

Detailed Descriptions of Interim Facilities Projects for Consideration

Clemson University

Athletic Facilities-Constr./Renov. I & II	\$4,600,000	-increase
Previous Budget	\$23,800,000	
Source of funds	\$4,000,000	-private (IPTAY)
	<u>600,000</u>	maint/renov/repair fund
	\$4,600,000	

Discussion

This project is to add funds to continue A&E for Phase I of the West End Zone project, and to support award of an early site work package which would include enhancements to the campus storm drainage system. Phase I of the project will include all required game day facilities, club seating, and additional restroom and concession facilities. The target completion date for this phase of the work is June 2005. Phase I estimated total cost is \$32 million.

Clemson University

Harcombe Dining Hall Renovation	\$ 600,000	-establish
Source of Funds	\$ 600,000	-gift in kind

Discussion

This project is the renovation of dining space by ARAMARK to house a franchise restaurant and faculty/staff dining area. The space is adjacent to the main Harcombe Dining Hall area and will be constructed as a gift of construction by the ARAMARK Corporation under their contractual agreement with Clemson. The renovation will consist of kitchen area, floor and wall coverings, furniture and equipment and related items.

SC State University

Campus-wide E&G Misc. Repairs	\$ 2,000,000	-establish
Source of Funds	\$ 2,000,000	-institution bonds

Discussion

This request included miscellaneous repairs to Educational and General (E&G) buildings campus wide. It includes window repairs/replacements, stairway repairs, floor repairs and replacements, HVAC mechanical repairs/replacements, plumbing repairs, upgrade emergency lighting, upgrade fire alarm systems, repair/replace roofs, general structural repairs, repairs to sewer systems, road repairs, hot water heater repairs, general electrical repairs and upgrades, and miscellaneous A&E costs associated with the general repairs.

USC-Columbia

1600 Hampton Street Complex Acquisition \$ 2,200,000 -increase/change source of funds
(Previous Budget \$21,800,000)

Source of Funds	(\$ 2,000,000)	-institution bonds
	<u>4,200,000</u>	-federal funds
Total Change	\$ 2,200,000	

Discussion

The change in source of funds and the increase in the budget are a result of the Department of Justice (DOJ) agreeing to lease two full floors, approximately 53,000 square feet, of the building. The lease agreement provides \$2 million up front funding towards the renovation of the facility. This is being used to reduce the amount of institutional bonds required for the projects. In addition, the DOJ requested upgrades to the space they are to occupy. These upgrade costs, \$2.2 million, are being added to the project budget and are being funded by the DOJ. The upgrade consists of total renovation of the two floors rather than partial renovations planned for space occupied by USC.

USC-Aiken

Convocation Center \$11,200,000 -increase budget
(Previous Budget \$9,050,000)

Source of Funds:	\$ 4,200,000	-institution bonds
	<u>7,000,000</u>	-county funds
Total	\$11,200,000	

Discussion

The purpose of the request is to increase the Convocation Center budget by \$11.2 million to include \$7million in county bonds and \$4.2 million in institutional bonds. The Convocation Center has been USC-A's number one construction need for three consecutive years. USC-A requested \$6 million in state bond funds in FY 01-02 and 02-03 and an additional \$5 million was anticipated from the county. Based on the lack of funding from the state, Aiken County increased its commitment to \$7 million and USC-A will make up the remaining need by tuition bond capacity.

Winthrop University

Breazeale Demolition \$ 1,400,000 -establish

Source of Funds	\$1,400,000	-institution bonds
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Discussion

This request is to establish a project to demolish Breazeale Hall in order to make the footprint of the building available for development. Breazeale has been predominantly vacant since 1989. Since that time it has been used as swing space for departments while other facilities were being renovated. The last time it was occupied was in 1994. Since then it has been used for storage. Several feasibility studies have been performed to see if the space could be adapted and reused. Each study has projected prohibitively high costs due to the wide wood frame load bearing corridors which are not sufficient to support a useful renovation. The building is on a valuable

footprint for a future building. It would be advantageous to remove it prior to the start of the Peabody replacement project because of common site and utility considerations.

Winthrop University

Track and Field Building	\$2,400,000	-establish
Source of Funds	\$2,400,000	-institution bonds

Discussion

This project is to construct a competition quality track with a rubberized surface surrounding a full-size soccer field. The project will also involve constructing a two-story central structure with locker rooms, offices, and storage areas.

Tri-County TC

Cleveland Hall Deferred Maintenance	\$1,200,000	-establish
Source of Funds:	\$1,200,000	-local
Budget:	\$ 70,000	-professional service fees
	1,030,000	-renovations, building interior
	<u>100,000</u>	-contingency
Total:	\$1,200,000	

Discussion

This project consists of renovation to existing facilities to meet current requirements for academic programs. This will include mechanical, electrical, interior renovations, life safety, and code compliance.

Recommendation

The Finance and Facilities Committee recommends approval of the above projects as proposed.

Lease

Coastal Carolina Lease Request-Atlantic Center Not to exceed \$300,000/yr

Discussion

Coastal requests approval to lease space in the Atlantic Center contiguous to Coastal Carolina University's current facility in the Atlantic Center. The property consists of 69,480 square feet of office and manufacturing space situated on approximately 10.9 acres. The facility was constructed in 1998 and housed a manufacturing firm. The structure is comprised of 16,000 square feet of office space and 53,480 square feet of manufacturing space.

Coastal Carolina University has grown at a rate of over 48% during the ten year period of 1992-2002, and projections indicate this growth to continue. The greatest growth has been in the sciences, which has grown from approximately 600 student majors in 1988 to nearly 1,600 in 2002. The acquisition of this facility will provide space immediately for science activities and will relieve the current stress on the College of Science for three to five years. The acquisition of this property would not eliminate the need for a science building, but would give the university

the time and flexibility of space to accommodate the needs of its largest and fastest growing academic programs.

The Coastal Educational Foundation (CEF) is currently negotiating for the purchase of the property, and following the purchase, Coastal Carolina University would lease the property for an amount equal to the annual debt service payments. In addition to the purchase, the CEF may provide funds for the renovation of the facility. This renovation would consist of converting the 53,480 square feet of manufacturing space to classroom and laboratory space. The 16,000 square feet of office space would be utilized in its current state. The estimated cost of the renovation is \$300,000. This amount would be included in the financing costs and ultimately the lease amount. Based on the current appraised value and including the costs of the renovation, the annual lease amount would be approximately \$300,000 for a term of 20 years.

An appraisal of the property was performed in 2001 that valued the property at \$2,900,000, which equates to approximately \$42.00 per square foot. The added renovations would equal another \$5.60 per square foot for a total cost of \$47.60 per square foot. Given the prevailing construction market, a new facility of comparable size would cost at least twice this much to build.

Coastal anticipates that the purchase will be completed during September, and occupancy of the office space is planned immediately following the property closing. The renovation of the facility will be accomplished in the subsequent months with completion planned for the summer of 2004. The completed facility will provide classrooms and laboratories for classes in the fall of 2004.

If the CEF does not include the renovation funds as part of the overall financing, the university would need to immediately establish a capital improvement project in the amount of \$300,000. This would delay the implementation of the renovations due to the additional required State approvals.

Therefore, Coastal Carolina University requests the recommendation for approval of a lease between the Coastal Educational Foundation and Coastal Carolina University for an amount not to exceed \$300,000 annually, and a capital improvement project in the amount of \$300,000. The need for the capital improvement project may not be required if the CEF provides funds for the renovation.

Recommendation

The Finance and Facilities Committee recommends approval of the lease provided the rates and terms are found acceptable by the Leasing Office of the Budget and Control Board.

Consideration of Policy for Allocation of Lottery-Funded Technology Funds to Two-year Sector, Fiscal year 2003-2004 (per proviso 5A.28)

Background

The General Assembly of South Carolina authorized (see below), in the 2003 legislative session, the distribution of \$6,000,000 to the twenty public, two-year institutions of South Carolina (i.e., four two-year regional campuses of the University of South Carolina and sixteen two-year technical colleges). An identical amount of funds was allotted to the public four-year teaching universities by the General Assembly. The two-year institutions are to receive their portion as part of a flow-through process.

5A.28. (CHE: Lottery Technology Funds) Of the funds appropriated from the Education Lottery for technology, one-half must be used for a University Technology Program and awarded to public four-year universities, excluding the University of South Carolina-Columbia, Clemson University, and the Medical University of South Carolina. Funds must be awarded to these institutions according to the following formula: thirty-five percent of available dollars must be allocated equally among eligible institutions, with the remaining sixty-five percent to be prorated among the eligible institutions based on total FTE enrollment in the immediately previous year. The remaining one-half of these funds appropriated for technology shall be Technology Program funds to be used for technology upgrades across the public two-year institutions and the technical college system for the support and development of technology. Notwithstanding any other provision of law, prior approval or involvement of the Commission on Higher Education beyond allocation of funds as described herein is not required.

In the technology arena, the challenge inherent in identifying any distribution methodology involves balancing the number of users, or institutional size, with basic technology investments in infrastructure that must be made regardless of institutional size. Based on this belief we have developed a distribution process that will best meet the technology needs with available dollars.

Proposed Methodology

The Finance and Facilities Committee recommends that there be a guaranteed minimum allocation floor determined by the staff in consultation with the Funding Advisory Committee on an annual basis. A guaranteed floor assumes that any institution, regardless of size, has to purchase and upgrade a certain amount of technology (software and hardware) and provide technology training simply to qualify as a modern institution, regardless of how many students are enrolled in the institution. The initial step is to spread the available dollars to the institutions based on the prior years fall term percent of FTE enrollment. Institutions that result in an amount equal to or less than the floor amount will be assigned the floor amount. The total available dollars less the dollars assigned to the institutions receiving the floor amount will then be spread over the remaining institutions based on the prior years fall term FTE enrollment.

The Finance and Facilities Committee recommends using FTE enrollment as opposed to headcount enrollment to be consistent with the allocation methodology used for the four-year

institutions technology grant funds. A variance analysis of the allocation results between using FTE enrollment and headcount enrollment was performed and the variances were determined to be immaterial.

The institutions shall maintain documentation to support the propriety of the technology grant expenditures. These expenditures are subject to Commission on Higher Education audits.

The institutions shall submit to the Commission on Higher Education, by September 15 of the following fiscal year, information describing the type and amount of expenditures of the grant technology funds for the previous fiscal year.

Refer to the attached schedule for detail of the proposed 2003-2004 allocation of technology grant funds.

Recommendation

The Finance and Facilities Committee recommends the following policy for distribution of lottery proceeds designated for two-year institutions.

Policy

Any lottery technology funds designated by the General Assembly for two-year institutions shall be allocated based on the prior year's fall FTE enrollment, with a minimum amount to be provided to each institution. The minimum amount will be determined on an annual basis by the staff of the Commission on Higher Education, in consultation with the Funding Advisory Committee.

Due to the schedule for distribution of lottery proceeds, these funds will be distributed in late October 2003 (90%) and in the final quarter of the fiscal year (10%).

