

MINUTES OF MEETING
OF
SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION

January 8, 1981
10:30 a.m. - 3:25 p.m.

MEMBERS PRESENT

Dr. James E. Bostic, Jr., Chairman
Mrs. Willa J. DeWitt
Mr. Robert C. Gallagher
Mr. Roosevelt Gilliam, Jr.
Mr. Robert E. Graham
Mr. Harold W. Jacobs
Mr. Joseph O. Rogers, Jr.
Mr. Fred R. Sheheen
Mr. J. Clyde Shirley
Mr. Mortimer F. Smith
Mrs. Nanette H. Smyth
Mrs. Nelle H. Taylor
Mr. C. Otis Taylor, Jr.
Mr. Robert L. Utsey, Jr.
Mrs. Margaret E. Wells
Dr. Robert F. Williams
Dr. Louis D. Wright, Jr.

MEMBER ABSENT

Dr. Alba M. Lewis

MEMBERS OF THE NEWS MEDIA

Ms. Susan Audé
Ms. Karin Burchstead
Ms. Camille Bradford
Mr. Hugh Gibson
Ms. Cheryl Irwin
Mr. Jack Jones
Mr. Hans Knoop
Mr. Randy Laney
Mr. Ralph Major
Ms. Sandy Mason
Ms. Charleen Porter
Ms. Sally Saunders
Mr. Bruce Smith
Mr. David Stanton
Mr. Rick Weston

GUESTS

Mr. Bryan Blatt
Dr. Francis T. Borkowski
Mr. Harold Brunton
Mr. Robert S. Davis
Mr. William N. Geiger
Dr. James B. Henry
Dr. James F. Kane
Dr. H. M. Holderfield
Mr. Lee McClure
Dr. Don McElveen
Dr. Carolyn McIver
Mr. J. Lacy McLean
Dr. David Maxwell
Dr. William C. Moran
Dr. James R. Morris, Jr.
Dr. Terry Peterson
Mr. David P. Rinker
Dr. Walter D. Smith
Dr. Harry E. Varney
Mr. John E. Wise

STAFF

Dr. Howard R. Boozer
Mr. Charles A. Brooks, Jr.
Dr. George P. Fulton
Dr. Frank E. Kinard
Mr. Alan S. Krech
Ms. Darcus D. Mayers
Mr. Cannon R. Mayes
Mrs. Lynn Metcalf
Mr. James R. Michael
Mr. James L. Solomon, Jr.
Dr. John C. Sutusky
Mrs. Gaylon Syrett
Mrs. Carol Waldo

I. Approval of Minutes of December 4, 1980, Meeting

It was moved (Gilliam) and seconded (Gallagher) that the minutes of the December 4, 1980, meeting be approved as written. The motion was adopted.

II. Response to January 7, 1981, Letter from Office of Civil Rights

Dr. Bostic stated that by letter to Governor Riley, dated January 7, 1981, from Mr. William H. Thomas, of the United States Department of Education, South Carolina

was requested to develop, within 60 days, a Statewide plan for desegregation of its higher education system. The letter to Governor Riley was issued in compliance with a consent order of Federal Judge John Pratt, signed on December 17, 1980, in which he directed the Secretary of the Department of Education to "issue findings of compliance or non-compliance with Title VI of the Civil Rights Act of 1964 . . . in the operation of the systems of higher education in the states of Texas, Alabama, Delaware, South Carolina, Missouri, Kentucky and West Virginia on or before January 15, 1981." In a letter to Dr. Bostic, dated January 7, 1981, Governor Riley requested that the Commission on Higher Education assume responsibility for the development of the required State plan. Dr. Bostic indicated that two committees will be appointed to assist the Commission in developing its response: (1) a Steering Committee, consisting of representatives from the Attorney General's office, the Budget and Control Board, the General Assembly, the Governor's Office, colleges and universities, the general public, the business community, and the Commission on Higher Education; and (2) a Technical Committee, consisting of members of the Commission and staff, representatives from the colleges and universities, and research personnel from the offices of public officials and State agency heads serving on the Steering Committee. Dr. Bostic requested that the Commission formally accept this assignment from the Governor. It was moved (Gallager), seconded (Gilliam), and voted that the responsibility of the Commission in developing a response to the Office of Civil Rights be endorsed.

Dr. Bostic stated that the Affirmative Action Committee will be augmented to become the core of the Technical Committee.

