding source is unclear.

This report invites the insights of faculty, staff and students at both institutions, community and business leaders, legislators, and the general public in future conversations about creating a closer relationship between MUSC and the College of Charleston.
Exploring a New Relationship Between MUSC and College of Charleston: Issues to Consider

Statement of the Problem

Between 1824 and 2000, the College of Charleston and the Medical University of South Carolina (MUSC) examined the merits of creating a formal affiliation between the two institutions at least nine times. The discussions resulted in recommendations ranging from consolidation to remaining separate, with the benefits of a close association noted. However, the educational and political climates, financial exigencies, community support, and other factors never aligned in a manner to create a compelling argument for the two institutions to merge or enter into a formal collaborative agreement. Recent and anticipated economic development in the Charleston area, interest from legislators, and support from the community provide the impetus to re-examine the relationship between MUSC and the College to best position them and the region for continued success and growth.

Charleston’s history, beauty, and quality of life lead it to be highly ranked as both a visitor destination and among the best places to live in the nation.¹ Building upon a longstanding base in the defense sector, our economy is becoming increasingly diversified including the health care industry, ever-growing tourism, the Port of Charleston, and increases in manufacturing. Boeing’s arrival alone has added more than 6,000 jobs in the region.² Indeed, the Charleston area has been recognized for outpacing most areas in the U.S. for economic growth.³

An economic impact study released in April 2013 by the Charleston Regional Development Alliance points to an insufficient number of skilled individuals in the area in information technology (IT) and software development, engineering, and science fields to meet current and future workforce needs.⁴ The study specifically noted that Charleston’s lack of a comprehensive research institution “limits certain research funding opportunities and degree programs offered.”

Expanding research and providing advanced education in science and technology disciplines are key to supporting the economic growth of our region. With this goal in mind, the College of Charleston and MUSC have begun to evaluate the merits, pitfalls, and potential structure of a strategic alliance, whether in the form of a merger or another type of formalized collaborative agreement.

¹ The Charleston Regional Development Alliance provides a summary of Charleston’s rankings and recognition, available here: http://www.crda.org/news/charleston_rankings

² Boeing’s impact is described here: http://www.siteselection.com/aerospace/2013/may/boeing-expansion.cfm

³ The Milken Institute, a non-partisan think tank recognized as an authority on regional economics, ranks U.S. metropolitan areas by how well they support economic growth; in 2012, the Charleston region ranked 9th. See http://bestcities.milkeninstitute.org

Exploring a New Relationship Between MUSC and College of Charleston: Issues to Consider

Process

To explore organizational structures that could best capitalize on the strengths and assets of both institutions and address the needs revealed by the Charleston Regional Development Alliance, Dr. Mark Sothmann, MUSC’s Vice President for Academic Affairs & Provost, and Dr. George W. Hynd, College of Charleston’s Provost & Executive Vice President for Academic Affairs, jointly convened an Institutional Organizational Review Committee comprised of six representatives from each school. The “6+6” committee included both administrators and faculty, including faculty senate representatives.

On August 6, 2013, the committee was charged with examining restructured institutions in which a medical university merged or developed a formal collaboration agreement with another college or university. The committee was asked to (1) review the issues and obstacles that informed these institutions as they pursued their new relationship and how and whether these issues are relevant to MUSC and the College of Charleston; (2) recommend institutions that might be helpful to visit and identify questions to ask leaders and stakeholders at these sites; and (3) provide this information in a White Paper to be made available for review and comment by faculty, staff, and students at both institutions, business leaders in the community, legislators, and the general public.

At its first meeting on August 6, 2013, the committee identified, based on pre-assigned readings, factors present in mergers and formal collaborations between other institutions and agreed upon the issues especially relevant to MUSC and the College of Charleston. The committee’s in-depth discussion of these issues (both academic and resource-related) occurred in a second meeting on August 13, 2013. This White Paper was submitted with committee members’ input and approval on August 31, 2013.