Proposed 2 Year Technology Grant Allocation Methodology 2003-2004

	Fall 2002 FTE	FTE %	Allocation (Floor 125,000)	%	90% Available Oct. 30	10% Available 4th Qtr.
Two-Year Regional Campuses						
USC - Lancaster	623	1.3%	125,000	2.1%	112,500	12,500
USC - Salkehatchie	442	0.9%	125,000	2.1%	112,500	12,500
USC - Sumter	761	1.6%	125,000	2.1%	112,500	12,500
USC - Union	194	0.4%	125,000	2.1%	112,500	12,500
Subtotal USC-Regional	2,020	4.2%	500,000	8.3%	450,000	50,000
Technical Colleges						
Aiken	1,585	3.3%	186,370	3.1%	167,733	18,637
Central Carolina	1,890	4.0%	222,233	3.7%	200,010	22,223
Denmark	1,233	2.6%	144,981	2.4%	130,483	14,498
Florence - Darlington	2,683	5.6%	315,477	5.3%	283,929	31,548
Greenville	7,058	14.8%	829,905	13.8%	746,915	82,991
Horry - Georgetown	2,930	6.2%	344,520	5.7%	310,068	34,452
Midlands	6,527	13.7%	767,468	12.8%	690,722	76,747
Northeastern (formerly Ches-Marlb)	672	1.4%	125,000	2.1%	112,500	12,500
Orangeburg - Calhoun	1,627	3.4%	191,309	3.2%	172,178	19,131
Piedmont	3,094	6.5%	363,804	6.1%	327,423	36,380
Spartanburg	2,613	5.5%	307,246	5.1%	276,521	30,725
T C of the Lowcountry	1,017	2.1%	125,000	2.0%	112,500	12,500
Tri - County	2,766	5.8%	325,236	5.4%	292,713	32,524
Trident	7,054	14.8%	829,434	13.8%	746,491	82,943
Williamsburg	321	0.7%	125,000	2.1%	112,500	12,500
York	2,526	5.3%	297,016	5.0%	267,315	29,702
Subtotal Technical	45,596	95.8%	5,500,000	91.7%	4,950,000	550,000
Total FTE/Total Allocation	\$ 47,616	100.0%	\$ 6,000,000	100.0%	5,400,000	600,000

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footprint for a future building. It would be advantageous to remove it prior to the start of the Peabody replacement project because of common site and utility considerations.

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Tri-County TC

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Source of Funds:	\$1,200,000	-local
Budget:	\$ 70,000	-professional service fees
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Total:	\$1,200,000	

Discussion

This project consists of renovation to existing facilities to meet current requirements for academic programs. This will include mechanical, electrical, interior renovations, life safety, and code compliance.

Recommendation

The Finance and Facilities Committee recommends approval of the above projects as proposed.

Lease

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Discussion

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Coastal Carolina University has grown at a rate of over 48% during the ten year period of 1992-2002, and projections indicate this growth to continue. The greatest growth has been in the sciences, which has grown from approximately 600 student majors in 1988 to nearly 1,600 in 2002. The acquisition of this facility will provide space immediately for science activities and will relieve the current stress on the College of Science for three to five years. The acquisition of this property would not eliminate the need for a science building, but would give the university

the time and flexibility of space to accommodate the needs of its largest and fastest growing academic programs.

The Coastal Educational Foundation (CEF) is currently negotiating for the purchase of the property, and following the purchase, Coastal Carolina University would lease the property for an amount equal to the annual debt service payments. In addition to the purchase, the CEF may provide funds for the renovation of the facility. This renovation would consist of converting the 53,480 square feet of manufacturing space to classroom and laboratory space. The 16,000 square feet of office space would be utilized in its current state. The estimated cost of the renovation is \$300,000. This amount would be included in the financing costs and ultimately the lease amount. Based on the current appraised value and including the costs of the renovation, the annual lease amount would be approximately \$300,000 for a term of 20 years.

An appraisal of the property was performed in 2001 that valued the property at \$2,900,000, which equates to approximately \$42.00 per square foot. The added renovations would equal another \$5.60 per square foot for a total cost of \$47.60 per square foot. Given the prevailing construction market, a new facility of comparable size would cost at least twice this much to build.

Coastal anticipates that the purchase will be completed during September, and occupancy of the office space is planned immediately following the property closing. The renovation of the facility will be accomplished in the subsequent months with completion planned for the summer of 2004. The completed facility will provide classrooms and laboratories for classes in the fall of 2004.

If the CEF does not include the renovation funds as part of the overall financing, the university would need to immediately establish a capital improvement project in the amount of \$300,000. This would delay the implementation of the renovations due to the additional required State approvals.

Therefore, Coastal Carolina University requests the recommendation for approval of a lease between the Coastal Educational Foundation and Coastal Carolina University for an amount not to exceed \$300,000 annually, and a capital improvement project in the amount of \$300,000. The need for the capital improvement project may not be required if the CEF provides funds for the renovation.

Recommendation

The Finance and Facilities Committee recommends approval of the lease provided the rates and terms are found acceptable by the Leasing Office of the Budget and Control Board.

Policy on Financial Impact of Data Corrections

Background

The Legislative Audit Council (LAC) in its review of the higher education performance funding process found that the Commission had implemented a data verification process that provided improved control over information used to evaluate performance. However, the LAC noted that the process could be strengthened if CHE had a policy to correct misallocation of funds that may occur due to data errors. As a result the LAC recommended the following:

In collaboration with institutional representatives, CHE staff and the State Board for Technical and Comprehensive Education should implement policies and procedures for the redistribution of funds based on data verification scoring changes.

Due to action of the Commission, this recommendation was under the consideration of the Planning and Assessment Committee, but had not yet been approved. The Committee on Finance & Facilities has continued work on this issue, and as a result, a revised policy is being recommended. Attachment 1 provides additional information related to the suggested policy.

Recommendation

The Committee on Finance & Facilities recommends that the following policy to address the financial impact of data corrections be approved.

Policy on Financial Impact of Data Corrections

This policy addresses data discrepancies, identified and verified through the Commission on Higher Education's data verification process or through other means or processes that result in a misallocation of state appropriations. Note that the policy does not apply to scholarships because scholarship funds are subject to a separate policy.

Upon review of data either as a part of the Commission's data verification process or through other means or processes, it will be determined whether any discrepancies in the information reviewed impacted an institution's performance funding score and/or subsequent appropriation. Any resulting over-funding that is more than or equal to one-quarter of one percent of the corresponding year institution's appropriation for the respective program or purpose will result in an adjustment in the subsequent year's appropriation by the entire amount of the over funding. Any resulting under-funding that is more than or equal to one-half of one percent of the corresponding year institution's appropriation for the respective program or purpose will result in an adjustment in the subsequent year's appropriation by the entire amount of the under-funding. Funding adjustments will be made for no further back than an institution's prior audit. Historical and current data will be corrected as indicated by the data review.

An affected institution will be afforded the opportunity to appeal its case regarding data and the effect on upcoming appropriation changes to the Commission through the Finance & Facilities Committee prior to action by the full Commission.

SCHEDULE OF MATERIALITY FOR FINANCIAL IMPACT OF DATA CORRECTIONS

Institutions	Operating Fund	1/4%	1/2%	1%
	Appropriations 2003-2004			
The Citadel	\$13,060,379	\$32,651	\$65,302	\$130,604
Clemson University	84,689,777	\$211,724	\$423,449	\$846,898
Coastal Carolina Univ.	11,327,050	\$28,318	\$56,635	\$113,271
College of Charleston	25,810,415	\$64,526	\$129,052	\$258,104
Francis Marion Univ.	12,692,445	\$31,731	\$63,462	\$126,924
Lander University	8,593,173	\$21,483	\$42,966	\$85,932
S C State University	19,523,230	\$48,808	\$97,616	\$195,232
USC - Columbia	147,661,747	\$369,154	\$738,309	\$1,476,617
USC - Aiken	9,444,015	\$23,610	\$47,220	\$94,440
USC - Spartanburg	10,642,405	\$26,606	\$53,212	\$106,424
USC - Beaufort	1,815,868	\$4,540	\$9,079	\$18,159
USC - Lancaster	2,333,227	\$5,833	\$11,666	\$23,332
USC - Salkehatchie	1,946,481	\$4,866	\$9,732	\$19,465
USC - Sumter	3,747,817	\$9,370	\$18,739	\$37,478
USC - Union	914,325	\$2,286	\$4,572	\$9,143
Winthrop	19,736,734	\$49,342	\$98,684	\$197,367
Medical Univ. of SC	81,450,549	\$203,626	\$407,253	\$814,505
A.H.E.C.	13,645,353	\$34,113	\$68,227	\$136,454
State Board for Technical & Comprehensive Education	<u>130,115,263</u>	<u>\$325,288</u>	<u>\$650,576</u>	<u>\$1,301,153</u>
Total	<u>\$599,150,253</u>	<u>\$1,497,876</u>	<u>\$2,995,751</u>	<u>\$5,991,503</u>

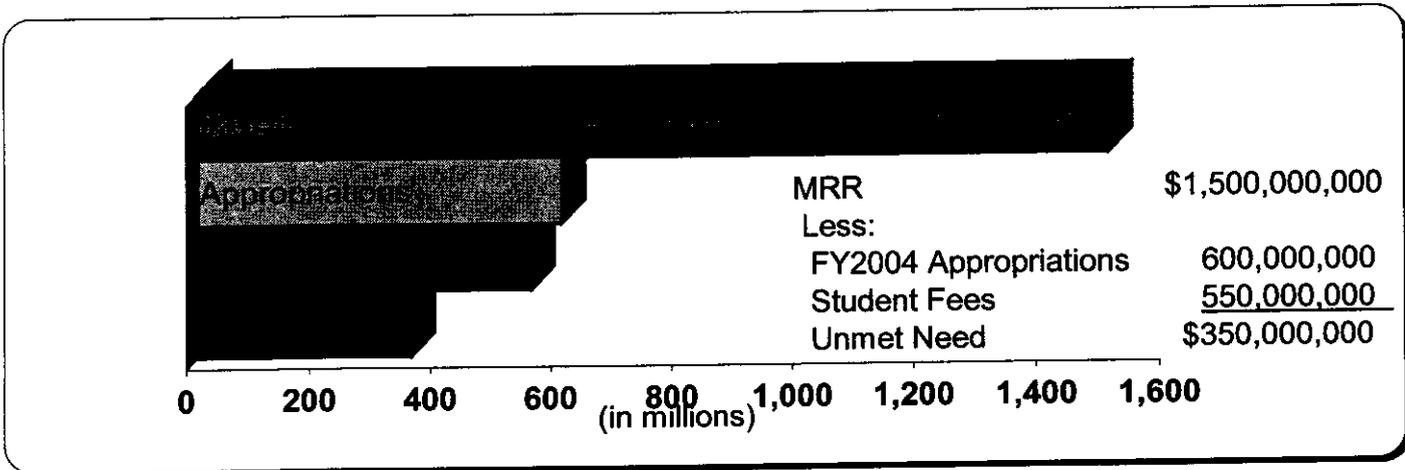
Note: The above schedule is presented for information purposes to illustrate the relevant amounts referred to in the policy discussed on the previous page. The last column (1%) is provided solely as additional information for comparative purposes.

Higher Education Operating Fund Budget Request for Fiscal Year 2004-05

Background

Each year, the S. C. Commission on Higher Education presents a budget request to the Governor and the General Assembly on behalf of the state's 33 public institutions of higher education. This budget request is a request for the operating funds of the institutions. Requests for specific items (commonly referred to as below-the-line items) and capital items are not included in this request but are submitted separately. Therefore, discussions within this text will be limited to the request for operating funds.

Illustrated below are the total needs of the colleges and universities, the amount funded from appropriations and student fees, and the unmet need. Since 1997, the Commission has used a Mission Resource Requirement (MRR) to determine those needs. Also to be considered in the development of a budget request is the budgetary outlook of the state. At this time, the state is facing severe budgetary constraints. Thus, any requested increase should be modest.



Recommendation

Based on the consideration of all of the above factors, the Committee on Finance & Facilities recommends, that the budget request amount be an increase of \$50 million, or a minimum of the projected overall percentage increase in state revenues. This request would be incorporated into "Plan 2005" as outlined below.

