

MINUTES OF MEETING
OF
SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION
June 6, 1991
10:30 a.m.

MEMBERS PRESENT

Mr. William J. Whitener, Chairman
Dr. D. Glenburn Askins, Jr.
Mr. Fred L. Day
Mr. Palmer Freeman, Sr.
Mr. Robert C. Gallagher
Mr. Marvin C. Jones
Ms. Reba Anne Kinon
Mr. Henry D. McMaster
Mr. Edward T. McMullen, Jr.
Dr. Harry W. Miley, Jr.
Mr. Lewis Phillips
Mr. Edwin E. Tolbert, Sr.
Mr. Joseph J. Turner, Jr.
Ms. Mildred R. Williams

MEMBERS ABSENT

Ms. Elaine Freeman
Mr. Roger E. Henderson
Mr. Kenneth E. Goad
Dr. Raymond C. Ramage

STAFF

Mr. Todd E. Barnette
Mr. Michael L. Brown
Ms. Saundra E. Carr
Dr. Robert A. Day
Mr. Charles D. FitzSimons
Dr. R. Lynn Kelley
Mr. Alan S. Krech
Dr. Harry G. Matthews
Ms. Lynn W. Metcalf
Dr. Gail M. Morrison
Mr. Jeff Richards
Mr. Fred R. Sheheen
Mr. John E. Smalls
Ms. Janet K. Stewart
Ms. Gaylon Syrett
Dr. Aileen C. Trainer
Ms. Julia E. Wells

GUESTS

Mr. Robert Barham
Dr. David Bell
Mr. John R. Broadhead
Mr. John Danko
Ms. Susan DeWitt
Dr. Ronald G. Eaglin
Lt. Col. Ralph Earhart
Mr. James Edwards
Ms. Katherine Fanning
Dr. Conrad D. Festa
Mr. Stan Godshall
Mr. O. M. Higgins, Jr.
Mr. Earl Holley
Dr. Sally Horner
Dr. O'Neal Humphries
Dr. Larry A. Jackson
Ms. Terrí Jenkins
Ms. Brenda Jones
Mr. Earl Jordan
Dr. C. Edward Kaylor
Dr. Bennett Lentczner
Mr. Howard Lundy
Dr. David Maxwell
Mr. J. P. McKee
Mr. Don Morris
Dr. Marcus Newberry
Dr. Walton H. Owens, Jr.
Dr. Daniel C. Pantaleo
Ms. Karen Petite
Dr. Blanche Premo-Hopkins
Mr. William Putnam
Dr. David Rinker
Mr. Leon Sanders
Dr. Donald Saunders
Dr. Robert Scott
Mr. Charles Shawver
Dr. Arthur K. Smith
Mr. Sterling Smith
Mr. Jack Sprott
Mr. Marshall Swanson
Mr. Myron Terry
Dr. Edwin F. Wilde
Mr. Jack Wilson

MEMBERS OF THE PRESS

Ms. Marshann Mishoe

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For the record, notification of the meeting was made to the media as required by the Freedom of Information Act.

I. Approval of Minutes of Meeting of May 2, 1991

It was moved (McMullen), seconded (Freeman), and voted that the minutes of the meeting of May 2, 1991, be approved as amended. Mr. McMullen asked that the May 2, 1991, minutes be amended on agenda item IV.B.1. to reflect his opposition to the recommendation on the basis that he believes diversity in the campus climate is best addressed by respective boards, administrators, professors, and students across the State rather than through the State Commission on Higher Education. Mr. McMullen also asked that the minutes reflect that while he personally agrees with the intended results of this recommendation, he does not believe the problem will be rectified with this recommendation. Mr. Whitener stated that this change would be made.

II. Report of Committee on Academic Affairs

Mr. Turner, chairman, reported on the following matters:

A. Consideration of EIA Center of Excellence Proposals, New and Continuing

Recommendation for Funding Existing Centers of Excellence

In 1986, the Commission awarded funds for the establishment of Centers of Excellence at Winthrop College and Clemson University in the areas of early childhood education and math and science education respectively. Each of these Centers has received funding for the allowable two funding cycles for a total of four years of funding support. Under the Guidelines for the Centers of Excellence program, neither of these Centers is eligible for continued funding, and each institution has indicated its willingness to assume responsibility for its respective Center.