Specific Aims

The aims of this White Paper are to provide institutional leaders, community leaders, faculty, staff, students, and other stakeholders:

1. A review of the issues important to consider in exploring different approaches to developing a closer relationship between the College of Charleston and MUSC
2. Recommended institutions to be visited as learning sites
3. Pertinent questions to pose during these visits

OVERVIEW OF EACH INSTITUTION

MUSC

MUSC began in 1824 as a small private college for training physicians and expanded to a state university and comprehensive academic health center. MUSC has a tripartite mission of research, clinical service, and education (primarily at the graduate level; 92% of students are graduate students). In addition to the Medical University Hospital and University Physicians (both clinical service enterprises), MUSC comprises six colleges—(1) College of Dental Medicine; (2) College of Health Professions; (3) College of Pharmacy (part of the South Carolina College of Pharmacy); (4) College of Nursing; (5) College of Graduate Studies; and (6) College of Medicine.

College of Charleston

The College of Charleston, founded in 1770, is the oldest educational institution south of Virginia and the first municipal college in the United States. A master’s comprehensive institution, its primary mission is to provide an excellent liberal arts education. The College offers both baccalaureate and master’s degrees, though the vast majority of its students (90%) are undergraduates. It comprises six academic divisions/schools: (1) School of the Arts; (2) School of Business; (3) School of Education, Health, and Human Performance; (4) School of Humanities and Social Sciences; (5) School of Languages, Cultures, and World Affairs; and (6) School of Sciences and Mathematics.

A table comparing the institutions on other key features is provided in the appendix.
Academic Issues

INSTITUTIONAL CULTURES

A review of mergers and formal collaborations between colleges and universities reveals the critical role that each institution’s culture plays in how the new relationship between them develops and how it is sustained. Not surprisingly, mergers require a greater degree of assimilation of cultures than formalized collaborations. Examples of recent mergers show that their success is largely influenced by whether the schools have similar cultures and missions that naturally meld (e.g., the merger of several technical colleges within the state of Georgia; the imminent merger of the University of Texas-Pan American with the University of Texas at Brownsville). Both MUSC and the College of Charleston are long-standing institutions with unique organizational cultures that have evolved to achieve their respective missions. Any strategic alliance should be examined regarding the degree to which it impacts and is impacted by the culture of each institution.

MUSC’s academic enterprise comprises six colleges, each of which exercise significant autonomy in its governance and operations. For example, each college has unique admissions criteria for students, its own academic calendar and admission cycle, and its own requirements for promotion and tenure of faculty. Over half the degrees the university confers must be accredited by professional accrediting agencies which dictate profession-specific competencies that must be taught. While MUSC has a very active university-wide Faculty Senate, the Faculty Senate does not address educational content or delivery modes for individual degree-granting programs; its primary purpose is to advocate the faculty’s collective interests as university employees. Thus, due largely to the types of professional degrees the university offers and how each of these degrees align with the historic values of their professions, MUSC relies on decentralized processes to achieve its educational mission. The strong, individual identity of each college is woven into the university’s culture.

In contrast, the College of Charleston operates as a single unit on many fronts. Undergraduate students apply to the College under a single set of admission standards and declare a major no later than the second semester of their sophomore year; a few undergraduate programs have additional admissions requirements. Graduate students are admitted to individual programs for which admissions requirements vary. Undergraduate students take courses from the non-professional schools without restriction, and in many cases, they must take courses outside the school that houses their major to fulfill general education requirements. The College operates on a single academic calendar. Regardless of the school to which a faculty member belongs, the same criteria for tenure and promotion apply. In contrast to the Faculty Senate at MUSC, the Faculty Senate at the College of Charleston is primarily concerned with ensuring the quality of the College’s academic programs. The College of Charleston’s faculty bear responsibility for the institution’s curriculum as a whole, and changes to the curriculum must be approved by the Faculty Senate; thus, there is a more collective educational culture.

Offering doctorate degrees at the College of Charleston would require changes in culture. Faculty at doctorate-granting institutions command higher starting salaries, larger start-up packages, and a different instructional workload (one that replaces larger undergraduate courses with smaller doctoral-level courses and the mentoring of graduate students). In addition, they are expected to exhibit greater research productivity.