Plan 2005 is on behalf of the entire public higher education community and constitutes its approved funding request to be presented to the General Assembly in January 2004. The \$50 million request is over and above the current FY 2004 state appropriations, after application of last year's budget reductions of \$68 million. The establishment and the maintenance of world-class status institutions in South Carolina will continue to enhance new and existing economic development and exemplary research efforts as well as nurture and promote South Carolina's most essential resource, an educated and well-informed citizenry.

Also, **Plan 2005** will continue the effort established in 1996 under Act 359. With seven years of performance funding implementation and experience, South Carolina continues to set the standard for performance funding in this country. These funds are absolutely essential to reward high-achieving institutions and to sustain improvements achieved by other institutions.

Commission on Higher Education Budget Requests for Fiscal Year 2004-05

Background

Listed below are the budget request priorities for the 2004-05 fiscal year. These requests represent, in part, how the Commission plans to address some of the important issues facing the higher education community in South Carolina. The budget requests are part of the Commission's continuing efforts to align available resources to our stated goals and objectives. The process of identifying the resources required to advance higher education in the state is undertaken annually. If approved, these requests will be formally incorporated into the state's budget evaluation process. It should be noted that funding for these projects compete for the same dollars requested by other state agencies and are evaluated based on the services and programs required for all of our citizens. As an additional item, a request for continued and expanded lottery appropriations is also included.

Summary of Commission on Higher Education Budget Requests for FY 2004 – 2005		Requested Increase
Priority No. 1	Statewide Electronic Library	\$ 2,500,000
Priority No. 2	Access & Equity	402,475
Priority No. 3	Teacher Education Programs Quality Assurance Review	100,000
Priority No. 4	Southern Regional Education Board	577,411
Priority No. 5	a. Higher Education Awareness Program	402,250
	b. Gaining Early Awareness and Readiness for Undergraduate Programs (GearUP) Matching Funds	1,000,000
Priority No. 6	Academic Endowment Incentive	4,550,679
Subtotal:		\$9,532,815
Request for Lottery Appropriations		150,000,000
Total:		\$159,532,815

These amounts represent either new requests or increases from the current year's appropriated amounts. On the following pages are descriptions of these items, along with current funding amounts and requested increases.

Recommendation

The Committee on Finance & Facilities recommends that Items 1-6 and the Lottery Item be approved.

Priority No. 1
Statewide Electronic Library

There is a compelling reason for South Carolina to promote a multi-year effort to increase the effectiveness of its higher education academic libraries by investing in their capacities to assure their users fast and far-reaching access to electronic databases, full-text retrieval and collection sharing through uniform cataloguing. Without this effort, South Carolina will fall further behind its neighbors in the Southeast, a fact which will imperil the State's ability to realize the vision found in Act 359 of 1996 of having a globally competitive higher education system.

Specifically, the project will implement a statewide electronic library with the following components:

Replace failing on-line catalogs at eight institutions with new library management software.

Provide on-line connectivity among all public academic libraries for the creation of a "virtual library."

Secure license agreements for and implement needed high-level databases for academic libraries, allowing the smallest of libraries to have equal access to vast stores of electronic journals and e-books.

Create access to library resources through high-speed delivery using scanning software and delivery courier services.

Provide the infrastructure to coordinate library sharing and cooperative purchasing so the State can realize major cost avoidance from duplicate library purchases. An executive director to manage and coordinate the effort and two technical experts to maintain the systems will be the core of the infrastructure.

The request for funding of this project represents the costs for the first year of the program's operations only. Every state that has engaged in a statewide virtual library has done so on a multi-year, continuous cycle. The purpose of statewide funding is to level the playing field so that institutional financial constraints and limited local library resources are not barriers to accessing information for users of these libraries. Through this cooperative effort, users of the smallest academic libraries in the most remote areas of the state will have access to the same sophisticated electronic databases and other traditional library materials currently available only at the state's largest universities.

Current Funding – FY 04	Requested Increase for FY 05	Total Funding Requested
\$0	2,500,000	\$ 2,500,000

Priority No. 2
Access & Equity

Responsible states in the Southeast and throughout the country have recognized that the task of providing full Access & Equity has yet to be completed. The SC Commission on Higher Education is requesting an increase of \$402,475 for Access & Equity for FY 2004-05.

Given that South Carolina has not achieved parity in the percentage of minority students who attend and graduate from public colleges and universities in comparison with the composition of the state population, the higher education program for Access & Equity is essential. The contributions of minority citizens are paramount in order to avoid future compromises in the quality of life and lower standards of living for South Carolinians and other Americans. The status of minorities in higher education still reflects a condition where African Americans are underrepresented in undergraduate and graduate enrollments and in professional positions of employment.

Current Funding - FY 04	Requested Increase for FY 05	Total Funding Requested
\$718,801	402,475	\$ 1,121,276

Priority No. 3
Teacher Education Programs Quality Assurance Review

Existing academic review is a long-standing Commission activity that serves as an ongoing check on the quality and efficiency of the state's instructional programming. By gauging the health of teacher education at the public institutions in the state on an eight-year cycle, program review is an effective tool in helping the Commission and the institutions to plan better the state's academic program array.

The review of existing teacher education programs is a critical component of the Commission's statewide mission of ensuring quality and integrity of degree programs; identifying exemplary programs as well as programs in need of strengthening; ensuring appropriate program productivity and availability; and serving as a strategic planning device for determining present and future need of specific discipline areas (i.e., new program development), including resources such as facilities and equipment, providing a comparative analysis of the level of development and overall quality of programs measured against programs external to the State. The evaluation process is both formative and summative. It involves the preparation of institutional self-studies; site visits conducted by external peer reviewers; and a final report for each discipline area, visited once every eight years assuming this budget request is honored, in which reviewers make recommendations for change; place programs on probation with stipulation for improvement; or terminate programs. Programs scheduled for review during 2004-05 are undergraduate and graduate programs in education.

Current Funding – FY 04	Requested Increase for FY 05	Total Funding Requested
\$0	100,000	\$ 100,000

Priority No. 4
Southern Regional Education Board (SREB)

These funds will cover the contract fee increases for students in specified degree programs not offered in South Carolina and the required increase in SREB membership dues for the State. The SREB's contract program offers students pursuing professional health degrees admission in other state institutions of higher learning at the same costs of in-state tuition and at a reduced tuition rate for private institutions.

This program helps South Carolina resident students access graduate programs in the fields of optometry and veterinary medicine, which are not offered in the State. Participating states pay colleges and universities the differential between in-state and out-of-state tuition for a designated number of reserved slots to guarantee student access to programs not available in the home state; meanwhile the State avoids the expense of building and staffing these professional schools.

Current Funding – FY 04	Requested Increase for FY 05	Total Funding Requested
\$1,433,544	577,411	\$ 2,010,955

Priority No. 5
 Higher Education Awareness Program (HEAP)
 and
 Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)
 Matching Funds

Note: These programs are presented together because they are programmatically linked as components of our overall higher education information and awareness outreach programs.

HEAP

The SC Commission on Higher Education is requesting a total of \$402,250 in recurring funds for the Higher Education Awareness Program (HEAP) for FY 2004-05. Funds appropriated for this program are used to provide every 8th grade student in the state with information and materials about the importance of higher education and how to prepare for college during their high school years.

This program's funding during FY 2003-04 was from non-recurring funds and therefore must be requested again to ensure continuation of the program.

GEAR-UP

The SC Commission on Higher Education is requesting a total of \$1,000,000 in recurring funds for the GEAR UP Program for FY 2004-05. Funds appropriated for the State GEAR UP shall be used for state grants programs to reach disadvantaged middle school students to improve their preparation for college. The funds will be used to match Federal GEAR Up funds awarded to the State for FY 2004-2005.

The SC GEAR Up program helps disadvantaged children, beginning in the middle grades, to prepare for and get on the pathway to achieving success in college. This program is designed to develop partnerships with businesses, middle schools, high schools, and higher education institutions to assist middle school students prepare for college. Building on research and proven practices, the GEAR UP program will help sixth and seventh graders and their families plan and prepare for college by offering comprehensive strategies including counseling, tutoring and mentoring to help students achieve in higher mathematics and other gateway college preparation courses, and by offering scholarships as well as information about college and financial aid options.

Current Funding – FY 04	Requested Increase for FY 05	Total Funding Requested
a. \$402,250 (non-recurring)	402,250	\$ 402,250
b. \$600,000 (non-recurring)	1,000,000	\$ 1,000,000

Priority No. 6
Academic Endowment Incentive

The purpose of this Endowment is to further the State's efforts to promote the intellectual development of its citizens and to enhance statewide economic development through initiatives in higher education. This request is to bring the amount of funding to the state-targeted amount of \$5 million.

This program was created by the South Carolina Academic Endowment Incentive Act of 1997, and requires the Commission to administer the program. Commission responsibilities include the establishment of the South Carolina Higher Education Matching Gift Fund and institutional endowments for purposes of this program, program oversight, policies and procedures for provision of matching funds to qualified colleges and universities, submission and documentation of requests for matching State funds, disbursements to qualified colleges and universities, applications to receive matching State funds, transfer of funds to qualified institutions, reports on earnings, gifts or donations used for the purposes of this program, and forwarding and retaining unused funds and earnings to the next fiscal year. The program provides incentives to individuals, corporations, or private funding organizations to create endowments to support teaching and learning, academic research, and academic student scholarships in South Carolina's public colleges and universities. The incentive is that earnings from the created endowments will be matched from appropriations to this program.

Current Funding – FY 04	Requested Increase for FY 05	Total Funding Requested
\$449,321	4,550,679	\$ 5,000,000

Request for Lottery Appropriations

With the establishment of the S. C. Education Lottery, the General Assembly has begun appropriating lottery proceeds among various education related programs across both the K-12 and higher education sectors. Several higher education programs have received funding for the previous two years. Each year, the General Assembly reviews the distribution of lottery proceeds. Based on the success of the existing lottery funded programs, the staff recommends that all currently funded programs be recommended for continued funding.

As an additional item, and in recognition of the Commission's commitment to increasing funds available for need-based programs, the staff recommends that an additional request be submitted in the amount of \$10,000,000 for need-based grants.

Items Funded from Lottery Proceeds:

Lottery Tuition Assistance	\$ 34,000,000
LIFE Scholarships	40,000,000
Lottery HOPE Scholarships	6,500,000
Palmetto Fellows	5,000,000
National Guard Loan Repayment Program	1,500,000
Research Centers of Excellence	30,000,000
Technology Grants	12,000,000
SC State University	3,000,000
Need-Based Grants	3,000,000
Teacher Grants	2,000,000
Excellence Enhancement Program	<u>3,000,000</u>
subtotal:	<u>\$140,000,000</u>

Additional Item being Requested:

Additional Funding for Need-Based Grants	<u>\$ 10,000,000</u>
Total:	<u>\$150,000,000</u>

Discussion of Need-Based Grants Request:

Since 1998, the state of South Carolina has increased its commitment to higher education by funding merit-based scholarships for students attending South Carolina public and independent colleges and universities. However, the state has not increased funding for the SC Need-based Grant Program since the program was initiated in 1998. Each year increasing numbers of low income students graduate from South Carolina high schools prepared to enter college. The recent Miles to Go Report from the Southern Regional Educational Board cited that 46% of South Carolina's K-12 students live at poverty or near poverty levels. These low income students from both rural and urban counties are confronted by significant financial barriers that limit access to higher education - including the steadily rising costs for higher education.

