

MINUTES OF MEETING
OF
SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION
June 4, 1987
10:30 a.m. - 3:00 p.m.

MEMBERS PRESENT

Mrs. Nelle H. Taylor, Chairperson
Dr. D. Glenburn Askins, Jr.
Mr. George L. Brightharp
Mr. Walter E. Brooker
Dr. Willa J. DeWitt
Mr. Palmer Freeman, Sr.
Mr. Roger E. Henderson
Mr. Marvin C. Jones
Mrs. Reba A. Kinon
Dr. Alba M. Lewis
Mr. Vernon McGuire
Mr. Robert L. Utsey, Jr.
Dr. Robert F. Williams

MEMBERS ABSENT

Mr. Tom Moore Craig
Mr. Joseph J. Turner, Jr.
Mr. William J. Whitener

STAFF

Dr. Jeffrey Bartkovich
Mr. Charles A. Brooks, Jr.
Ms. Sandra E. Carr
Dr. Jeanette Deas
Dr. Frank E. Kinard
Mr. Alan S. Krech
Ms. Lynn W. Metcalf
Dr. Gail M. Morrison
Dr. James A. Paschal
Mr. Fred R. Sheheen
Mr. John E. Smalls
Dr. Leonard P. Sternbach
Dr. John C. Sutusky
Ms. Gaylon Syrett
Ms. Julia E. Wells

GUESTS

Dr. Chester W. Bain, Jr.
Dr. Roger Baumgarte
Dr. Francis T. Borkowski
Dr. Diane Brandstadter
Dr. Robert W. Denton
Mr. Dan Dukes
Dr. Kay Grastie
Mr. Claybon Harris
Mr. Earl Holly
Mr. Tucker Johnson
Mr. Warren Jones
Dr. C. Edward Kaylor, Jr.
Mr. David Larson
Dr. Benjamin F. Lawson
Ms. Lynette Lown
Col. C. G. Lyons
Mr. Owen Martin
Dr. W. David Maxwell
Dr. Carolyn McIver
Mr. J. P. McKee
Mr. J. Lacy McLean
Dr. Terry Peterson
Dr. Martha Kime Piper
Mr. William T. Putnam
Dr. George M. Reeves
Mr. David P. Rinker
Mr. Kenneth L. Schwab
Dr. Martha Kime Piper
Dr. Arnold E. Schwartz
Dr. Albert E. Smith
Dr. Michael Smith
Dr. Thomas C. Stanton
Dr. DeWitt B. Stone
Mr. William E. Troublefield
Dr. Edwin F. Wilde
Dr. Marion E. Woodbury

MEMBERS OF THE PRESS

Mr. Danny Flanders
Mr. Patrick Jean
Mr. Scott Johnson
Ms. Christine Kuehn
Ms. Jenny Munro
Mr. Mancer Wilson

I. Approval of Minutes of Meeting of May 7, 1987

It was moved (Brightharp), seconded (Lewis), and voted that the minutes of the meeting of May 7, 1987, be adopted as written.

II. Report of Executive Committee

Mrs. Taylor reported that the Executive Committee met on May 13, 1987, to consider a staff report concerning two capital improvement projects at the University of South Carolina. Both projects, the Koger Arts Center and the Swearingen Engineering Center, were considered by the Commission on July 11, 1985. Because considerable attention has been focused on these projects in recent weeks by the news media, and because certain aspects of the projects have changed since they were initiated, the staff and the Executive Committee reexamined the funding of the projects.

It was moved (Utsey), seconded (Williams), and voted that the report of the Executive Committee be accepted. The report is available upon request.

III. Appointment of Representative to Advisory Body to Optional Retirement Program

Mrs. Taylor reported that Act 42 (1987) authorized an optional retirement program for the public senior colleges and universities. The Act provides that "the executive director of the South Carolina Retirement System, a representative appointed by the Commission on Higher Education, and a representative appointed by the Council of Presidents of the Public Colleges and Universities shall designate not less than two companies from which annuity contracts are to be purchased under the program." Mrs. Taylor recommended, and it was agreed, that Dr. Howard R. Boozer represent the Commission on this advisory body. Dr. Thomas C. Stanton noted that Dr. Martha Kime Piper has been named to represent the Council of Presidents.

IV. Report of Committee on Business and Finance

Dr. Williams, chairperson of the Committee on Business and Finance, reported on the following matters:

a. Consideration of Appropriation Formula for 1988-89.

(1) A, B, and C Formula Allocation Methods. The Committee recommends that the use of A, B, and C formula allocation methods be established. The "A" method would use the formula calculation including traditionally approved unique costs and would be used whenever the lump sum allocation falls below 95% of the Commission's recommendation.