Questions about institutional cultures for institutions to be visited:
- To what degree were your individual institutions’ cultures dissimilar/incompatible prior to your formalized collaboration or merger?
- What impact has your partnership structure had on your institutions’ former cultures?
- What advice would you have for us regarding culture? If you were able to go back in time, what might you have thought about or acted on differently to mitigate any challenges you experienced regarding culture?
ACADEMIC MISSIONS AND STUDENTS

When the missions, academic programs, and the students served are complementary or overlapping between institutions, a complete consolidation may have advantages over a less comprehensive collaboration. In these cases, a merger can enhance both schools by creating a bigger and better institution for its students and its stakeholders by additive and synergistic means and boost the new institution’s position in national rankings. Where there is redundancy in academic offerings, a merger can also improve efficiency and produce cost savings. These amenable conditions are often present when two comprehensive research universities (R1s) merge, or when an R1 institution joins with a medical school. When the academic missions of institutions are orthogonal (e.g., liberal arts vs. professional focus), it is unclear whether the benefits of merging can be realized. Other institutions that are characterized by notable differences in academic missions have elected to pursue a formal collaboration rather than a merger (e.g., East Virginia Medical School and the College of William & Mary).

The College of Charleston’s mission is replete with statements of its commitment to providing an excellent liberal arts education: “A superior quality undergraduate program is central to the mission of the College;” “…comprehensive institution providing a high quality education in the arts and sciences, education and business;” and “…retains a strong liberal arts undergraduate curriculum.” The College fosters individual mentor/mentee relationships between faculty and students and protects this element of its academic culture by maintaining small class sizes as much as possible, requiring Faculty Senate approval for changes to the curriculum, and limiting its utilization of adjunct professors and graduate teaching assistants.

MUSC is also committed to providing students an excellent education, seeking “to educate students to become caring, compassionate, ethical, and proficient health care professionals and creative biomedical scientists.” Training the next generation of healthcare providers and scientific researchers enables the university to achieve its primary mission as a comprehensive academic health center “to preserve and optimize human life in South Carolina and beyond.” MUSC must anticipate and address the healthcare needs of the state, including the shortage of medical professionals entering the workforce. In response, it has increased enrollment in many of its health professions degree programs over the last five years.

The academic missions of both institutions emphasize excellence. Although education is the primary mission of the College of Charleston, the research component of its mission has received increased emphasis in recent decades. Education is one of three explicitly stated missions at MUSC (along with research and clinical care). Academic offerings at the two institutions are complementary in specific areas (primarily in science, health, mathematics, and business), and minimally related in others. Currently there are no areas in which academic programs at the two institutions overlap or compete for students, so merging would not remove redundant degree programs.
Given the right partnership structure, the benefits of a stronger collaboration between the two institutions are obvious. New graduate and undergraduate degree programs designed to meet future workforce needs in the state would be developed. These programs, and a stronger collaboration generally, would support the College of Charleston’s desire to grow graduate enrollments. Any growth in undergraduate enrollments on the College’s downtown campus will require managing the impact on the community. An alliance could benefit College of Charleston undergraduate students by affording facilitated experiential learning opportunities with MUSC faculty in clinics or research laboratories. MUSC students in the Biomedical Sciences and other professional programs could “intern” with master teachers at the College of Charleston to gain experience and insight in how to effectively teach undergraduate students, as many will ultimately seek employment in academic settings. Relationships with other institutions, both within and outside the state, could be facilitated by the resulting infrastructure to provide additional degree offerings.

### Questions about academic missions and students for institutions to be visited:
- What impact did your partnership structure have on each institution’s ability to carry out its academic mission?
- What impact did your partnership structure have on each institution’s ability to attract quality students?
- Did the academic missions of either institution need to be altered to facilitate the relationship you pursued with your partner institution?

### Research Missions

Among institutions that have merged or entered formal collaboration agreements in which at least one partner was invested in scientific research, the alliance enhanced and diversified the research enterprise of all constituents. Even in cases where significant challenges persist as a result of the new alliance (e.g., University of Toledo/Medical University of Ohio; University of Colorado at Denver/University of Colorado Health Sciences Center; Rutgers University/University of Medicine and Dentistry of New Jersey [UMDNJ]), it was often noted that a closer relationship, whatever the structure, improved both the breadth and depth of the institutions’ research activities.

MUSC’s tripartite mission includes research, reflecting its intent to “advance economic development by…fostering research links with industry and other academic institutions.” Albeit to a lesser degree, the College of Charleston also supports research, both to provide students experiential learning opportunities and to create new knowledge.