This unmet need, which is the cost of college attendance after all aid including loans is awarded, has caused lower income students to borrow heavily or abandon plans of college attendance. Unless reversed, the current pattern of funding merit based scholarships at much greater levels than need-based grants, will lead to an inevitable widening in college participation, persistence and completion gaps over the next decade. In order to assure that South Carolina does not fall behind in the competitive global market and to assure that South Carolina's young people are prepared to succeed in tomorrow's workforce, it is critical to support a balance of merit-based scholarships and need-based grants.

In the past year, \$15.5 million was appropriated for need-based grants, inclusive of \$3 million from lottery proceeds. The Commission estimates that there is a total need of at least \$35 million for need-based grants. Therefore, the Commission is requesting that the amount provided in lottery proceeds be increased by \$17 million to a total of \$20 million of lottery proceeds being dedicated to Need-based Grants.

Consideration Of Below-The-Line Items

Background

Each year institutions submit funding requests for projects that are not covered by the Mission Resource Requirement (MRR) Model to the Commission on Higher Education for its consideration. These projects are referred to as below-the-line items (Items) because they are in addition to the operating funds request.

Items that are funded with non-recurring state appropriations are required to be requested by the institutions and considered by the Commission, annually. Items funded with recurring state appropriations that are requesting an increase also require Commission consideration. Items funded with recurring state appropriations that are not requesting an increase do not require annual approval consideration (these items are shown for information purposes only).

Staff initially determines whether the requests from the institutions meet the Commission approved eligibility guidelines. Items that meet the guidelines are reviewed and analyzed and submitted to the Finance and Facilities Committee for consideration. Items not meeting the guidelines are referred back to the institutions, with the understanding that they can appeal directly to the Committee.

Items are summarized in Attachment 1, by institution. Descriptions of the items are provided for your review in Attachment 2. Also included in Attachment 2 is a listing of those projects not being recommended for approval along with the related reason.

Requests are labeled in one of the three following categories:

1. **Approved initially by Legislation** – these Items have been initially funded or created and funded by the General Assembly.
2. **Competitive Matching Awards** – these Items have already received federal grants but required state match.
3. **Other** – these Items have various characteristics.

There were a total of 42 requests for fiscal year 2004-2005. The Committee on Finance and Facilities has recommended approval of 34 of the requests and is not recommending approval of ten of the requests.

There are 13 new Items and 21 continuing Items, for a total of 34 Items, submitted for the Commission's consideration. Within the continuing Items 5 Items were approved by the Commission last year but were not funded by the Legislature.

Summary of Reasons for Non-Recommended Projects

The Commission staff expects capital related items to be funded through the Capital Project process. Therefore the staff is recommending \$0 for one of the eight non-approved requests.

The Commission on Higher Education is requesting approximately \$2.5 million (on behalf of the colleges & universities) for the creation of the proposed statewide virtual library. Therefore staff is recommending \$0 for one of the eight non-approved requests because funding for this project could be considered by the institution from its share of the \$2.5 million. Therefore, this item is not recommended for separate funding.

The Commission on Higher Education staff expects the teaching universities and the 2-year colleges will continue to receive special technology funding from the Lottery proceeds. Therefore staff is recommending \$0 for one of the eight non-approved requests because the project may be funded from that source.

Four of the requests are for funding for Academic Centers/Institutes that have not been approved through the Commission on Higher Education. Therefore the staff is recommending \$0 for four of the eight non-approved requests.

One of the requests is for costs considered in the MRR and should be funded through educational and general funds. Therefore the staff is recommending \$0 for one of the eight non-approved requests.

Recommendation

The Committee on Finance & Facilities recommends full-funding of the 34 requests presented on Attachment 1 with the caveats that: 1) the "Lowcountry Graduate Center", proposed by the College of Charleston, be funded contingent upon the Center submitting a comprehensive operating plan, including bylaws and a detailed budget, for review and approval by the Commission, and 2) the "Center for Optical Materials Science and Engineering Technologies (COMSET)" proposed by Clemson University, be funded contingent upon the Center successfully completing the new program approval review process and approval by the Commission.

Extraordinary (Below-the-Line) Funding FY 2004-2005

Institution/Project		Request Category	2003/2004 Funding		2004-2005 Requested	
			Recurring	Non-Recurring	Increase	Increase
* Indicates the project was approved by the Commission in the prior year but not funded by the Legislature						
The Citadel						
	Continuation of Assimilation of Women	Other	1,110,000		-	-
Clemson University						
1	Center for Advanced Engineering Fibers and Films	Competitive Matching	814,749		185,251	185,251
2	Municipal Services-Fire & Emergency Medical Services	Legislatively Mandated	931,747		318,253	318,253
3	Center for Research in Wireless Communications	Other		500,000	500,000	1,000,000
4	Emerging Scholars Program (new)	Other			250,000	250,000
5	Call Me Mister *	Other			1,358,550	1,358,550
6	SC DNA Learning Center (new)	Competitive Matching			486,150	486,150
	Enhance Response to Campus "Homeland" Emergencies *	Legislatively Mandated			326,550	326,550
8	Center for Safety Research & Education (new)	Other			980,000	980,000
9	Center for Optical Materials Science & Engineering Technologies (COMSET) (new)	Competitive Matching			1,000,000	1,000,000
Coastal Carolina University						
10	Establishing Quality Standards: SABPAC Program Approval for the Baccalaureate Health Promotion Program at Coastal Carolina University (new)	Other			103,965	103,965
College of Charleston						
11	Governor's School	Legislatively Mandated	288,017		142,933	142,933
12	Avery Research Center	Other	300,000		189,628	189,628
13	Economic Partnership Initiatives *	Other			345,000	345,000
14	Lowcountry Graduate Center (new)	Other			435,000	435,000
Francis Marion University						
	Omega Project	Other	56,147			-
	Minority Business Assistance in the Pee Dee Area (new)	Other			25,000	25,000

Extraordinary (Below-the-Line) Funding FY 2004-2005

Institution/Project		Request Category	2003/2004 Funding		Requested Increase	2004-2005 Requested Increase
			Recurring	Non-Recurring		
* Indicates the project was approved by the Commission in the prior year but not funded by the Legislature						
16	Francis Marion University: Rogers Library System for Resources and Services (new)	Other			100,000	100,000
Lander University						
	Academic Initiative	Legislatively Mandated	575,000			-
South Carolina State University						
	Teacher Training & Development	Legislatively Mandated	535,534			-
17	Business School Accreditation Support	Legislatively Mandated		462,141	37,859	500,000
18	University Transportation Center	Competitive Matching		462,141	537,859	1,000,000
University of South Carolina - Columbia						
	Small Business Development Center (SBDC) USC Columbia Campus	Competitive Matching	686,534			-
	African-American Professors Program	Other	178,805			-
19	Institute for Public Service & Policy Research	Other	716,454		106,024	106,024
20	Fuel Cell Research (new)	Other			550,000	550,000
21	Baruch Institute National Estuarine Research Coordinating Site (new)	Competitive Matching			131,113	131,113
22	Law School Library Books and Publications	Other	344,074		55,926	55,926
23	SC Manufacturing Extension Partnership	Competitive Matching	1,240,324		475,376	475,376
24	Materials Research Science & Engineering Center (USC Nano-Center)	Other		1,000,000	-	1,000,000
25	Palmetto Poison Center	Legislatively Mandated	273,925		353,397	353,397
University of South Carolina - Beaufort						
26	Penn Center	Other	180,240		19,760	19,760
University of South Carolina - Salkehatchie						
	Salkehatchie Leadership Center	Other	100,460		49,540	49,540

Extraordinary (Below-the-Line) Funding FY 2004-2005

	Institution/Project	Request Category	2003/2004 Funding		Requested Increase	2004-2005
			Recurring	Non-Recurring		Requested Increase
* Indicates the project was approved by the Commission in the prior year but not funded by the Legislature						
University of South Carolina - Spartanburg						
28	Master of Education - Visual Impairment (new)	Legislatively Mandated			297,976	297,976
Medical University of South Carolina						
29	College of Nursing - Francis Marion University Satellite Program	Other	493,409		136,250	136,250
30	Diabetes Center of Excellence	Legislatively Mandated	305,956		91,040	91,040
31	Maxillofacial Prosthodontic Development (new)	Other			212,813	212,813
32	Supportive Continuum of Care Program (new)	Other			290,856	290,856
33	The Hypertension Initiative *	Other			392,840	392,840
Area Health Education Consortium						
	Rural Physician Program	Other	696,813		-	-
	Palmetto Initiatives	Other	75,192		-	-
	Nursing Recruitment Center	Other	38,338		-	-
34	Infrastructure Development for Health Professions Programs Community-Based Student Rotations *	Other			337,200	337,200
			<u>\$9,941,718</u>	<u>\$ 2,424,282</u>	<u>\$ 10,822,109</u>	<u>\$ 13,246,391</u>

* The Commission approved this project in the prior year but because of the financial situation of the state budget, the program was not funded.

Below-The-Line Funding Requests For FY 2004-2005

Provided below and on the following pages are brief descriptions of the below-the-line requests that were submitted for consideration. The projects are grouped by institution.

*Note that projects designated with ** are items that receive recurring appropriations, for which no increase was requested. Therefore no description is provided for these projects and no action is necessary.*

Citadel

*Continuation of Assimilation of Women ***

Clemson University

Center for Advanced Engineering Fibers and Films - \$185,251

The Center was established in 1998 to provide an integrated research and education environment for the study of fibers and films. Using predictive numerical and visual models, the Center, with support from NSF, the state, and industrial partners is developing advanced processes for new fibers and films that can be transferred to industry for commercialization. The requested increase is to support a portion of the salaries for two additional faculty members, three additional Graduate students and one technical support personnel. The increase would include the purchase of a biaxial film stretcher.

Municipal Services – Fire and Emergency Medical Services - \$318,253

Fire and Emergency Medical Services (EMS) and the Municipal Court are unique services maintained by Clemson University existing to support the University's academic mission, maintain a safe orderly environment and protect the campus community and resources. Fire and EMS also provide fire protection service to the City of Clemson on a reimbursement basis. Funding is sought to maintain these operations at levels commensurate with actual costs. The increase includes additional supplies, training, & travel for fire/EMS/Municipal Court. This increase is also requested to replace supplemental institutional funding of \$240,846.

Center for Research in Wireless Communications – \$1,000,000

The Center will focus on the convergence of wireless and wire line practice in voice and data transmission. Areas of research include modulation, coding, and receiver processing; propagation; antennas; interference; circuits and systems, and networking. The ten-year technology roadmap points to application in wireless monitoring of vital signs, of traffic on highways, of vehicle cooperation in congested traffic, and battlefield communications. This increase is to provide the operating expenses of the program and also will serve as matching funds for the grant.

Emerging Scholars Program - \$250,000

The program is designed to increase motivation for, participation, in, and graduation from college among underprivileged and underrepresented populations in South Carolina. The program seeks to accomplish these goals by developing the student's interest in college and then developing the student's critical success skills. Students will be followed from 9th grade through 12th grade, providing mentoring and support on a year-round basis. The funding will provide transportation; meals; lodging; and a portion of salaries for four faculty, ten support personnel, one Coordinator, and one Director.

Call Me Mister - \$1,358,550

This project seeks to recruit, train, certify, and secure employment for African-American males as elementary teachers in the public schools of South Carolina. The project will combine the special strengths and resources of a research-oriented public university with the individualized instructional programs offered by three small, private, historically black colleges in South Carolina: Benedict College, Claflin University, and Morris College. The funding will cover \$950,000 of tuition, \$180,000 MISTER Stipends, \$180,000 MISTER Books, \$45,000 supplies, and \$3,550 for miscellaneous supplies.