Mr. Sheheen suggested that Commission members be provided copies of the proposed State plan well in advance of the March meeting of the Commission. He noted that a special meeting of the Commission might be helpful. Dr. Wright commented that the Commission's acceptance of the responsibility of developing the State plan does not mean that the Commission concurs with all of the findings of the Office of Civil Rights. He suggested that the Commission's response to Governor Riley reflect that view.

III. Election of Officers

Act 410 (1978) and the "Rules and Procedures" of the Commission require the election of officers annually. Act 410 (1978) states in Section 2 that "the chairman of the Commission shall be elected annually by the members of the Commission and may not serve as chairman for more than four consecutive years." Paragraph I(3) of the "Rules and Procedures" of the Commission states that "the chairman will be elected annually in January . . ."

It was moved (Williams) and seconded (Wright) that Dr. Bostic be nominated for Chairman and that Mr. Gallager be nominated for Vice Chairman. It was moved (Smith) and seconded (Smyth) that nominations be closed. The motion was adopted. Dr. Bostic was elected Chairman, and Mr. Gallager was elected Vice Chairman.

IV. Joint Report of Committee on Business and Finance and Committee on Health and Medical Education

Review of USC School of Medicine. Mr. Gallager reported that the Committee on Business and Finance and the Committee on Health and Medical Education reviewed the "Report of the Review of the University of South Carolina School of Medicine" on December 19, 1980, and propose seven recommendations for adoption by the Commission:

1. The Commission on Higher Education reaffirms that the major emphasis of the USC School of Medicine must be on the teaching of undergraduate students oriented toward primary care and that graduate training should be restricted to the education of primary care physicians.
2. The Commission, at its August 13, 1980, meeting, adopted recommendations to the Budget and Control Board, the House Ways and Means Committee, and the Senate Finance Committee, concerning the 1981-82 Appropriation Requests of the South Carolina public colleges and universities. With reference to the USC School of Medicine, the Commission voted to recommend funding in 1981-82 in the same amount as was appropriated for the 1980-81 fiscal year (\$6,994,838),

" . . . pending a review by the Commission, in cooperation with the State Auditor's Office, of expenditures during the past two years, student/faculty load factors, and a projected five-year plan relating to enrollment, cost per student, and faculty load factors, provided that the Commission's recommendations to the Budget and Control Board and the General Assembly indicate that a final report be made prior to January 1 on funding for the School of Medicine for fiscal year 1981-82." (CHE minutes, August 13, 1980, pp. 5-6.)

As a result of this review we recommend to the Budget and Control Board, the House Ways and Means Committee, and the Senate Finance Committee, that the 1981-82 appropriation for the USC School of Medicine be \$8,730,856. This recommendation was arrived at as follows: 1980-81 appropriation less 7% personal service reduction (\$6,908,704) plus 1980-81 VA funds (\$2,785,909) totaling \$9,694,613, less VA funds available in 1981-82 (\$963,757). This is an increase over the Budget and Control Board allocation (\$6,908,704) for 1981-82 of \$1,822,152. This funding is consistent with the requirements of the VA contract.

3. The Commission's approval in 1974 of the USC School of Medicine was with the understanding that there would be no State-funded capital improvements for the first 10 years. The State Auditor reported that \$1,132,948 in operating funds has been expended for capital improvements by the USC School of Medicine since 1975. He also noted that the 1979-80 Appropriation Act states that " . . . the approval of the Budget and Control Board shall not be required for permanent improvements, renovations and alterations where the cost does not exceed \$10,000." (Emphasis added.) This proviso is also contained in the 1980-81 Appropriation Act. We recommend that the University of South Carolina and all other colleges and universities adhere to this requirement in the Appropriation Act to the letter of the law.
4. The Commission approved the original affiliation agreement between Richland Memorial Hospital and the USC School of Medicine. This agreement provided for the use of RMH facilities for the teaching program at no cost to the State. The agreement was later substantially modified, without CHE approval, to require that RMH

be reimbursed by the USC School of Medicine for additional educational space. We reiterate the present Commission policy that all lease agreements for facilities be submitted to CHE for action and forwarding to the Budget and Control Board.