Even in the absence of a strategic alliance, numerous research relationships exist between faculty and students at the two institutions. For instance, there are nearly 40 teaching, mentoring, or advising relationships between students and faculty from the two institutions, and over 30 documented faculty research collaborations. Over 20 undergraduate students at the College of Charleston conduct research at MUSC, and the two schools collaborate on dozens of joint grant and publishing opportunities, programs, workshops, committees, and various other academic projects.

Faculty from both institutions concur that a strategic alliance—merger or collaboration—could substantially increase the quality and quantity of research collaborations. For example, a formalized relationship could provide a clearly articulated path for faculty to include students from either institution in their laboratories and remove barriers to developing these relationships. It could strengthen applications for training grants specifically to involve undergraduate students in biomedical research. MUSC students and postdoctoral fellows could more easily serve as “senior peer-mentors” to the College of Charleston’s undergraduate students. An administrative infrastructure could support existing and new research collaborations by facilitating cross-institutional employment, cost-sharing, and shared resources. Such an infrastructure may also encourage faculty to develop novel and less conventional research partnerships.
One disadvantage of a merger (vs. formal collaboration) is that the College of Charleston would lose its designation both as a primarily-undergraduate institution (PUI) and as a non-PhD-granting institution, and consequently, its eligibility to apply for funding from the National Science Foundation under those designations. Although grant funding at the College would increase in the long-term with the development of additional graduate programs in science-based areas, in the short-term, the loss of PUI status would decrease both the number of faculty receiving grant funding and the amount of dollars received. Not as easily measured is the potential effect on morale. Although current grant funding at the College of Charleston is dwarfed by MUSC's and the amount that would be generated by a comprehensive research university, grant funding received by faculty at the College is a fundamental part of their identity as professionals devoted to both teaching and research, and its loss would be disheartening.

Questions about research missions for institutions to be visited:
- What impact did your partnership structure have on each institution’s ability to advance its research enterprise?
- What were some of the metrics you utilized to capture the effect of your strategic alliance on the research enterprise?

NATIONAL AND STATE RANKING
A potential benefit for merging two or more institutions is that the new institution achieves “bigger/better” status and improves its relative ranking within its state and nationally. For example, the merger of the University of Colorado Denver and the University of Colorado Health Science Center allowed it to offer more graduate degrees than any other institution in its state, and the merger of Rutgers University and UMDNJ placed it in the top 25 universities nationally in research expenditures. In these cases, two large, research-intensive institutions joined forces to enhance their status.

In contrast, a merger between the College of Charleston (a liberal arts undergraduate-focused college) and MUSC would not produce a comprehensive research university (R1) that would compare in size and degree-granting status to other comprehensive research universities in the state (i.e., the University of South Carolina and Clemson University), nor would it achieve a higher ranking nationally than MUSC and the College of Charleston have separately.

On primary indicators of size—student enrollment, number of undergraduate majors offered, and number of graduate degrees offered—the new R1 institution created through a merger would rank third of three in the state on all indices. Related to research dollars expended, an indicator of stature, MUSC already ranks first in the state, so merging with the College of Charleston would not produce additional benefits compared to state R1 peers.

Questions about national rankings for institutions to be visited:
- Did your ranking in national indices improve or decline with your restructuring?
- How did any change in rankings influence enrollments, quality of students, recruitment of faculty, and research funding?

ACcreditation
To be eligible for students to receive federal financial aid to attend, an institution must be accredited by a regional accrediting agency recognized by the U.S. Department of Education. For schools in South Carolina, the Southern Association of Colleges and Schools (SACS) serves that role. Both the College of Charleston and MUSC are fully accredited by SACS, a status each must re-affirm every ten years.

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Depending on the structure of the strategic alliance—from an agreement for which no additional accreditation is sought, to a formal collaboration in which joint degrees are offered, to a complete merger of the schools—the requirements for maintaining institutional accreditation vary, ranging from simply notifying SACS (no prior approval necessary) to, in the case of merger, an application at least six months in advance of the proposed merger date and a subsequent site visit followed by a five-year report to demonstrate continued compliance with accreditation standards.