South Carolina DNA Learning Center - \$486,150

Provide education to K-12 students, teachers, and the general public regarding DNA technology and human genomic biology. The DNA Learning Center would be unique in that it would seamlessly integrate K-12 education with non-formal education and public outreach. This intergenerational and intercultural span of programming would focus on engaging the public in a balanced, scientifically sound education program focusing on the basic methods, potentials and challenges of modern genetics and biotechnology enhancements to our lives in areas such as medicine, agriculture and foods. Funding will provide \$234,100 for salaries for a half-time Director, a full-time instructor, and part-time faculty (1-3 months each) for instruction and materials development, and support personnel. The remainder will be for supplies, travel, and participant support.

Enhanced response to Campus "Homeland" Emergencies - \$326,550

Provide personnel and equipment for preparedness and enhanced response to campus emergencies – natural and weapons of mass destruction (WMD). Preparedness and response to extraordinary incidents of natural and terrorists/WMD origin is unique as it is beyond the normal mission and scope of campus emergency services. The additional requirements cannot replace the ongoing needs of everyday emergencies that occur. The State response plan calls for an enhanced local capability given Clemson's remote location from existing state resources, proximity to Oconee Nuclear Station, and high profile – large venue athletic events. The funding will provide \$45,000 for an Assistant to Emergency Preparedness Director. The remainder will go to equipment (Reverse 911 system, EOC communications, Protective and Detection equipment, ambulance Remount/Refurbishment, etc.).

Center for Safety Research and Education – \$980,000

The Center will develop, demonstrate, and evaluate healthy lifestyles education initiatives; conduct action research; and collect, analyze and disseminate research to improve the safety and health of our citizens relative to the six safety and health risk behaviors which cause the most serious problems that afflict the United States. These currently include: 1) unintentional and intentional injuries, 2) alcohol and drug use, 3) sexual behaviors, 4) tobacco use, 5) dietary patterns, and 6) physical inactivity. Funding will provide \$400,000 for eight faculty members, \$200,000 for six other/support personnel, \$200,000 for equipment (simulator), and \$180,000 for supplies, rent, travel, etc.

Center for Optical Materials Science and Engineering Technologies (COMSET) - \$1,000,000

COMSET at Clemson University has become a national focal point for optical fibers and related material technologies. COMSET's research funding for 2002 exceeded \$5,700,000 representing over 5% of Clemson's research activity. COMSET is forming an extended regional network of partners representing regional industry, economic development organizations, and technical schools to help transform the economic mindset in South Carolina from traditional low wage manufacturing to a more entrepreneurial culture. The result will be the aggressive development of technology-based new ventures, improved competitiveness of existing firms, and wealth creation in the region. The funds requested will be used to develop synergistic programs to complement COMSET's Partnerships for Innovative grant (National Science Foundation) and pending Science and Technology Center (NSF) and MURI (Air Force) proposals. More specifically, funds will go to build infrastructure through unique pieces of instrumentation, faculty and staff support for out-reach activities (K-12 and technical college advising on advanced materials and optics), and faculty mentoring entrepreneurship and business development (Spiro Faculty Fellows program). The

requested funding will provide \$458,000 for a portion of the salaries and related fringe benefits for eight employees (faculty, support, and students), \$400,000 for equipment (optical fiber characterization & Chemical characterization), \$142,189 for supplies, etc.

Note: The Finance and Facilities Committee recommends favorably for this project contingent upon the Center successfully completing the new program approval review process and approval by the Commission.

Coastal Carolina University

Coastal Carolina University: Establishing Quality Standards: SABPAC Program Approval for the Baccalaureate Health Promotion Program at Coastal Carolina University - \$103,965

SABPAC Program Approval is a voluntary credential for undergraduate professional programs in health promotion and education which is awarded by the joint committee of the Society for Public Health Education (SOPHE) and the American Association for Health Education (AHE). Faculty members in the Bachelor of Science Degree Program in Health Promotion at Coastal Carolina University are requesting financial assistance to establish the quality standards which are necessary for achieving SABPAC approval.

College of Charleston

Governor's School - \$142,933

The General Assembly established the Governor's School in 1976 to provide an intensive college-level program of study whose main goal was to assist academically talented students to realize their intellectual and creative potential. Since 1976, over 6,000 South Carolina high school students have been thrilled, inspired, and motivated by their Governor's School experiences. The School offers educational excellence, academic enrichment, and a shared joy of learning. The School's instructors are college faculty members representing universities such as Furman, MUSC, Winthrop, USC, Clemson, College of Charleston, Wake Forest, and many more. The additional funding is to provide other operating funds paid for by institutional funds.

Avery Research Center - \$189,628

The mission of the Avery Research Center for African American History and Culture is to collect, preserve, and document the history and culture of African Americans in Charleston and the South Carolina Lowcountry. The manuscripts, documents, and resources collected by the Center serve as the primary source materials for the writing of African American history. The Center provides scholars, researchers and students primary sources, documents, and manuscripts to document and write accurately the

history of African Americans in South Carolina and elsewhere. The requested increase is to cover full funding of the operations and to replace supplemental funding provided by institutional funds.

Economic Partnership Initiatives - \$345,000

This project addresses the role that the School of Business and Economics can play in assisting the economic needs of the port industry and the hospitality and tourism industry, which is a key to the State's economy. With sufficient funding the School of Business and Economics would implement the following four initiatives:

1. Coordination of Internships within the Business School
2. Charleston Regional Business Information and Research program
3. International Travel Study Program
4. Summer Research Grants and Professional Development

The funding request is to provide \$50,000 for one faculty member, \$20,000 for one other personnel, and \$275,000 for surveys, polls, newsletters, faculty internship grants, professional development, and international travel-study assistance.

Lowcountry Graduate Center - \$435,000

In March 2001, the College of Charleston, The Citadel, and the Medical University of South Carolina agreed to form the Lowcountry Graduate Center as a cooperative venture designed to enhance graduate educational opportunities for the citizens of the Lowcountry. This was the direct result of urgings from the Charleston legislative delegation and the local business community who all agreed that the lack of a full range of graduate opportunities in the Lowcountry was a detriment to economic development. The funding is requested to provide \$75,000 for half-time Director and a half-time Administrative Assistant; \$90,000 for rental expenses on 1500 square feet of office space (include outfitting costs); \$200,000 to support institutions adding new programs (faculty time, travel, etc.); \$70,000 for operating expenses and marketing of new programs.

Note: The Finance and Facilities Committee recommends favorably for this project contingent upon the Lowcountry Graduate Center submitting a comprehensive operating plan, including bylaws and a detailed budget, for review and approval by the Commission.

Francis Marion University

*Omega Project ***

Minority Business Assistance in the Pee Dee Area - \$25,000

Activities of the Francis Marion University Small Business Initiative in 2002-2003 showed the need for School of Business assistance specifically dedicated to minority-owned small businesses. The service offered by Francis Marion University School of Business faculty and students would include business planning, financial analysis, location analysis, customer satisfaction assessment, and business feasibility studies. The funding request is to provide the costs of a portion of salaries for two faculty members (\$10,000), and \$15,000 for advertising/travel/support services.

Francis Marion University: Rogers Library System for Resources and Services - \$100,000

The James A. Rogers Library is the most significant library in northeastern South Carolina and provides services not only to Francis Marion University, but also to Florence Darlington Technical College, the Florence County Library, and other institutions and a wide range of users in the Pee Dee region. In order to maintain and improve the connectivity to these external users, remain abreast of changes in information technology, and to improve the efficiency and effectiveness of library operations, it is necessary for the Rogers Library to move to the next generation of automated library management systems. The requested funds are to purchase and implement this next generation of operating software.

Lander University

*Academic Initiative ***

South Carolina State University

*Teaching Training & Development ***

Business School Accreditation Support - \$500,000

This program is uniquely designed to provide quality management education and leadership development for students from rural and disadvantaged backgrounds. Requested funding will enable the Business School to provide educational programs to put these students on the same competitive footing as students from schools with more resources. In addition, this funding is in keeping with the state's and the school's strategic goals for improvement in education to foster economic development in our state. The requested increase is to provide the costs for student recruitment and retention activities, and student leadership & professional development.

University Transportation Center - \$1,000,000

South Carolina State University was named in Transportation Equity Act-21 as the only University Transportation Center in South Carolina. The University Transportation Center programs increase the number and quality of research, training, education, and Transfer Technology Transfer programs in South Carolina, thereby improving the quality of life for South Carolina citizens. The requested funding increase is to provide the required match of the federal transportation grant. The federal grant doubled in 2003-2004.

University of South Carolina-Columbia

*Small Business Development Center (SBDC) USC Columbia Campus ***

*African-American Professors Program ***

Institute for Public Service and Policy Research - \$106,024

The Institute addresses current and emerging issues relating to matters of public policy, governance, and leadership through research, educational activities, publications and direct assistance programs. These funds are used for specific activities of the Institute related to civic education, governmental research and service, academic internships, and public policy research on health care and environmental issues. The requested increase is to restore the programs funding to the 2002-2003 level.

Fuel Cell Research - \$550,000

The Fuel Cell Research Program provides an opportunity for South Carolina to focus research to commercialization of an environmentally friendly technology that encourages independence from foreign oil. More importantly, fuel cells can have a significant impact on the United States economy and the economy of South Carolina. This request provides an opportunity for the state to directly participate in what promises to be one of the greatest technological developments in the 21st Century by partnering with the National Science Foundation, USC, and industrial sponsors to provide the required support needed to ensure the long-term success of this research. The University will use this modest amount of State funding as leverage to gain additional investments from other partners. The funding will be used to provide the following:

New Faculty Support	\$150,000
Graduate Student Assts.	100,000
Specialized Equipment	200,000
Operations	100,000

Baruch Institute National Estuarine Research Coordinating Site - \$131,113

This program provides a rich resource for community learning that augments the fundamental USC research and education activities, while integrating with federal activities within National Oceanic and Atmospheric Administration (NOAA). It constitutes a major research, information, education, and management resource for the State of South Carolina, with relevance to coastal resources throughout the nation. The purpose of this request is to provide funding necessary for continued operation of a major coastal environmental program – the North Inlet – Wynah Bay (NI-WB) National Estuarine Research Reserve (NERR), which was initiated by the national Estuarine Research Reserve System (NERRS) of the NOAA. This program is administered by Belle W. Baruch Institute for Marine Biology and Coastal Research of the University of South Carolina and is headquartered near Georgetown. Funding is required to support key personnel and essential services. This funding will provide for the hiring of eight personnel, supplies hardware and contractual services.

Law School Library Books and Publications - \$55,926

As the State's only major legal research facility available to citizens of South Carolina, USC strives to maintain the highest quality legal collection possible. Without adequate funds, the quality of the collection suffers and the citizens of the state are inadequately served as a result. The requested funding increase will be used to acquire additional needed publications for the law library.

SC Manufacturing Extension Partnership (SCMEP) - \$475,376

SCMEP is a private non-profit corporation chartered through the federal Manufacturing Extension Partnership program of the National Institute of Standards and Technology (NIST) and along with USC, Clemson University, and the SC Technical Colleges provide comprehensive solutions to South Carolina manufacturers in an effort to make these companies more globally competitive.

Materials Research Science and Engineering Center (Nano-Center) - \$1,000,000

The USC Nano-Center was created in June 2001 to promote interdisciplinary research, education, and technology transfer activities in the areas of materials/Nanoscience in the State of South Carolina. The NanoCenter is working with South Carolina industries to stimulate and facilitate knowledge and information transfer. In order to strengthen the links between university-based research and the industrial application of nanotechnology research, the NanoCenter is actively promoting cooperation between university researchers and industrial partners, increasing the number and quality of its relationships with South /Carolina Industries, and facilitating the transfer of nanoscale research and technology advancements to industrial sites. The requested funding is to replace the non-recurring funding level received in prior years.