The "B" method would use the calculation including any additional unique cost items other than those traditionally approved. It would also include any major revisions and/or enhancements which may or may not significantly change the formula methodology. It would be used when funding is from 95% to 100% of the formula recommendation.

The "C" method would be the same as the "B" method, but would also include any special initiatives such as computer equipment, deferred maintenance, etc., and would be consistent for all institutions. It was moved (Williams), seconded (Askins), and voted that the recommendation of the Committee be adopted.

(2) Faculty Salary Averages. Every other year formula salary averages are updated to reflect the averages of peer institutions in the Southeast. The Committee recommends that averages shown on the report provided to the Commission on May 27, 1987, and updated to reflect any pay increases for 1987-88, be used in the 1988-89 appropriation formula with the following exception applying to Group 2 only: because a number of peer institutions in Group 2 did not respond to the Commission's request for salary data during the last peer review, the Committee recommends that (a) salary data from the University of Tennessee-Chattanooga, Keenesaw College (Georgia), North Carolina Central, Appalachian State University, the University of North Alabama, and the University of North Carolina-Charlotte be collected by institutional personnel and returned to the Commission staff by June 12; and (b) average salaries for Group 2 institutions be reviewed to include the additional data for the 1988-89 formula. It was moved (Williams), seconded (Jones), and voted that the recommendation of the Committee be adopted.

(3) Student/Faculty Ratios. The Committee report compares student/faculty ratios with those in place at the colleges and universities. The Commission's past practice of adjusting by one, up or down, any formula ratios with differences of two or more has proved to be an equitable method of adjusting the ratios. The Committee recommends that the changes shown in its report be adopted. It was moved (Williams), seconded (Jones), and voted that the recommendation of the Committee be adopted.

(4) Instruction Support Percentages. Whenever peer salary data is collected for the appropriation formula, all peer institutions are asked to provide instructional support percentages as well. Because of the difficulty in obtaining data for Groups 2 and 3, the Committee recommends that the Commission and institution staff visit peer institutions in all three peer groups to evaluate instructional support percentages for possible use in the 1989-90 appropriation formula. The Committee also recommends that for the 1988-89 formula, Group 1 support percentages be used for Groups 2 and 3 as well. It was moved (Williams), seconded (Henderson), and voted that the recommendation of the Committee be adopted.

(5) Funding of Capital Items in Step 12. The Committee recommends that capital items not be included as a part of the appropriation formula for continuing operations. The State Treasurer's Office has adopted policies and procedures for classifying leases. The Commission will follow these procedures when considering leases. It was moved (Williams), seconded (Dewitt), and voted that the recommendation of the Committee be adopted.

(6) Funding of Faculty Salary Costs for Summer School. The appropriation formula generates funding for educational and general (E&G) operations of an institution for 12 months in each step except faculty salaries. Since most faculty contracts are for nine months, the salary averages used in the formula are nine-month averages. In spring 1985 the formula was modified to include additional funding for summer school. At that time, it appeared that the institutions had a summer school funding

shortfall of approximately \$6.3 million. Because there is no debt service remitted from fees collected for the summer sessions, the institutions retain a larger portion of the fees for summer school costs. The recommendation, therefore, was to add to the formula 60% of the total formula faculty salary costs per credit hour for summer school credit hours.

Based on staff review of the latest revenue and expenditure data reported by the institutions, it appears that the additional funding for summer school is no longer necessary. Summer school expenditures at all institutions totaled \$9.4 million, while summer school fees collected and retained for E&G operations totaled \$12.3 million. The Committee recommends that the current formula step which generates additional funding for faculty salary costs per credit hour for summer sessions (Step 17) be eliminated. It was moved (Williams) and seconded (Utsey) that the recommendation of the Committee be adopted.

At the invitation of the Chairperson, Dr. Stanton reported that the Council of Presidents believes funding for salary costs for summer school should not be eliminated. He noted that expenditures for these salary costs at some institutions exceed summer school revenue. The motion was adopted. Mr. Brightharp opposed.

It was moved (Williams), seconded (Lewis), and voted that the appropriation formula, as changed by the actions described above, be adopted.

b. Proposed Administrative Budget for Operation of Teacher Loan Program, FY 1987-88. The Committee recommends that the proposed operating expenditures of \$102,650 by the South Carolina Student Loan Corporation for administration of the Teacher Loan Program for FY 1987-88 be approved. It was moved (Williams), seconded (Freeman), and voted that the recommendation of the Committee be adopted.