In addition, if a comprehensive merger structure is pursued, there are implications for individual academic degree programs that are subject to professional accreditation standards, of which there are at least 14 (e.g., MUSC’s MD degree must be accredited by the Liaison Committee on Medical Education). Each must seek approval from its professional accrediting agency in advance of a merger to ensure no lapses in its status as an accredited training program. In the case of at least one program at the College of Charleston (Athletic Training), accreditors would likely mandate its relocation to the most relevant department at MUSC.

While significant effort would be required to pursue a merger while maintaining continuous accreditation, the more important issue is the necessity of proceeding with any merger at a pace that accommodates all accrediting bodies.

**Questions about accreditation issues for institutions to be visited:**

- What challenges, if any, did your institutions experience in maintaining necessary institutional and professional accreditations as you pursued your selected partnership structure?
- What specifically did you learn during your process of aligning your institutions that would be helpful for us regarding accreditation?

**ONLINE OR DISTANCE EDUCATION**

As the cost of traditional higher education rises, brick and mortar institutions are increasingly offering online degrees. With improved technology and educational quality, student achievement outcomes afforded by distance learning are comparable in many cases to face-to-face teaching methods.6

Online delivery is a viable option for portions of many of the degree programs to be developed under a merger or formal collaboration between the two institutions. The majority of these programs would likely be at the graduate level and could benefit students across the state, including working professionals, providing them practical skills and knowledge for employment in high-demand fields, including healthcare, healthcare management, and health informatics.

MUSC has an interest in growing its distance education portfolio in the near future (currently, MUSC offers six online degrees, all at the graduate level) and has invested in infrastructure toward this end. The College of Charleston is also interested in developing online degree and certificate programs, particularly at the graduate level, but is still in the process of developing the necessary IT infrastructure. A strategic alliance—merger or formal collaboration—could assist both institutions in increasing their distance education offerings by providing additional access to technical, IT-related, and pedagogical resources and best practices in this emerging area of expertise.

**Question about distance education for institutions to be visited:**

- What impact, if any, did your partnership structure have on your approach to developing online degree programs?

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Resource Issues

PERSONNEL

When merged institutions have significant overlap in programming and function, such as the University of Toledo with the Medical University of Ohio and Rutgers University with UMDNJ, mergers likely lead to improved efficiencies that involve personnel. On the other hand, the University of Toledo merger with the Medical University of Ohio occurred at a time of economic crisis when many institutions of higher education were implementing furloughs and decreases in numbers of personnel, so it is not possible to separate efficiencies forced through budget cuts from those effected by the merger. The Rutgers/UMDNJ merger is expected to be the most expensive in higher education history, but the proportion or amount of anticipated costs that might be related to personnel is not identified in the literature.

A strategic alliance between MUSC and the College of Charleston—merger or formal collaboration—is unlikely to translate into reduced personnel. In fact, because of the (desired) creation of more joint graduate degree programs, additional faculty and staff would be required. With greater enrollments, more positions for student support services will be needed. Also, the infrastructure to administer these degree programs would require a director and a small number of staff.

A merger would require broader changes in personnel than a formal collaborative agreement. Job descriptions, classifications, and pay levels for staff performing the same duties at the two institutions would need to be aligned. This task is facilitated by the fact that both schools are state institutions and utilize the state employee classification system but still would require significant staff time and salary resources to implement. In addition, faculty at the College of Charleston are on nine month appointments, as is characteristic of comprehensive universities, while faculty at MUSC are on 12 month appointments. Though it is not clear that this should change under any change in structure, dual faculty systems would have to be understood in terms of requirements of granting agencies and others, and policies would need to acknowledge the two systems.

Finally, if a comprehensive doctorate-granting institution is the goal (with the expected broad range of degree programs), rather than an alliance that focuses on capitalizing on existing areas of expertise, it would require a monumental increase in personnel.

In short, the primary value of a merger or formal collaboration is not increased efficiencies by reducing personnel—neither structure will lead to that. Instead, it is that by pooling faculty, the two institutions would leverage expertise and create stronger programs with fewer resources than either could achieve alone.

Questions about personnel for institutions to be visited:

- To what degree were your individual institutions’ staff positions aligned prior to your formal collaboration or merger?
- Have you aligned them since? Were you able to consolidate services in any way, and if so, where did you consolidate?
- What has been the result of your partnership structure on your institutions’ faculty positions?
- What resources were necessary for additional positions (faculty or staff)?
- Did you achieve cost savings from eliminating positions or consolidating services?
IT AND OTHER SUPPORT SYSTEMS

There is little discussion about the alignment of financial or student record systems in the literature on recent mergers at other institutions.