Palmetto Poison Center - \$353,397

This Center serves as the State Poison Control Center for South Carolina. Information is provided on what to do for exposures to toxic substances, poison prevention education, and prescription drugs. The requested increase will increase the number of other personnel from one and one-half to six; the support personnel from zero to one and one-half; and the Medical Director from zero to one.

University of South Carolina – Beaufort

Penn Center - \$19,760

The Early Childhood At Risk Family Initiative's main goal is to intervene for children who are at risk of school failure by providing them with opportunities to prepare them for public school. The Initiative provides early intervention for these children on an individualized basis and opportunities for parents to develop parenting skills that promote cognitive, emotional, social, psychological and moral development of preschool children. The requested increase is to cover supplies, advertising, and honoraria.

University of South Carolina – Salkehatchie

Salkehatchie Leadership Center - \$49,540

The Salkehatchie Leadership Center was established in 1998 and funded by the South Carolina Legislature to address community and regional development needs in Allendale, Bamberg, Barnwell, Colleton, and Hampton counties. The Center serves as a catalyst to support important initiatives in human resource development, community and economic development. The increase is requested to maintain the staff to operate the Entrepreneurial Development programs for the Leadership Center and expended services of the Center. These funds would replace start-up funds provided by a non-renewable one-year grant funded by USDA. A Business/Industry Liaison will be hired, as well as an administrative support staff. Training facilitators for each program will also be provided.

University of South Carolina – Spartanburg

Master of Education – Visual Impairment - \$297,976

A Master of Education in Special Education – Visual Impairment is a new degree program whose goal is to prepare teachers for South Carolina children who have blindness or visual impairment. The program meets the standards for national accreditation in visual impairment (VI) education and the state requirements for program approval for a South Carolina teaching credential in visual impairment. This program will seek accreditation from the Association for the Education and Rehabilitation of the Blind and Visually Impaired (AERBVI). The funding will provide for one full-time (Faculty) and two half-time positions (Administrator, and Clerical Support). It will also provide for contractual services, library materials, travel, faculty development, and furnishings.

Medical University of South Carolina

College of Nursing – Francis Marion University Satellite Program - \$136,250

Baccalaureate nursing program to provide bachelor-prepared nurses for the Pee Dee region of South Carolina. The funding increase will allow for a doctorally prepared program director and seven full-time nine-month (0.75) faculty members who are expected to teach curriculum and advise students. This represents one FTE increase to support the proposed program growth and expansion. There will also be an increase in the number of clinical faculty to supervise an additional cohort of students. A slight increase in support personnel and supplies and materials is also included in the requested increase.

Diabetes Center of Excellence - \$91,040

The Diabetes Initiative of South Carolina is a legislatively mandated statewide program of outreach, professional education, and surveillance. The Diabetes Center at MUSC administers an extensive collaborative network, which addresses the major health problem of diabetes and its complications in South Carolina. The requested increase will provide for further coverage of program employees salaries.

Maxillofacial Prosthodontic - \$212,813

The Maxillofacial Prosthodontic Clinic is the only clinic of its kind in South Carolina. Dr. Davis is the only maxillofacial prosthodontist in the state and is responsible for the rehabilitation of all head and neck cancer patients, head and neck trauma patients and patients with congenital disorders of the head and neck region. Most of the head and neck cancer patients have limited financial resources; hence the majority of the head and neck cancer patient population are indigent. The purpose of this proposal is to seek the hiring of a second maxillofacial prosthodontist and a dental assistant.

Supportive Continuum of Care - \$290,856

This project is designed to pilot mechanisms that improve care of the dying in South Carolina. Specific aims include the following: (1) Reduce patient distress, (2) Address common unmet psychosocial issues (depression, anxiety, adjustment disorders), (3) Help the patient make choices and enable ethical decision making, (4) Professional education (train physicians in neglected areas 1-3- above), (5) Research (pain, fatigue, healthcare research, cost, utility), and (6) Advocacy for public education and policy in care of dying. The funding increase request will provide portions of nine faculty and other personnel salaries and related fringe benefits along with a small amount for travel.

Hypertension Initiative - \$392,840

The Hypertension Initiative enrolls primary care providers from across S.C. in an electronic database to collect information on treatment patterns and patient outcomes. The database generates regular feedback reports for providers about their own practice habits and patient outcomes, and guides development of physician education programs and tailored treatment guidelines to improve care in their patients with hypertension. The funding request will provide pay for salaries and related fringe benefits for one-half of a faculty member, six administrative personnel and two support personnel.

Area Health Education Consortium (A.H.E.C.)

*Rural Physician Program ***

*Palmetto Initiatives ***

*Nursing Recruitment Center ***

Infrastructure Development for Health Professions Programs Community-Based Student Rotations - \$337,200

This project requests funding to provide staff support and infrastructure in SC AHEC regional centers to facilitate community-based health professions student off-campus rotations in rural and underserved areas of South Carolina. This is a collaborative effort between SC AHEC and various health professions training programs from MUSC, USC, and Clemson. The request is to fund personnel salaries and related fringes, housing, and travel, at four sites.

**** Indicates that the project is a recurring item with no increase requested**

Below-The-Line Funding Requests Not Approved For FY 2004-2005

Below is a request for capital items. Capital items should not be funded through the below-the-line funding process.

The Citadel: Asbestos Removal Project - \$5,000,000

Several buildings on campus need asbestos removal. These include Law Barracks, Steven Barracks, Daniel Library, Infirmary, Laundry, Campus Housing and the Faculty House.

Below is a request for electronic library resource capabilities. CHE is requesting approximately \$5 million for the creation of the proposed statewide virtual library. This project's funding needs will be addressed through the funding of the virtual library.

Francis Marion University: James A. Rogers Library Electronic Resource Initiative - \$75,000

Rogers Library must migrate to a second generation Integrated Library system (ILS) which provides acquisitions, cataloging, circulation, and serial modules on a windows-based platform.

The following projects are requests for technology funds. CHE staff expects the teaching universities and the 2-year colleges will continue to receive special technology funding from the Lottery proceeds. Therefore this project may be funded from that source.

Francis Marion University: Student Enrollment Management Initiative - \$40,000

This is a request for additional resource materials for use in facilitating the University's integration of admissions offerings with our web-based services.

The following requests are to assist in funding Centers/Institutes that have not been approved through the Commission on Higher Education.

University of South Carolina – Columbia: Center for Water Research and Policy - \$90,717

Funding is requested to support the operation of the Center in its primary mission of providing technically sound and economically viable solutions to water issues important to the environmental and economic health of South Carolina.

University of South Carolina – Columbia: Center for Southern African-American Music - \$88,500

The rich African-American musical history of the state is in urgent need of being preserved for future generations.

University of South Carolina – Columbia: Center for Engineering & Computing Education - \$250,000

This proposal requests funding for the Center to enhance pre-college education across the entire State of South Carolina.

Medical University of South Carolina: Institute for Community and Professional Education in End-of-Life Care - \$99,518

This project represents an Institute without walls serving as a unique statewide resource center for palliative and end-of-life care. Educational materials would meet the needs of the community as well as health care professionals.

The following request is to provide funding that is considered in the MRR and should be provided through education and general funds.

State Board for Technical and Comprehensive Education: Financial Aid Personnel - \$1,050,000

Section 59-150-360 of the South Carolina Code of Laws, as amended, requires each potential recipient of lottery tuition assistance to complete a Free Application for Federal Student Aid (FAFSA), which has created a significant increase in the number of students who traditionally apply for federal aid. An increase in personnel (30 FTEs) is necessary to alleviate the burden on the technical colleges' financial aid offices.

Mission Resource Requirements (MRR) Recommendations for Current Year

Background

The Commission's Mission Resource Requirement (MRR) Model is used to determine the operational needs of the state's 33 public higher education institutions. The MRR is an objective model that considers enrollment, faculty salaries, other operational functions (research, public service, libraries, student services, and physical plant, and administration), and student revenues to determine an amount of needed state support. There are currently three components of the MRR with unresolved issues. The first component is the instruction step, which includes student/faculty ratios. The MGT of America study, completed in 2000, included a recommendation to modify some of the ratios. That recommendation has not yet been fully implemented. The second and third components are Libraries and Student Services. Due to changes in accounting principles, and related collection of Integrated Post-secondary Education Data System (IPEDS) data, factors used in these steps are no longer available. Provided below are further discussion of these items and related recommendations.

Step 1: Instruction

Student Faculty Ratios –The MGT study recommended that the discipline ratios used for undergraduate courses be the same for all sectors. This recommendation has been partially implemented. Previous Committee action created a Student/Faculty Ratio Task Force to further study the issue. The Task Force has not developed firm recommendations at this time. The issue has also been discussed extensively with the Funding Advisory Committee.

Step 4: Libraries and

Step 5: Student Services

In the past the IPEDS Finance form required the presentation of libraries and student services expenditures. The staff used this IPEDS data to develop national cost-per-student factors, which are used in the MRR. With the advent of GASB 34 and 35 statements, the IPEDS data is no longer available. Therefore, the factors used in these steps cannot be calculated through the use of current data.

Recommendations

The Committee on Finance & Facilities recommends the following:

With Respect to Student/Faculty Ratios used in the Instruction step, no changes should be made to the existing student/faculty ratios until such time as there is a reasonable likelihood that there will be an increase in state appropriations for institutional operating funds. The Committee further recommends that additional research be conducted on the topic of modifications to the existing ratios or the development of an alternative methodology. In the event that increases in appropriations for operating funds do materialize for the 2004-2005 fiscal year, the 2nd year's phase-in will be implemented prior to allocation of those funds.

With Respect to the cost factors used in the Library and Student Services steps, the Committee recommends that the previous year's MRR values be increased by the Higher Education Price Index (HEPI).

**Performance Funding Recommendations
for the Current Year (FY 2003-04 to impact FY 2004-05)**

Background

Due to the internal re-structuring of the Commission, the Finance and Facilities Committee has undertaken the responsibility of the performance funding system. To that end, staff has met with members of the Funding Advisory Committee to discuss the current system and issues that remained unresolved going into the current year, FY 2003-04. Meetings occurred on July 28 and August 21 and 22 to educate members on the current system, to discuss unresolved issues for the current year, and to begin dialogue related to higher education funding and the openness to future changes in the performance funding system and MRR. In the short term, staff has recognized the need at this time to make known the performance funding requirements for the current year. As a result, staff addresses here only those unresolved issues that were pending from last year.

As a reminder, the current system has evolved over the past seven years. Through our collective experiences and work to improve the system, changes to the system, the measurement definitions, and standards for determining scores have been made almost annually. Currently, the present system has remained stable for the past two years. Institutions are scored on no more than 14 indicators. Standards based on national, state, or peer data and trends are in place. Performance is scored relative to standards using a three-point system with additional points possible for demonstrated improvement. The indicator scores are averaged to determine an institution's overall score. The overall score places an institution in one of five performance categories. The performance category is used to determine the allocation. Each year, an institution's performance is reported in a four-page report displaying summary scoring and institutional information and detailed performance and scoring data for each indicator. Indicator measurement definitions may vary across and within sectors. Standards also vary across and within sectors based on data relevant to the type institution (or sector) considered. These indicators and standard variances recognize the unique characteristics of different groups of institutions.