5. The working relationship between the Richland Memorial Hospital and the USC School of Medicine has been excellent and this relationship should be continued and strengthened. We recommend that discussions begin immediately between the University of South Carolina School of Medicine and Richland Memorial Hospital to renew the affiliation agreement presently scheduled to expire in 1984, and that a report be made to the Commission on renegotiation of a final agreement not later than January 1, 1982.
6. We recommend that no State funds be used to build a university hospital, or for capital improvements to a community teaching hospital, associated with the University of South Carolina School of Medicine.
7. We recommend that all private medical practice plans involving State employees be subject to audit by the State Auditor. The State Auditor should also determine, in each case, whether excess revenue can be used to offset educational and general institutional expenses.

It was moved (Sheheen) and seconded (Wright) that the seven recommendations, as stated above, be approved by the Commission and included in the "Report of the Review of the University of South Carolina School of Medicine. The motion was adopted.

Mr. Smith stated that, where the Commission is charged by law with the responsibility of overseeing the activities of the institutions of higher learning, it should direct, rather than recommend to, the institutions. Mr. Sheheen concurred.

It was moved (Sheheen) and seconded (Utsey) that the report and recommendations be distributed to appropriate members of the General Assembly and to the Governor's Office. The motion was adopted.

Coordination of Health and Medical Education. The Committee on Business and Finance and the Committee on Health and Medical Education recommends that, in order to facilitate coordination in health and medical education, a dual strategy be invoked: (a) establishment of a Trustee Board on Medical Education, which would replace the Dean's Committee on Medical Doctor Education; and (b) transfer of the responsibility for the Extramural Programs from the Medical University of South Carolina to the Commission on Higher Education, including direct appropriation requests, disbursement of funds, and coordination of the program. It was moved (Sheheen) and seconded (Smith) that the recommendations of the Committee on Business and Finance and the Committee on Health and Medical Education be adopted. Dr. Wright expressed the view that the Commission needs more time to study the recommendations. It was moved (Jacobs) that the motion be tabled. The motion was amended (Sheheen) and seconded (Jacobs) that the recommendations be considered by the Commission at its February 5, 1981, meeting. The amended motion was approved.

At the invitation of the Chairman, Dr. Francis T. Borkowski, USC Provost, urged the Commission to seek the advice of the two institutions involved prior to the February 5 Commission meeting. It was moved (Wright) and seconded (Sheheen) that the Commission be provided, prior to its February 5 meeting, formal statements by the Medical University of South Carolina and the University of South Carolina. The motion was adopted.

V. Report of Committee on Academic Affairs

a. Report of Review of Missions of Selected Colleges and Universities. Mr. Sheheen, chairman of the Committee on Academic Affairs, stated that the report of the Commission consultants who reviewed institutional missions, and recommendations of the Committee on Academic Affairs on that report, were mailed to Commission members on December 19, 1980. The Committee's recommendations, with respect to specific suggestions of these consultants, are as follows:

Aiken. The Committee recommends that USC-Aiken continue to offer for the present the associate degree program in criminal justice, provided that if and when Aiken Technical College is able to offer the program it shall be transferred to that institution. It was moved (Sheheen) and seconded (Shirley) that the recommendation of the Committee be approved. The motion was adopted.

Charleston, Rock Hill, Cheraw, Greenville, and Pendleton. The single issue which the consultants were asked to address in each of these locations was whether or not the programs leading to the Associate in Arts or Associate in Science two-year degrees, designed specifically for transfer to baccalaureate degree programs elsewhere, should continue to be offered by the technical colleges in each of these locations. The consultants noted specifically, and endorsed, the decisions made by the College of Charleston, Winthrop College, and Clemson University to increase or to maintain admissions requirements appropriate to the basic mission of each, avoiding needless implementation of remedial work which may otherwise be required. The consultants also noted the willingness of Winthrop to discontinue its associate degree programs prior to the time the consultants began their study. The Committee on Academic Affairs agrees with the observations of the consultants and recommends that existing AA/AS degree programs be continued at Trident, York, Chesterfield-Marlboro, Greenville, and Tri-County Technical Colleges. It was moved (Sheheen) and seconded (Shirley) that the recommendations of the Committee, with respect to existing AA/AS degree programs at the locations named above, be approved. Mr. Gallager noted that the consultants' report recommends examination of possible duplication among the technical colleges in the Charleston area. Mr. Sheheen stated that a report is being prepared by SBTCE on this matter. The motion was adopted.