A formal collaboration between MUSC and the College of Charleston with joint degrees would require minimal changes or alignment of IT and other support systems. Staff at an umbrella institute might require access to and training in both systems but would need to conduct business in one or the other, presumably the systems of the fiscal agents for the various programs.

Both MUSC and the College of Charleston have recently undergone lengthy migrations to their current financial and student records systems, and they have only a few systems in common (see appendix). Based on the experience of other institutions, a merger would require years to align support systems.

Questions about IT and other support systems for institutions to be visited:
- Were your individual institutions’ IT and other support systems identical prior to your formal collaboration or merger?
- What has been the result of your partnership structure on your institutions’ support systems?
- What resources were required to align systems? Do you anticipate long-term savings from aligning systems?

GOVERNANCE

Mergers at other institutions, unlike formal collaborations, often involve changes in governance. However, such changes are not well described, and it is unclear the degree to which they have been obstacles to mergers elsewhere.

This issue has particular relevance to the College of Charleston and MUSC. A merger between the institutions would require substantial change in governance and upper-level administrative structure, including senior leadership. The governing boards of MUSC and the College would probably need to be unified into a single board. Depending on the structure of the merger, existing debt might need to be restructured at significant cost. A merger would require addressing incompatibilities between the institutions’ faculty governance structures and many policies and procedures.

The responsibility-centered management budgeting model employed by MUSC might naturally be extended to a merged institution by treating the College of Charleston as a self-contained unit that could choose whether to extend this budgeting model to individual units.

A serious concern is the effect of a merger on the relationship between MUSC and the Medical University Hospital. **A merger could require greater separation between the hospital and the university, which would seriously threaten MUSC’s ability to achieve its tripartite mission.** Not only does the hospital provide important learning opportunities for MUSC students, it helps provide financial resources to support the academic and research enterprises. **With a 44% decrease in state appropriations to MUSC over the last five years, it is imperative that the university preserves its relationship with the hospital.** It is not surprising, then, that some members of MUSC’s Board of Trustees have expressed reservations about a merger.⁷

Questions about governance for institutions to be visited:
- (Merged) How did your institutions plan for changes in governance structure prior to your partnership, and have those plans been implemented?
- (Non-merged) Did the anticipated need for changes in governance structure play a role in deterring you from merging?

⁷ The Post & Courier article is available here: [http://www.siteselection.com/aerospace/2013/may/boeing-expansion.cfm](http://www.siteselection.com/aerospace/2013/may/boeing-expansion.cfm)
ALUMNI AND PHILANTHROPY
Although other institutions that have undertaken a merger or formal collaboration have not explicitly provided information on its impact on community relations, alumni giving, and philanthropic activities, MUSC and the College of Charleston have particular interest in this issue.

A merger or formal collaborative agreement between MUSC and the College of Charleston could be viewed positively by the Charleston community as creating a stronger institution that is responding to local needs. However, forecasting the effect on fundraising is difficult. Particularly with a merger, it is reasonable to assume that at least in the short-term, donations could drop, as is often the case when there is a change in the status quo. In the case of alumni, there is a risk that some gifts would be withheld until the nature of the relationship between the institutions is clearer, and the continuity of the individual missions is evident in the resulting partnership.

With a merger, it is likely that one of the two institutions will experience a loss of brand, which diminishes its ability to solicit donations. A formal collaboration would preserve each institution’s unique identity and may mitigate the adverse effects of change on philanthropic giving.

Questions about alumni and philanthropy for institutions to be visited:
- Did your institutions experience changes in philanthropic gifts while you pursued your partnership? How are gifts now compared to pre-merged/pre-collaboration levels?
- Did you have a campaign during your transition to sustain relationships with donors? What advice do you have about how to prevent declines in giving?