As part of the process last year, standards were re-visited for all indicators. It was recognized on the whole that the standards appeared to be at reasonable levels based on reviews of available data and trends. *(For a listing of the indicators referenced in the remainder of this paragraph, see page 2.)* In March 2003, the Commission approved continuing standards already in use for Indicators 1C, 1B, 1D/E, 2A, 3D, 3E (parts 1 and 2), 4A/B, 6A/B, 7A, 7D, 7E, 8C (parts 1 and 2) and 9A. Additionally, the Commission approved a slight change to the wording of the measure for 1C. For several indicators, additional review was necessary, and as a result, action was not taken on Indicators 2D, 3E3, 5A, 7B, 7C, 8C3, and 9B. The level of standards were under consideration for 2D, 8C3, and 8C4; data reporting and standards were being considered for 3E3; and measurement issues were under review for 5A, 7B, 7C and 9B.

It is reiterated here that as discussed at the Funding Advisory Committee's July and August meetings, and at the Committee on Finance & Facilities meeting, staff plans to continue conversations related to the performance funding system and whether and how the system might be changed. The Committee finds that the recommendation suggested here will provide for stability for the current year while affording the opportunity to pursue alternatives for future years based on our collective experiences to date.

Recommendation

The Committee on Finance & Facilities recommends that the performance funding system as of the 2002-03 fiscal year, inclusive of changes through the March Commission meeting, remain as is for the current year with the exception of Indicator 9B, *Amount of Public and Private Sector Grants*. For Indicator 9B, which applies to research institutions, it is recommended that 9B be deferred from scoring in the current year due to data being unavailable as a result of GASB 34&35 implementation.

Scored Performance Indicators by Critical Success Factor and Sector: "X" indicates an applicable indicator. N/A indicates "Not Applicable." Please note that indicator definitions and standards may vary across and within sectors. The shading indicates cases of unresolved issues as of last spring, and the Committee recommends that these remain the same as last year with the exception of 9B. Like 5A, it is recommended that 9B be deferred from scoring.

Indicators by Critical Success Factor (abbreviated descriptive titles are provided)	Sector			
	Research	Teaching	Regional Campuses	Technical Colleges
CRITICAL SUCCESS FACTOR 1, MISSION FOCUS				
1B, Curricula Offered to Achieve Mission	X	X	X	X
1C, Approval of a Mission Statement	X	X	X	X
1D/E, Institutionally Specific Measure and Goals	X	X	X	X
CRITICAL SUCCESS FACTOR 2, QUALITY OF FACULTY				
2A, Academic and Other Credentials of Faculty	X	X	X	X
2D, Compensation of Faculty	X	X	X	X
CRITICAL SUCCESS FACTOR 3, CLASSROOM QUALITY				
3D, Accreditation of Degree-Granting Programs	X	X	X	X
3E, Teacher Education and Reform Emphasis	N/A	X	N/A	N/A
"Classroom quality" measure in future years	N/A	N/A	UNDER DISCUSSION	N/A
CRITICAL SUCCESS FACTOR 4, INSTITUTIONAL COOPERATION AND COLLABORATION				
4A/B, Sector Specific Cooperation/Collaboration	X	X	X	X
CRITICAL SUCCESS FACTOR 5, ADMINISTRATIVE EFFICIENCY				
5A, Ratio of Administrative to Academic Costs	X	X	X	X
CRITICAL SUCCESS FACTOR 6, ENTRANCE REQUIREMENTS				
6A/B, SAT,ACT, High School Class Standing, Grade Point Averages of entering freshmen	X	X	X	N/A
CRITICAL SUCCESS FACTOR 7, GRADUATES' ACHIEVEMENTS				
7A, Graduation Rate	X	X	X	X
7B, Employment Rate for Graduates	N/A	N/A	N/A	X
7C, Employer Feedback on Graduates	N/A	N/A	N/A	X
7D, Scores of Graduates on Employment-Related Examinations and Certification Tests	X	X	X	X
7E, Graduates Continuing Their Education	N/A	N/A	X	N/A
CRITICAL SUCCESS FACTOR 8, USER-FRIENDLINESS OF THE INSTITUTION				
8C, Accessibility to Citizens of the State	X	X	X	X
CRITICAL SUCCESS FACTOR 9, RESEARCH FUNDING				
9A, Support for Reform in Teacher Education	X	X	N/A	N/A
9B, Public and Private Sector Grant Expenditures	X	N/A	N/A	N/A

Capital Project Scores for Year 2 of Approved Comprehensive Permanent Improvement Plan

Background

The Comprehensive Permanent Improvement Plan (CPIP) Process is a comprehensive five-year planning process with Year One becoming a statement of the annual plan, Year Two becoming the requests for capital improvement bond (CIB) funds, and years three, four, and five becoming broad estimates of future needs and plans. The CPIP is updated each year during the spring and submitted for approval.

Year Two of the 2003 CPIP included requests for CIB funds for 2004-2005 and was adopted by CHE in June, and will be adopted by the Joint Bond Review Committee (JBRC), the Budget and Control Board and submitted to the Legislature. The projects are submitted to the Legislature by CHE in institutional priority order, along with the project scores. Once CPIP has been approved by the JBRC and the Budget and Control Board and submitted to the Legislature, no additional projects may be added to the current Year Two Requests. Any additional projects for which an institution wishes to request CIB funding must be included in the next year's CPIP.

Institutional Project Scores were calculated using the Commission's approved criteria for scoring institutional capital requests. There are five criteria totaling 100 points with a possibility of an extra 10 points for projects addressing health and safety concerns. The criteria are as follows:

- | | |
|---|-----------------|
| 1. Type of space represented by the project: | Up to 30 Points |
| a. Instruction, Library, Research, Infrastructure | 30 |
| b. Academic Support | 20 |
| c. Student Services | 15 |
| d. Institutional Support | 10 |
| e. Non-Educational and General (E&G) | 00 |
| 2. The Degree to which the proposed project address the deferred maintenance needs as defined and included in the CHE's most recent study of deferred maintenance. | Up to 25 Points |
| 3. Documentation that the institution meets | Up to 25 Points |
| a. An efficiency rating based on space utilization for instructional purposes (12.5 points); and | |
| b. Guidelines for assignable square feet (ASF) of academic space per Full-Time Equivalent (FTE) student or | |
| c. ASF of research space for \$ of research expenditures. | |
| 4. Documentation that all reasonable alternatives to the project have been considered, that the project represents the best long-term resolution of the problem, and that the total estimated cost, including each component, can be documented as realistic. | Up to 10 Points |
| 5. Documentation that the space programmed for the proposed project is based on the application of objective space planning guidelines. | Up to 10 Points |

Extra Points:

Up to 10 Points

Documentation that the project addresses health and safety issues.

A complete description of the Rating Criteria, Application of the Criteria, and the Rating Process is included as Attachment 1.

Per Commission action, these criteria give greater weight to instructional projects and those that address deferred maintenance items (up to 30 points and up to 25 points respectively). Utilization and Growth are addressed through Criterion 3.

There are two circumstances where the application of Criterion 3 (Utilization and Growth) may be waived. These are:

1. Required projects (facilities that may not be demolished for historical reasons) where an institution scored less than 25 total points on Criterion 3 and the facility is unsafe for occupancy, application of Criterion 3 is waived and the full 25 points applied. The Lowman Hall project at S.C. State was the only project meeting these conditions for the current year's requests.
2. Library Projects responding to recommendations from an accrediting body and where the institution scored fewer than the maximum 25 points on the criterion, the application of Criterion 3 is waived and the full 25 points applied. The Library projects at The Citadel, SC State, USC-Lancaster, and Spartanburg TC were the projects meeting these conditions for the current year's requests.

Project Scores

A summary listing of each institution's request in institutional priority order, along with the scores, is included as Attachment 2.

Recommendation

The Committee on Finance and Facilities recommends approval of the scores for the year two CPIP requests for CIB funding.

Rating Criteria and Application of Criteria

**Maximum
Points**

1. Type of space represented by the project:

up to 30

	<u>Points by Type of Space</u>
a. Instruction, Library Research, Infrastructure	30
b. Academic Support	20
c. Student Services	15
d. Institutional Support	10
e. Non-E&G	00

Application:

- Points are assigned based on the percentage of proposed use

2. The degree to which the proposed project addresses the deferred maintenance needs as defined and included in the CHE's most recent Study of Deferred Maintenance.

up to 25

Application:

- Points are assigned based on the respective facilities scores in the study.

<u>Facility Score</u>	<u>Points Assigned</u>
90-100	10
80-89	15
70-79	20
Less than 70	25
Infrastructure Project	25
Not addressed in the study	0

3. Documentation that the institution meets:

up to 25

- A. efficiency rating based on space utilization for instructional purposes; and
- B. Guidelines for Assignable Square Feet (ASF) of academic space per FTE or
- C. ASF of research space per \$ of research expenditures.

Note: Application of Criterion 3 may be waived and the full 25 points awarded for Libraries if the institution has received a negative accreditation recommendation and scores less than 25 points; or if the project is a required historical project and the institution scores less than 25 points.

Application:

- Efficiency rating¹ : a space utilization factor at or below the space factor guideline of 1.22 will generate 12.5 points.

¹ Does not apply to MUSC or the USC School of Medicine, up to 25 points are allocated by ASF/Research Expenditures only.

For space utilization factors above the 1.22, points will be deducted from the 12.5 maximum for part A on a percentage basis.

- Growth Rating: Research Institutions – at or below 9,000 ASF per \$1,000,000 of restricted research expenditures = 12.5 points; for Teaching Institutions – at or below 93 ASF of Academic Space per FTE = 12.5 points; and for two-year institutions – at or below 70 ASF per FTE = 12.5 points. For institutions above the guidelines, points will be deducted from the 12.5 maximum on a percentage basis.

4. Documentation that all reasonable alternatives to the project have been considered, that the project represents the best long-term resolution of the problem, and that the total estimated cost, including each component, can be documented as realistic. up to 10

Application:

- Institutional/external documentation, and project has score of 80 or less in in deferred maintenance study – 10 points
- Project is infrastructure or mechanical repair/replacement (etc) – 10 points
- Internal/external documentation, and project has score greater than 80 in deferred maintenance study, was not addressed in study, or significant deterioration since study – 7 points

5. Documentation that the space programmed for the proposed project is based on the application of objective space planning guidelines (i.e., Space Planning Guidelines for Public Colleges and Universities, CHE, revised 1997). up to 10

Application:

- Institutional/external documentation provided - 10 points
- Infrastructure/Repair/Replacement (mechanical) - 10 points
- Not addressed – 0 points

Total up to 100

Extra Points: Health and Safety Issues up to 10

Application:

- Documentation through external reports (CHE consultants, institutional consultants, specialized accreditation reports, CHE staff evaluation, etc.) that existing space is unsatisfactory and/or unsuitable in terms of quality or quantity because of health and/or safety concerns – 10 points
- Documentation by the institution without external documentation (66 percent of available points, rounded up) – 7 points
- Not applicable or not addressed – 0 points

Grand Total up to 110

Examples of Health and Safety Concerns:

Documented Health Concerns

Exposure to asbestos or other harmful substances; documented problems associated with air quality, etc.

Documented Safety Concerns

Threat of physical danger associated with condition of the facility; life/safety issues (egress, fire-code compliance, etc.)

RATING PROCESS

- Institutions may determine the priority of their respective projects through the CPIP submission process.
- Institutions will provide the appropriate documentation required by the rating criteria for all of the projects they choose to have included in the process. If appropriate documentation for one or more of the criteria has already been included in the original submission, the institution will not have to resubmit the documentation. However, institutions should submit any additional documentation that they believe would assist in determining that a criterion has been met.
- Library Exemption: application of Criterion 3 may be waived for library projects responding to recommendations from an accrediting body and where the institution scored fewer than 25 points. For these projects, the full 25 points will apply.
- Required Historical Facility Exemption: application of Criterion 3 may be waived for projects which are uninhabitable and unsafe for use which the institution is required to maintain because of historical status.
- Because legislative requests have specifically stated that safety concerns should be a primary criterion, up to an additional 10 points may be assigned to projects that address specific documented health and/or safety needs.
- CHE staff will determine if the projects have met the basic criteria for rating, and the degree to which the criteria have been met.
- Scores will be assigned up to the maximum number of points for each criterion.
- Scores for all criteria will be totaled for a single comprehensive score for each project.