Greenwood.*

Columbia. The consultants reviewed the question of whether or not Midlands Technical College should continue to offer AA/AS degree programs. Following the same principles and findings as noted above, the consultants recommend that these programs be continued. The Committee concurs in this recommendation.

The consultants were also asked to advise the Commission as to whether USC-Columbia should continue to offer associate degree programs in occupational fields. Seven such programs are now offered. The consultants note that USC-Columbia's prime mission in the State system of higher education is to serve as a research university of high quality. Mr. Sheheen noted that the Committee discussed further the intent of the consultants' recommendations with respect to USC-Columbia with Dr. James A. Norton, chairman of the consultant team. As a result of this consultation, the Committee reports that the consultants suggest that all of the associate

*See page 571.

degree programs in occupational areas now offered by USC-Columbia should be terminated, or converted, if needed, to baccalaureate degree programs with a sound academic base. The Committee concurs in this recommendation and recommends to the Commission the following specific steps to implement that evolution:

- (1) The associate degree program in secretarial science at USC-Columbia should be discontinued. No new students should be admitted to this program after September, 1981, and students currently enrolled should be allowed to complete the program they entered. A similar program with the same title and with identical purposes is also offered at Midlands Technical College. Further, USC-Columbia already offers a baccalaureate degree program in this field, leading to the BS in office management, obviating the need to create a new baccalaureate degree program at USC-Columbia.
- (2) The associate degree program in institutional administration at USC-Columbia should be discontinued. No new students should be admitted to this program after September, 1981, and students currently enrolled should be allowed to complete the program they entered. In this instance, no corresponding baccalaureate degree program currently exists, but the University has proposed to implement a new baccalaureate degree program in this field. The Committee recommends that this proposal be resubmitted after it has been rewritten to reflect this recommended change and to reflect the opinion of the consultants, with which the Committee concurs, that "... any new baccalaureate programs come from the discipline departments or professional schools with which they are allied . . ."
- (3) The University should submit for Commission review, by September, 1981, a plan to terminate the remaining associate degree programs in occupational fields and to convert these where necessary and desirable to baccalaureate degree programs.

It was moved (Sheheen) and seconded (Shirley) that the recommendations of the Committee be approved.

In response to questions by Mr. Jacobs, Mr. Sheheen stated that in the opinion of the Committee, the program in secretarial science at Midlands Technical College is of comparable quality to the program at USC-Columbia; that the associate degree program in institutional administration at USC-Columbia will be phased out over a three-year period, and Midlands Technical College has indicated its intent to establish a comparable program at that institution; that there will be no disruption of the educational programs of those students presently enrolled in the programs recommended for termination at USC-Columbia; and that in the opinion of the Committee the consultants did examine the question of duplication of missions between senior institutions and technical institutions.

Mrs. Smyth noted that when USC presented its proposal, on November 6, 1980, for a B.S. degree in Hotel, Restaurant, and Tourism Administration it indicated excellent articulation with the two-year courses at USC and the two-year courses at several technical colleges offering similar programs.

Dr. Wright asked if, in the opinion of the Committee, implementation of the recommendations would substantively dismantle the College of General Studies at USC-Columbia. Mr. Sheheen stated that the matter was discussed by the Committee. He noted that a major four-year program -- B.A. in Interdisciplinary Studies -- remains in the College of General Studies. At the invitation of the Chairman, Dr. Borkowski stated that if the programs are eliminated, as recommended, the College of General Studies will be severely decimated. He urged the Commission to reconsider the recommendations of the Committee. He stated that there have existed since 1966 top quality programs in the College of General Studies that have attracted students who desire an alternative to the programs offered at the technical colleges. He stated that the programs in General Studies are cost effective and that, in his opinion, in a time of fiscal constraints, it would not be appropriate to collapse a number of programs and move them to another institution at substantial start-up costs.

Mr. Sheheen noted that Act 410 (1978), which includes the legislative authority of the Commission to recommend termination of existing programs in the public institutions, states that, "An appeal from this recommendation must be made by the governing board of an affected institution within sixty days to the Senate Education Committee and the House Education and Public Works Committee which will hear the parties to the appeal."

The motion that the Commission approve the recommendations of the Committee on Academic Affairs was adopted. Mr. Graham, Mr. Jacobs, and Dr. Wright opposed. Mr. Jacobs requested that the record show that he opposed because he is not convinced that a study has been made to determine whether or not there are duplications in missions between the two institutions (Midlands Technical College and USC) and whether or not the transfer of programs would leave a void.