COSTS, COST SAVINGS, AND AVAILABILITY OF RESOURCES
In deciding what partnership structure to pursue (in cases where a merger was not mandated), institutions carefully consider costs, cost savings and the availability of resources. There are invariably concerns that a merger will draw funds from an area of strength if new funds are not provided to support the merger, as well as to support new programs in the short- and long-term. The cost of the Rutgers/UMDNJ merger (~$75 million) was apparently borne by Rutgers. One of the reasons the University of Maryland-Baltimore/University of Maryland-College Park elected to create a formal collaborative agreement instead of a merger was to avoid some of the costs that would be incurred to merge. In an article in the Augusta Chronicle, the estimated cost of the proposed merger of the Maryland institutions was around $250 million with a short-term benefit of $1 million in savings from administrative consolidation.

Although the costs associated with the Rutgers/UMDNJ and Maryland examples involve much larger institutions, these same concerns have been expressed by faculty, staff and senior leadership at MUSC and the College of Charleston. Few cost savings from creating efficiencies of scale or eliminating duplication of effort are expected under a merger or formal collaboration. Both institutions are efficiently staffed with personnel and physical facilities at capacity (or beyond). As a particular example that few savings will be realized, a recent study of potential cost savings that might result from merging Public Safety units at MUSC and the College of Charleston concluded that, because the number of officers required for patrol would not change, only minimal savings could be realized.

*The UMB/UMCP merger study is available here: [http://www.umaryland.edu/mergerstudy/overview/](http://www.umaryland.edu/mergerstudy/overview/)

Costs anticipated with any form of a strategic alliance would include physical and staff infrastructure costs of creating and implementing the academic programs and collaborations, and a potential umbrella structure to oversee and facilitate collaborative programs and initiatives. Once in place, the costs of the academic programs themselves are both direct instructional costs, primarily faculty compensation/benefits and operating costs; and indirect costs, consisting of student services, student life, and facilities. Each constitutes approximately 50% of the costs at many comprehensive universities, with graduate programs having higher costs and lower revenues than undergraduate programs generally. In particular, space needs are greater for many science-based graduate programs, and faculty and student research associated with new graduate programs may require new facilities. In addition, the instruction itself associated with new degree programs requires both classroom and lab space and equipment.

Planning money will be required to fully study whether a merger or a formal collaboration best serves the institutions and the community, and the funding source is unclear. The formal planning study should also assess the need for additional facilities and assess the financial viability of a strategic alliance whose primary purpose is to deliver new degree programs that address workforce needs.

Questions about costs, cost savings, and availability of resources for institutions to be visited:
- Were planning funds for studying or implementing a new formal partnership made available by the state?
- To what degree has your partnership resulted in additional funds from new allocations from the state? From increased research funding? From increased tuition dollars?
- Were you able to anticipate costs accurately? Where did you realize cost savings? Where did you incur additional costs?
Summary

As MUSC and the College of Charleston engage with business leaders in the region and public servants of the state to determine how best to achieve our common goal of serving the economic needs of the community, it is important to be well informed, thoughtful, and strategic in any relationship pursued between the two institutions. The experiences of other institutions that have merged or formed formal collaborations can reveal effective practices and potential roadblocks.

The literature related to other institutions’ experiences repeatedly indicate the importance of carefully considering, in conjunction with desired outcomes, the institutions’ missions, cultures, student populations, individual rankings, personnel, and resources available that will impact and be impacted by the partnership structure selected.

INSTITUTIONS TO VISIT

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<th>Mergers</th>
<th>Formal Collaborations</th>
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<td>Rutgers University/University of Medicine and Dentistry New Jersey</td>
<td>Indiana University-Purdue/University of Indianapolis</td>
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<td>University of Toledo/Medical University of Ohio</td>
<td>University of Maryland-Baltimore/University of Maryland College Park</td>
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# Appendix

## Institutional Profile (Fall 2012)

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<th>College of Charleston</th>
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<td>N students (total)</td>
<td>11,723</td>
<td>2,771</td>
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<tr>
<td>Percent (n) undergraduate students</td>
<td>90% (10,506)</td>
<td>8% (208)</td>
</tr>
<tr>
<td>Percent (n) graduate students</td>
<td>10% (1,217)</td>
<td>92% (2,563)</td>
</tr>
<tr>
<td>N full time faculty</td>
<td>547</td>
<td>1,427</td>
</tr>
<tr>
<td>N undergrad degrees/majors offered</td>
<td>56</td>
<td>2</td>
</tr>
<tr>
<td>N graduate degrees/programs</td>
<td>19</td>
<td>23</td>
</tr>
<tr>
<td>Degrees conferred</td>
<td>Bacc, Master's</td>
<td>Bacc, MS, Professional doctorates, PhD</td>
</tr>
<tr>
<td>N undergrad student applicants (annually)*</td>
<td>14,241</td>
<td>712</td>
</tr>
<tr>
<td>N graduate student applicants (annually)*</td>
<td>469</td>
<td>8,059</td>
</tr>
</tbody>
</table>