Capital Project Scores for Year 2 of Approved Comprehensive Permanent Improvement Plan

INSTITUTION	PRIORITY	PROJECT NAME	PROJECT TYPE	STATE FUNDS REQUESTED	PROJECT SCORE
THE CITADEL					
	1	Daniel Library Improvements	Renov./Expansion	7,500,000	105
	2	Padgett Thomas Leadership Laboratory	Matching Funds	1,000,000	77
	3	Deferred Maintenance-Phase 1	Roof/Mech. Systems/Asbestos	4,300,000	92
	Institution Total:			\$12,800,000	
CLEMSON					
	1	Civil Engineering/Textiles Building	Replacement Building	23,965,000	110
	2	Critical Deferred Maintenance & HVAC	Critical Needs & Air Quality	10,000,000	110
	3	South Campus Water Plant & Loop	Infrastructure Improvement	8,200,000	100
	4	Chemistry-Hunter Hall	Renovation	28,188,000	100
	5	Newman Hall	Renovation	12,000,000	100
	6	Rhodes Hall Addition	Addition/Renovation	4,800,000	100
	7	BioScience-Bioengineering Bld & Renov.	New Construction & Renov.	42,000,000	100
	8	Moore School of Ed. Renovation	Renovation	15,000,000	100
	9	Electrical & Computer Engineering Initiative	Renovation and New Construct.	27,000,000	100
	10	Mechanical Engineering Research Facility	Renovation and New Construct.	12,000,000	95
	11	DNA Learning Center	New Construction	3,000,000	75
	12	Spiro Center for Entrepreneurial Studies	New Construction	5,000,000	65
	13	Academic Support Center	New Construction	4,000,000	75
	Institution Total:			\$195,153,000	
COASTAL CAROLINA					
	1	R. Cathcart Smith Science Center	Addition/Renovation	39,500,000	110
	Institution Total:			\$39,500,000	
COLLEGE OF CHARLESTON					
	1	Science Building Expansion/Renovation, Ph.1	Renovation/New Construction	35,000,000	110
	2	Science Building Expansion/Renovation, Ph.2	Renovation/New Construction	10,000,000	110
	3	Stern Student Center Expansion/Renovation	Addition/Renovation	15,000,000	72
	4	New Faculty Office Building	New Construction	7,500,000	77
	Institution Total:			\$67,500,000	
FRANCIS MARION					
	1	Sch of Education/School of Business	New Construction	9,573,750	96
	2	Center for the Child	New Construction	3,105,000	66
	3	Founders Hall Renovation	Renovation	3,105,000	86
	Institution Total:			\$15,783,750	
LANDER					
	1	Student Center Construction/Renovation	Renovation/New Construction	7,000,000	73
	Institution Total:			\$7,000,000	
MUSC					
	1	College of Dental Medicine	Replacement Building	22,210,000	110
	2	Deferred Maintenance 2003-2004	Deferred Maintenance	17,000,000	110
	3	College of Pharmacy Renovations	Renovations	14,335,000	110
	4	College of Health Professions Renov.	Renovations	34,000,000	100
	5	Research Building II	New Construction	4,250,000	95
	Institution Total:			\$130,045,000	
SC STATE					
	1	Lowman Hall	Renovation/addition	12,000,000	95
	2	Whittaker Library Expansion/Renovation	Addition/Renovation	19,700,000	110
	3	Deferred Maintenance Phase 2	Deferred Maintenance	23,000,000	92
	4	Hodge Hall Science Building Complex	Addition/Renovation	18,000,000	92
	5	Student Union/Fitness/Wellness Center	Renovation/New Construction	20,000,000	67
	6	Engineering Tech & Comp. Sci. Bldg.	Replacement Building	27,000,000	92
	7	New Physical Plant Complex & Central Energy	New Constr./Infrastructure	30,000,000	79
	8	Smith-Hammond Memorial Pool Exp. & Renov.	Renovation	2,000,000	49
	Institution Total:			\$151,700,000	
USC-COLUMBIA					
	1	Petigru College Renovation	Renovation	4,911,280	106
	2	LeConte College Renovation	Renovation	12,644,400	106
	3	School of Public Health	New Construction	9,000,000	94
	4	School of Law	New Construction	10,000,000	106
	5	B.A. Master Plan & Renovation	Renovation	5,000,000	104
	6	Thomas Cooper Library Renovation & Expan.	Renovation/Addition	10,400,000	106
	7	Energy Master Plan-Year 3	Infrastructure	7,000,000	106
	8	Jones Physical Science Center Renov.	Renovation	46,229,600	106
	9	Russell House Renovation/Addition	Renovation/Addition	9,426,560	84
	10	Building Systems Replacement/Code Compl.	Building System Repl.	2,142,400	106
	Institution Total:			\$116,754,240	

* Library Exemption Applied for Criterion 3
** Required Historical Exemption Applied for Criterion 3

INSTITUTION	Priority	PROJECT NAME	PROJECT TYPE	STATE FUNDS REQUESTED	PROJECT SCORE
USC-SCHOOL OF MEDICINE					
	1	None Submitted			
Institution Total:					
USC-AIKEN					
	1	Convocation Center/Lecture Hall	New Building	6,000,000	77
Institution Total:					
USC-BEAUFORT					
	1	Marine Science Building Expansion/Renovate.	Renovation/Addition	2,334,566	99
	2	Performing Arts Center Renovation	Classroom Renovations	3,876,434	104
Institution Total:					
USC-SPARTANBURG					
	1	Information Resource Center	New Construction	16,800,000	87
	2	Classroom & Student Supt. Bldg. Renov.	Renovation	4,000,000	89
	3	Academic Classroom Building	New Construction	6,000,000	82
	4	Deferred Maintenance	Deferred Maintenance	3,000,000	100
	5	Land Acquisition	Purchase Land Adj. to Campus	1,500,000	32
	6	Convocation Center	New Construction	15,000,000	62
Institution Total:					
WINTHROP					
	1	Peabody Health/Phy. Ed. Bldg.	Addition/Renovation	21,669,757	107
	2	Thurmond Auditorium	Renovation/Addition	2,300,000	107
	3	Library Replacement	Replacement Facility	21,000,000	104
	4	Campus Greenway & Parking	New Construction	2,500,000	48
Institution Total:					
USC-LANCASTER					
	1	Renovate Medford & Hubbard	Renovation	4,200,000	100
	2	Renovate Gregory	Renovation	4,750,000	75
Institution Total:					
USC-SALKEHATCHIE					
	1	Walterboro Classroom HVAC Upgrades	Replace HVAC with Central Unit	761,250	75
	2	Afendale Classroom HVAC Upgrades	Replace HVAC with Central Unit	223,000	75
	3	Technology Center	New Construction	8,484,125	77
Institution Total:					
USC-SUMTER					
	1	Instructional Lab Building	New Construction	8,825,000	88
	2	Deferred Maintenance	Deferred Maintenance	758,000	78
Institution Total:					
USC-UNION					
	1	Facility Upgrades	Deferred Maint./HVAC	700,000	75
	2	Campus Landscaping	Exterior Landscaping	\$1,000,000	24
Institution Total:					
AIKEN TC					
	1	Industrial Tech. Classroom/Lab Bldg.	New Construction	5,233,794	93
Institution Total:					
CENTRAL CAROLINA TC					
	1	Deferred Maintenance-Campus-Wide	Deferred Maintenance	2,000,000	98
	2	Acq. & Demol. Of Solomon Home & Property	Acq. & Demolition	1,188,000	45
Institution Total:					
DENMARK TC					
	1	Early Childhood Develop Pgm. & Res. Lab	New Construction	300,000	61
Institution Total:					
FLORENCE-DARLINGTON TC					
	1	Bldg. 100-200-300 Renovation	Renovations	5,550,000	100
	2	Technology Park	New Buildings	25,000,000	93
Institution Total:					

* Library Exemption Applied for Criterion 3

INSTITUTION	PRIORITY	PROJECT NAME	PROJECT TYPE	STATE FUNDS REQUESTED	PROJECT SCORE
GREENVILLE TC					
	1	Develop & Construct Northwest Campus	Renovate/New Construction	10,000,000	66
	2	Industrial Complex Renovation	Renovation/Replace HVAC/Mech.	3,000,000	94
	3	Repave Campus Roads & Parking Lots	Repave/Repair Roads/Parking Lots	350,000	79
		Institution Total:		\$13,350,000	
HORRY-GEORGETOWN TC					
	1	Allied Health & Science Bldg. -Georgetown	New Construction	4,800,000	66
	2	Renov. Classroom & Sci. Lab Bldg. Grand Str.	Renovation & Repair	4,400,000	94
	3	Industrial Training Bldg. -Georgetown	New Construction	6,400,000	63
	4	Renovate & Refurbish Bldg. 100-Conway	Renovation & Repair	2,532,054	94
		Institution Total:		\$18,132,054	
MIDLANDS TC					
	1	Northeast Classroom/Admin. Building	New Construction	15,000,000	90
		Institution Total:		\$15,000,000	
NORTHEASTERN TC					
	1	Renovate Ingram, Willamette & JC West Bldg.	Renovation	300,000	56
		Institution Total:		\$300,000	
ORANGEBURG-CALHOUN TC					
	1	Classroom & Auditorium Bldg.	New Construction	4,960,000	64
		Institution Total:		\$4,960,000	
PIEDMONT TC					
	1	Business Industrial Technology Bldg.	New Building	4,518,000	85
	2	Deferred Maintenance	Deferred Maintenance	1,700,000	92
	3	McCormick County Center	Construct New Facility	1,250,000	72
	4	Abbeville Center	Construct New Facility	1,250,000	72
	5	Saluda County Center	Construct New Facility	1,250,000	72
		Institution Total:		\$9,968,000	
SPARTANBURG TC					
	1	Academic/Library Building	New Building	9,000,000	82
		Institution Total:		\$9,000,000	
TC OF THE LOW COUNTRY					
	1	Buildings 6 & 8 Renovation	Renovation & Repair	1,624,000	67
	2	Buildings 12-15-16 Renovation	Renovation & Repair	2,253,800	67
	3	Bluff Stabilization	Erosion Control	344,000	52
		Institution Total:		\$4,221,800	
TRI-COUNTY TC					
		Classroom Building	New Building	2,400,000	65
		Institution Total:		\$2,400,000	
TRIDENT TC					
	1	Industrial/Economic Development Complex	Renovate & Reconfigure, Phase 2	9,500,000	82
	2	Palmer-Culinary Arts Renovation	Renovate & Reconfigure	7,125,000	82
	3	Palmer Parking Garage	Construct New Facility	5,618,000	57
	3	Nusing Building	New Building	6,000,000	72
		Institution Total:		\$28,243,000	
WILLIAMSBURG TC					
	1	Technology Building	New Building	6,500,000	73
		Institution Total:		\$6,500,000	
YORK TC					
	1	Renovations to Buildings C & D	Renovations	2,000,000	76
	2	Classroom Bldg. in Chester County	New Building	6,000,000	66
		Institution Total:		\$8,000,000	
		GRAND TOTAL		\$1,031,264,770	

* Library Exemption Applied for Criterion 3