It was moved (Wright) and seconded (Sheheen) that consideration for removing programs in the future be predicated upon the availability of a comparable course at a technical college. The motion was adopted.

Dr. Borkowski stated that the University of South Carolina will pursue the appropriate recourse.

b. Report of Review of Graduate Programs in Mathematics. Mr. Sheheen noted that the report of Commission consultants who reviewed graduate programs in mathematics had been received and distributed to Commission members. The consultants reviewed the quality of, and the need for continuing where necessary, master's and doctoral programs in mathematics at Clemson and USC-Columbia, and master's programs for teachers at Clemson, USC-Columbia, The Citadel, and Winthrop College.

The consultants recommend, and the Committee concurs, that the existing graduate programs in mathematics at Clemson and USC-Columbia are essential to both the institutions and the State, and that they should be continued.

The consultants recommend, and the Committee concurs, that the master's programs in mathematics for teachers at Clemson and USC-Columbia should be continued.

The consultants note that the MAT program in mathematics at The Citadel is sound and serves a distinct need for that region of the State. The Committee recommends that this program be continued.

The consultants conclude that the MAT program in mathematics at Winthrop "is not well conceived for its intended purpose," and that "the required courses in the current program . . . should be redesigned." The Committee recommends that Winthrop be requested to submit to the Commission by July 30, 1981, a plan for restructuring this program, or for its termination.

It was moved (Sheheen) and seconded (Smyth) that the recommendations of the Committee with respect to the review of graduate programs in mathematics be approved. The motion was adopted.

c. Report of Review of Graduate Programs in Physical Sciences. Mr. Sheheen noted that the report of Commission consultants who reviewed graduate programs in physical sciences had been received and distributed to Commission members. The consultants reviewed the quality of, and the need for continuing where necessary, master's and doctoral programs in chemistry and physics at Clemson and USC-Columbia; master's and doctoral programs in geology at USC-Columbia; a doctoral program in textile and polymer science at Clemson; and master's programs in textile chemistry and in textile science at Clemson.

The consultants conclude that all programs reviewed should be continued. The Committee recommends that these programs be continued and further recommends that the boards, administrations, and faculties of both universities be commended for having developed well these fundamental programs in a relatively short period of time. It was moved (Sheheen), seconded (Smyth), and voted that the recommendations of the Committee be approved.

d. Progress Report on Development of MBA Program in Florence. Mr. Sheheen reported that Francis Marion College submitted its initial proposal for an MBA degree program to the Commission in the fall of 1978. In January, 1979, the Commission declined consideration of the proposal under the terms of the statutory moratorium imposed by Act 410 (1978) then in effect. The proposal was resubmitted by Francis Marion in fall, 1979. In April, 1980, the Commission deferred further consideration of the proposed program until a study of the USC-ETV MBA program could be completed. In September, 1980, the Commission directed that Francis Marion College and USC explore the establishment of a cooperative MBA program at Francis Marion.

A proposed cooperative program was considered by the Committee at a meeting on December 3, 1980. The Commission, at its meeting on December 4, 1980, agreed with the recommendation of the Committee that the proposed plan of cooperation was not acceptable and referred the matter back to the Committee for further study.

The Committee finds that a basic problem inhibiting more meaningful cooperation between the proposed program and that offered by USC-Columbia lies in a difference in philosophy between the two institutions as to the students to be served and the objectives of the two programs. Undergraduate and graduate programs in business at USC, including the MBA-ETV program, are accredited by the American Assembly of Collegiate Schools of Business (AACSB). Francis Marion College has adopted a policy of not seeking specialized or professional accreditation for any of its programs, including those in business.

The Committee noted that the Commission has previously approved implementation of MBA degree programs at Winthrop College and The Citadel, accompanying each approval with the stipulation that subsequent "cooperative arrangements" between each new program and the existing ETV program be made. No such agreements or arrangements have been made.

The Committee therefore recommends, by a vote of three to two, that the proposed MBA program at Francis Marion be disapproved, and that USC continue to provide this program for residents of the Florence area, as it is now doing. It was noted that the chairman of the Committee requested the right to express a minority opinion and to offer a substitute recommendation.

It was moved (Wells) and seconded (N. Taylor) that the recommendation of the Committee be approved.