V. Report of Committee on Implementation of the State Higher Education Desegregation Plan

Dr. Lewis, chairperson of the Committee on Implementation of the State Desegregation Plan, reported on the following matters:

a. Review of Prologue to Response to the Office for Civil Rights' Proposed Factual Report on South Carolina's Higher Education Desegregation Plan. Dr. Lewis reported that the proposed prologue was prepared as an addition to the response to the Office for Civil Rights' factual report on South Carolina's desegregation plan. The response was approved by the Commission on May 7, 1987. The prologue will replace the preface of the response. The Committee recommends that the response be transmitted to the Office for Civil Rights by June 8, 1987, as requested. It was moved (DeWitt), seconded (Kinson), and voted that the document be transmitted to the Office for Civil Rights, with minor editorial changes.

b. Report on Student Retention Workshop. The Commission held a Workshop on Student Retention in Charleston on May 26-27, 1987. All baccalaureate degree-granting public institutions were represented. Featured speakers were Mr. Sheheen; Dr. Isreal Tribble, Jr., Executive Director of McKnight Programs in Higher Education, Tampa; and Dr. Francine G. McNairy,

Dean of Academic Support Services and Assistant to the Academic Vice President, Clarion University (PA). Mr. Whitener brought greetings on behalf of Mrs. Taylor and the Commission. Dr. Lewis commended the staff for its work in preparing for the workshop, and Mr. Sheheen for his outstanding speech.

VIII. Report of Committee on Facilities

Mr. Brightharp, chairperson of the Committee on Facilities, reported on the following matters:

a. Consideration of Annual Permanent Improvement Plans for 1987-88. The Committee on Facilities met on May 21 to consider Annual Permanent Improvement Plans (APIP) submitted by the colleges and universities for 1987-88. The Committee adopted the following two overall recommendations based on the apparent 88% formula funding level for the 1987-88 fiscal year:

(1) In light of the impact of such an allocation on the academic missions of the institutions, the Committee recommends that no projects of a desirable or optional nature be funded during the fiscal year from formula funds and that all such funds be utilized for academic purposes;

(2) Further, the Committee recommends that for the forthcoming fiscal year, any surplus funds generated by athletic departments be transferred to the education and general funds of the institutions, to be utilized for academic purposes rather than expansion of athletic facilities.

Mr. Brightharp noted that the projects not recommended by the Committee were in keeping with these two recommendations. It was moved (Brightharp) seconded (Dewitt), and voted that the recommendation 1 be adopted. It was moved (Brightharp) seconded (Henderson), and voted that the recommendation 2 be adopted.

Dr. Borkowski requested that the action on recommendation 2 be rescinded. It was moved (Williams) and seconded (Brooker) that the matter be reconsidered. The motion was disapproved. A summary of Committee recommendations and Commission actions is set forth below:

Francis Marion College. 2 projects totaling \$80,000. It was moved (Brightharp) seconded (Kinon), and voted that the recommendation of the Committee be adopted.

Winthrop College. 6 projects totaling \$860,000. It was moved (Brightharp) seconded (Kinon), and voted that the recommendation of the Committee be adopted.

College of Charleston. 6 projects totaling \$390,000. It was moved, (Brightharp), seconded (DeWitt), and voted that the recommendation of the Committee be adopted. Mr. Brightharp noted that the Committee does not recommend one project (purchase of staging) totaling \$65,000. Mr. Daniel Dukes of the College of Charleston responded to questions concerning the staging project. After further discussion, it was moved (Brightharp), seconded (Jones), and voted that the recommendation of the Committee be adopted.

South Carolina State College. 9 projects totaling \$2,119,000. It was moved (Brightharp) seconded (Jones), and voted that the recommendation of the Committee be adopted.

Clemson University. 17 projects totaling \$1,755,000. It was moved (Brightharp) seconded (Jones), and voted that the recommendation of the Committee be adopted. The Committee recommended that 4 projects not be approved. It was moved (Brightharp) seconded (Freeman), and voted that the recommendation of the Committee be adopted.

Medical University of South Carolina. 25 projects totaling \$2,795,000. It was moved (Brightharp) seconded (Utsey), and voted that the recommendation of the Committee be adopted. The Committee recommends that 9 projects be deferred. The Committee will meet on June 29 to consider and make a recommendation to the Commission concerning these projects for consideration at its July meeting. It was moved (Brightharp) seconded (Lewis), and voted that the recommendation of the Committee be adopted.