## Student Demographics (Fall 2012)

<table>
<thead>
<tr>
<th></th>
<th>College of Charleston</th>
<th>MUSC</th>
</tr>
</thead>
<tbody>
<tr>
<td>% in state</td>
<td>66% (7,699)</td>
<td>72% (1,988)</td>
</tr>
<tr>
<td>Undergraduate</td>
<td>63% (6,597)</td>
<td>86% (179)</td>
</tr>
<tr>
<td>Graduate</td>
<td>91% (1,102)</td>
<td>71% (1,809)</td>
</tr>
<tr>
<td>% women</td>
<td>64% (7,499)</td>
<td>63% (1,735)</td>
</tr>
<tr>
<td>Undergraduate</td>
<td>63% (6,565)</td>
<td>76% (158)</td>
</tr>
<tr>
<td>Graduate</td>
<td>77% (934)</td>
<td>62% (1,577)</td>
</tr>
<tr>
<td>% non-white</td>
<td>14% (1,689)</td>
<td>25% (701)</td>
</tr>
<tr>
<td>Undergraduate</td>
<td>15% (1,542)</td>
<td>28% (58)</td>
</tr>
<tr>
<td>Graduate</td>
<td>12% (147)</td>
<td>25% (643)</td>
</tr>
<tr>
<td>% full time students</td>
<td>86% (10,066)</td>
<td>94% (2,594)</td>
</tr>
<tr>
<td>Undergraduate</td>
<td>93% (9,760)</td>
<td>98% (203)</td>
</tr>
<tr>
<td>Graduate</td>
<td>25% (306)</td>
<td>93% (2,391)</td>
</tr>
</tbody>
</table>

## Finance (FY12)

<table>
<thead>
<tr>
<th></th>
<th>College of Charleston</th>
<th>MUSC</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations, (% of academic institution's total revenue)</td>
<td>$18M (8%)</td>
<td>$52M (9%)</td>
</tr>
<tr>
<td>Student tuition and fees revenue (% of total)</td>
<td>$128M (54%)</td>
<td>$77M (13%)</td>
</tr>
<tr>
<td>Research grants and contracts (% of total)</td>
<td>$8M (4%)</td>
<td>$170M (29%)</td>
</tr>
<tr>
<td>Primary source of institution-wide revenue</td>
<td>Tuition and fees</td>
<td>Clinical service</td>
</tr>
</tbody>
</table>

## Administrative Infrastructure

<table>
<thead>
<tr>
<th></th>
<th>Historical</th>
<th>Responsibility Centered Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance management system</td>
<td>Banner</td>
<td>SmartStream; UMS</td>
</tr>
<tr>
<td>Procurement</td>
<td>Banner; SciQuest</td>
<td>SciQuest</td>
</tr>
<tr>
<td>HR management</td>
<td>Banner; PeopleAdmin</td>
<td>SmartStream</td>
</tr>
<tr>
<td>Business Intelligence/Reporting</td>
<td>Cognos</td>
<td>MicroStrategy</td>
</tr>
</tbody>
</table>

## Education Infrastructure

<table>
<thead>
<tr>
<th></th>
<th>Learning Management system</th>
<th>Student Management system</th>
<th>Course and Instructor evaluation system</th>
<th>Lecture capture system</th>
<th>Online testing system(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Desire to Learn</td>
<td>Banner</td>
<td>Explorance Blue</td>
<td>Cascade</td>
<td>n/a</td>
</tr>
<tr>
<td>State</td>
<td>MoodleRooms</td>
<td>Datatel/Colleague</td>
<td>E*Value</td>
<td>Tegrity</td>
<td>LXR; ExamSoft; Moodle</td>
</tr>
</tbody>
</table>

*Number of applicants for Fall 2013*