At the invitation of the Chairman, President Walter D. Smith, of Francis Marion College, comment on the College's policy with respect to accreditation. He also requested that the Commission consider using Francis Marion College as a test center, approving the proposed MBA degree program and leaving the MBA-ETV program in place. He requested further that Francis Marion be charged with developing the best cooperation possible, reporting to the Commission each semester, with the understanding that if a workable cooperative program is not developed within a designated period of time, the program at Francis Marion will be terminated.

A substitute motion was made (Sheheen) that the proposed MBA program at Francis Marion be approved upon a commitment that the College agree to establish a program that meets accreditation standards, and that when an accredited on-campus MBA program is offered at a State-supported institution in any location in the State, the MBA-ETV program at that location be discontinued at that time. There was no second.

A substitute motion was made (Rogers) that the matter of discontinuing the MBA-ETV program be considered as a separate question. There was no second.

A substitute motion was made (Sheheen) that, provided Francis Marion College commits in advance to construct an accredited program, it be permitted to go forward with the proposed MBA program, and at such time as accredited on-campus MBA programs are offered at State institutions in any community in the State, a review of the MBA-ETV program at that location be made by the Commission on Higher Education under its termination powers. It was moved (Shirley) and seconded (Jacobs) that the substitute motion be tabled. The motion to table was adopted. Mrs. DeWitt, Mr. Sheheen, Mr. Smith, and Mrs. Wells opposed.

A substitute motion was made (Wright) and seconded (DeWitt) that Francis Marion College be authorized to develop an accreditable program, according to accreditation standards, and that the MBA-ETV program in Florence remain in place. The motion was disapproved, with nine negative and eight affirmative votes.

The motion that the recommendation of the Committee be approved was adopted, with ten affirmative and six negative votes.

Mr. Sheheen suggested that a review be made of working relationships at all locations in the State where ETV programs are offered.

VI. Report of Committee on Facilities

a. Consideration of Purchase of Elementary School, USC-Beaufort. At its meeting on November 6, 1980, with respect to a Capital Improvement Request by USC-Beaufort for \$1,285,000 for renovation of a former elementary school and for an additional \$1 million for the purchase of the property, the Committee on Facilities recommended that \$1,285,000 be approved for renovation of the building, and that arrangements be made locally for the donation of the facility to the institution. The Commission

adopted a motion on November 6, 1980, "that the recommendation of the Committee be approved, but that action on the \$1 million for purchase of land be deferred pending receipt of a proper appraisal . . ."

Two appraisals were subsequently obtained and were examined by the Committee: Rowan Associates of Hilton Head Island appraised the property at \$900,000, and Holcombe and Fair Realtors of Charleston appraised it at \$648,000. The Committee recommends approval of \$648,000 for purchase of the property, for a total request of \$1,933,000 for purchase of land and building and for renovation of the building. It was moved (O. Taylor) and seconded (Smith) that the recommendations of the Committee be approved. The motion was adopted.

b. Consideration of Purchase of Real Estate, MUSC. The Medical University has submitted a request to purchase three parcels of land which are contiguous to the campus as a site for future construction. Until needed for that purpose, the three lots will provide approximately 26 parking spaces. The request includes two appraisals, one totaling \$184,100, and the other totaling \$180,200. The purchase will be financed with excess cash in the Plant Improvement Bond and Institution Bond accounts. Legislation authorizes such use of excess funds, provided the Budget and Control Board approves. The Committee recommends approval of the request, the purchase price not to exceed \$184,100. It was moved (O. Taylor) and seconded (Utsey) that the recommendation of the Committee be approved. The motion was amended (Sheheen) and seconded (Smyth) that the purchase price not exceed \$180,200. The amendment was withdrawn. The motion was adopted that the purchase of land be approved, not to exceed \$184,100.

c. Consideration of Temporary Funding for East Wing, MUSC Hospital. In 1980 the General Assembly approved an addition to the Medical University Hospital (East Wing) to be funded with \$30,850,000 from Capital Improvement Bonds, \$5,000,000 from Medical University State Institution Bonds, and not less than \$12,941,494 of Medical University Hospital Revenue Bonds. Since bond issues have been frozen due to the high interest rates, funds for the East Wing are not available. The Medical University subsequently requested authority to use funds which are excess to meeting the projected debt service for the two MUSC bond accounts to continue the design and planning stages of the East Wing. This excess would, in effect, be borrowed and repaid to the accounts when the bonds are issued. The Committee recommends approval of the request. It was moved (O. Taylor) and seconded (Wright) that the recommendation of the Committee be approved.