USC-Columbia. 20 projects totaling \$5,575,000. It was moved (Brightharp) seconded (Brooker), and voted that the recommendation of the Committee be adopted. The Committee recommends that 5 projects not be approved. It was moved (Brightharp) and seconded (DeWitt) that the recommendation of the Committee be adopted. After discussion, the motion was amended (Brooker), seconded (Lewis), and voted to provide that one project (McKissick Gallery Renovation) be included in the group of projects recommended for approval. It was moved (Brightharp) seconded (Lewis), and voted that the recommendation of the Committee concerning the remaining projects not recommended for approval be adopted.

USC-Aiken. 2 projects totaling \$562,466. It was moved (Brightharp) seconded (Lewis), and voted that the recommendation of the Committee be adopted. The Committee also recommended that one project be deferred and considered at the June 29 meeting. It was moved (Brightharp) seconded (Lewis), and voted that the recommendation of the Committee be adopted.

USC-Coastal Carolina. 4 projects totaling \$418,000. It was moved (Brightharp) seconded (Kinson), and voted that the recommendation of the Committee be adopted.

USC-Spartanburg. 1 project totaling \$30,000. It was moved (Brightharp) seconded (Lewis), and voted that the recommendation of the Committee be adopted.

USC-Sumter. 2 projects totaling \$85,000. It was moved (Brightharp) seconded (DeWitt), and voted that the recommendation of the Committee be adopted.

State Board for Technical and Comprehensive Education. 2 projects totaling \$80,700 at Midlands Technical College; 1 project totaling \$205,000 at Piedmont Technical College; and 1 project totaling \$38,000 at Trident Technical College. It was moved (Brightharp) seconded (Lewis), and voted that the recommendation of the Committee be adopted.

b. Consideration of Lease, Lander College. Lander College and the Lander Foundation have a "Master Lease," previously approved by the Commission, for land and facilities owned by the Foundation and used by the College. The lease is approved for a five-year period and is renewable for additional five-year increments. Lander requests approval to add three new pieces of property (three lots totaling $3/4$ acres of land, with houses, adjacent to the campus) recently purchased by the Foundation. The total cost of the addition to the lease would be \$7,200. The Committee recommends approval. It was moved (Brightharp) seconded (Askins), and voted that the recommendation of the Committee be adopted.

c. Consideration of Transfer of Funds for Avery Institute, College of Charleston. The Avery Research Center for Afro-American History and Culture was established at the College of Charleston in December 1985. While the program is currently housed on campus, it is planned that it will be permanently located at 125 Bull Street, the site of the former Avery Normal Institute. The College of Charleston requests authorization to purchase and renovate the Avery Institute at a cost of \$950,000 in capital improvement bonds. Funds will not be released until July 1, 1987, \$250,000; January 1, 1988, \$300,000; and July 1, 1988, \$400,000. The College requests that the Joint Bond Review Committee authorize the temporary transfer of funds from the Site Development and Expansion of the Underground Utilities to the Purchase and Renovation of Avery Institute Project. The use of these funds (\$750,000) would allow the College to purchase the facility and repair the roof. When the scheduled release of funds for the Institute occurs, the College would repay the Site Development and Expansion of Utilities Project. The Committee recommends approval. It was moved (Brightharp) seconded (Kinson), and voted that the recommendation of the Committee be adopted.

d. Consideration of Budget Increase for Residence Hall Complex, USC-Coastal Carolina. USC-Coastal Carolina has taken bids on the final components of the residence hall complex. A substantial tap fee has been required by the City of Conway and Grand Strand water and sewer that was not anticipated. It is necessary to add \$572,000 to the project budget, increasing the budget from \$5,400,000 to \$5,972,000. The increase will be paid from the Horry County Higher Education Commission, the Coastal Education Foundation, USC-Coastal Excess Debt Service, Renovation Reserve, and Parking Funds. The Committee recommends approval. It was moved (Brightharp) seconded (DeWitt), and voted that the recommendation of the Committee be adopted.

VII. Report of the Commissioner

Mr. Sheheen reported on the following matters:

a. Travel Expenses. Mr. Sheheen noted that all requests for travel expenses incurred prior to the end of the current fiscal year must be submitted to the Commission office by June 30, 1987.

b. Work Plan. He reported that he is working with senior staff members to develop a work plan of suggested projects for the next twelve months. The plan should be completed on June 8, 1987.

c. Criteria for Evaluating Facilities Requests. Mr. Sheheen reported that appropriate criteria for use by the Commission in evaluating and approving facilities requests and a mechanism for meeting equipment needs and deferred maintenance will be developed by the staff.

Mrs. Taylor noted that the next meeting of the Commission will be held on July 9 in Columbia.

The meeting was adjourned at 3:00 p.m.

Respectfully submitted,

Gaylon Syrett
Gaylon Syrett/
Recording Secretary