In response to a question by Dr. Wright, Mr. Taylor stated that the institution anticipates that approximately \$1 million in excess bond reserves will be available to pay the A&E costs. The motion was amended (Wright) and seconded (Utsey) that the funds used for design and planning not exceed \$1 million. The amended motion was adopted.

d. Consideration of Seven Permanent Improvements, USC-Columbia. USC-Columbia requests approval of seven permanent improvement projects totaling \$3,850,000 for which funds are on hand. Five of the projects will be funded from cash reserves in specified bond accounts which are in excess of minimum requirements to meet debt service. Appropriate legislation authorizes the use of such excess funds for projects such as those proposed. Two projects will be funded from the Renovation Reserve, created with fees paid by students. The Committee recommends approval of all seven projects. It was moved (O. Taylor) and seconded (Wright) that the recommendation of the Committee be adopted. The motion was adopted.

e. Consideration of Delegating Limited Authority to Approve Projects at USC-Columbia. Part of the fees paid by students at USC-Columbia is deposited in a "renovation Reserve" account. USC proposes that in three categories of projects funded from this account -- Small Modification Projects, Energy Conservation Projects, and Surface Parking Lot Improvements -- the Commission authorize USC to proceed without Commission approval on projects costing less than \$90,000. The State Engineer now requires Commission approval which if eliminated would expedite the process of developing projects.

Although the student fees are designated for the operating budget of the University and many of the projects might be interpreted as normal operation and maintenance, the State Engineer interprets them as permanent improvements requiring Commission approval.

In July, 1980, the Committee on Facilities recommended that the Commission delegate to the Committee authority to approve permanent improvements costing less than \$100,000, and all leases. The recommendation was tabled. To be consistent with the action of the Commission in July, the Committee recommends that the University's request be disapproved. It was moved (Sheheen) and seconded (Gilliam) that the recommendation of the Committee be approved.

A substitute motion was made (Jacobs) and seconded (Shirley) that USC be authorized to use the funds in its "Renovation Reserve" account as requested. Mr. Gallager stated that he is not willing to authorize use of the funds without Commission approval unless the differences are resolved between the State Engineer and USC. It was moved (Sheheen) and seconded (Gallager) that the substitute motion be tabled. The motion to table was approved. The motion to approve the recommendation of the Committee was adopted.

Mr. David P. Rinker, Vice President for Facilities Planning at USC, requested that the Commission staff, the State Engineer, and USC develop a method to accelerate the procedure for handling such projects.

f. Consideration of Increasing Minimum Limit for Submitting Permanent Improvements. At the meeting with the Commission on Higher Education on December 3, 1980, the Council of Presidents of Public Senior Colleges and Universities requested assistance in reducing the time and effort to initiate permanent improvements. The annual Appropriation Act provides that the expenditure of funds by any State agency, except the Department of Highways and Public Transportation, for permanent improvements shall be subject to approval and regulation of the State Budget and Control Board. Beginning in 1972-73 the provision was modified to exclude projects not exceeding \$10,000. The 1980-81 Act includes this provision in Section 175.

According to the Markel Appraisal Chart, to reproduce a facility costing \$10,000 in 1972 would require \$18,200 in 1980, an average increase of approximately \$1,000 annually. However, the increase has been relatively higher in the immediate past few years. It is anticipated that a project costing \$10,000 in 1972 will require at least \$25,000 to reproduce within the next two or three years.

The Committee on Facilities recommends that the Commission recommend to the Budget and Control Board that the provision of the 1981-82 Appropriation Act requiring Budget and Control Board approval of expenditures for permanent improvements exclude projects where the cost does not exceed \$25,000. It was moved (O. Taylor), seconded (Sheheen), and voted that the recommendation of the Committee be approved.

g. Consideration of Extending Maturity Year for Institution Bonds. When the State Institution Bond legislation was enacted in 1953, it provided that no bonds could be issued which would mature after the year 1978, a period of 25 years. In 1961 this provision was amended to extend the maturity year to 1985, a period of 24 years. In 1966, an amendment extended it to 1995, a period of 29 years. The year 1995 is the current maturity year in S.C. Code of Laws Section 59-107-20. With this provision, bonds issued in 1981 must be retired in 14 years, requiring relatively high debt service. Failure to extend the date of 1995 could further adversely affect the utilization of Institution Bonds by the institutions.

The Committee on Facilities recommends that the Commission recommend to the Budget and Control Board that Code Section 59-107-20 be amended in 1981 to provide that no bonds may be issued which will mature after the year 2010.

It was moved (Gallager) and seconded (Utsey) that the colleges and universities be requested to indicate the amount of excess cash bond funds available. The motion was amended (Sheheen) and seconded (Smyth) that the recommendation of the Committee be approved, and that the Committee on Facilities be requested to examine the use of tuition and excess cash bond funds, and make a recommendation to the Commission at a future meeting. The amended motion was adopted.

h. Consideration of Additional Funds for the College of Charleston. The College of Charleston requests an additional \$650,000 from Capital Improvement Bonds to supplement \$4,280,000 provided from such bonds in 1978 for a new physical education center. This project, which was approved by the Commission, is on contract with a completion date of April, 1982. The Committee on Facilities recommends approval. It was moved (O. Taylor) and seconded (Gilliam) that the recommendation of the Committee be approved. The motion was adopted.

i. Report on Study of Procedures for Contracting for Construction. It has come to the attention of the Committee on Facilities that the institutions have some interest in utilizing the concept of "construction management" in new construction projects. Under the construction management concept the institution enters into an agreement with a qualified firm for the management of contracts on a project, which are executed directly between the institution and the several contractors. In the traditional owner/architect/contractor concept the institution enters into a lump sum contract with one firm which is totally responsible for completing the project, including all subcontracting.

The Committee believes that the ramifications of the construction management concept are not fully understood and proposes to undertake a study on this subject which will be presented to the Commission by April 2, 1981. The Committee requests that the institutions, and the Budget and Control Board insofar as the institutions are concerned, not enter into any new contract management agreements until the Committee's report is available. It was moved (O. Taylor) and seconded (Smith) that the recommendations of the Committee be approved.

At the invitation of the Chairman, Mr. Lee McClure and Mr. William N. Geiger, of GMK Architects, commented briefly.

The motion to approve the recommendations of the Committee was adopted.

j. Report on Building Quality Survey. Mr. Taylor reported that the J. E. Sirrine Company has completed field inspections of the Beltline and Airport campuses of Midlands Technical College. Field work began at USC-Columbia on January 5, 1981.

VII. Report of Committee on Health and Medical Education

In the absence of Dr. Wright, Chairman of the Committee on Health and Medical Education, Mr. Gallager reported that a list of consultants is being compiled to conduct the review of health and medical education programs. The Committee is studying the Statewide Master Plan on Nursing, being developed jointly by the Commission and the State Board of Nursing.

VIII. Consideration of Draft Annual Report

Commission members were provided, prior to the meeting, copies of the draft of the narrative portion of the Annual Report, which will be printed in January. Dr. Bostic requested that suggestions for changes or additions be given to Dr. Boozer following the meeting.

IX. Report of Committee on Business and Finance

Mr. Gallager distributed summary reports showing the recommendations of the Ways and Means Committee, as of January 7, 1981. In response to a question by Mr. Sheheen, Mr. Gallager stated that the additional funds recommended are allocated by the Appropriation Formula.

X. Other Business

It was moved (N. Taylor), seconded (Shirley), and voted that the Commission commend Mr. Daniel Dreisbach, of USC-Spartanburg, for being named a Rhodes Scholar.

It was moved (Smith), seconded (Gilliam), and voted that the Commission commend Mr. Solomon for his achievements as Chairman of the Richland School District One School Board over the past four years.

The meeting was adjourned at 3:25 p.m.

Respectfully submitted,

Gaylon Syrett
Gaylon Syrett
Recording Secretary

[Please Note: The following action by the Commission was inadvertently omitted from the Report of the Committee on Academic Affairs (p. 563)]:

Greenwood. The consultants recommended that the occupational associate degree program in secretarial science at Lander College be terminated. The Committee concurs in the recommendation of the consultants and further recommends that this termination be effected by not allowing any new students to be enrolled after September, 1981, and that students currently enrolled be permitted to complete the program they entered. It was moved (Sheheen), seconded (Shirley), and voted that the recommendations of the Committee be adopted.

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