In 1989 and 1990, the Commission awarded funds for the establishment of Centers of Excellence at USC-Columbia and Furman University respectively. Each of these Centers has requested continuing funds for FY 1991-92.

The Committee recommended that the existing eligible Centers be funded for FY 1991-92 in accord with the Guidelines, which are intended to encourage the institutions to assume increasing responsibility for the Centers as on-going programs. The recommended amount for each Center is as follows:

<u>Institution</u>	<u>FY 1991-92</u> (recommended)	<u>FY 1992-93</u> (tentative)
USC-Columbia	\$39,500 (year 3)	\$23,700 (year 4)
Furman	95,858 (year 2)	68,470 (year 3)

It was moved (Turner), seconded (Williams), and voted that the recommendation of the Committee be adopted.

Recommendation for Funding New Centers of Excellence

Three proposals for the establishment of new Centers of Excellence were received, requesting a total of \$359,192.

The Committee recommended that subject to the availability of funds, the review panel's recommendations be accepted and that Francis Marion College be awarded a grant of up to \$65,523 for the establishment of a Center of Excellence in English and that the College of Charleston be awarded a grant of up to \$74,350 for the establishment of a Center of Excellence in Special Education, provided that the institutions address the recommendations and suggestions of the review panel by revising their proposals to this end and to the satisfaction of the staff and submit these revisions by July 1; and provided further that the budgets be subject to further review by the staff as outlined by the consultants in their report.

The Committee also recommended that \$8,000 be authorized for utilization by the staff for out-of-pocket expenses when incurred 1) in the required evaluation of existing Centers in FY 1991-92; 2) in the evaluation of proposed Centers for FY 1992-93; and 3) in hosting a meeting for all existing Centers of Excellence directors and other Center directors to exchange information about the Centers' activities, their communications technologies, and other related matters to avoid unnecessary duplication of services. The latter was a recommendation made to the Commission by the review panel.

It was moved (Turner), seconded (McMullen), and voted that the recommendations of the Committee be adopted.

Recommendation for Supplemental Funding for Existing Centers of Excellence

A supplemental funding request of \$85,450 for FY 1991-92 and \$55,100 for FY 1992-93 and a justification have been submitted by USC-Columbia for its Center of Excellence in education technology for the learning disabled and visually handicapped.

Because the Center has been funded at levels significantly below those requested and because the evaluation panel's assessment of its first two years is supportive of such a request, the Committee recommends that the supplemental request for FY 1991-92 and the tentative supplemental request for FY 1992-93 be approved, provided that the staff will negotiate the amount of these supplemental funds, which are not to be included in the base funding of the Center, after funding the operating costs of existing and new Centers, based on the final State appropriation for the Centers of Excellence program.

It was moved (Turner), seconded (Miley), and voted that the recommendations of the Committee be adopted.

B. Consideration of Administrative Budget for Student Loan Corporation, FY 91-92

The Education Improvement Act (1984) authorized the establishment of the Teacher Loan Program, to be administered by the S. C.

Student Loan Corporation. In establishing regulations to govern the program, the Commission stipulated in December, 1984, that the annual operating costs for the Corporation to administer the program be approved annually by the Commission.

The Committee recommended that the proposed operating expenditures of the Corporation of \$238,625 for administration of the Teacher Loan Program be approved by the Commission.

It was moved (Turner), seconded (Williams), and voted that the recommendation of the Committee be adopted subject to recall for further discussion at the July Commission meeting.

B. Consideration of a Policy to Comply with Proviso 28.86 for the Student Loan Corporation, FY 91-92

The Appropriations Bill for FY 91-92 contains a new proviso (28.86) which has been added to the EIA section of the bill pertaining to the Teacher Loan Program. The proviso reads as follows: Of the funds appropriated for the Student Loan Program, special funding must be earmarked for minority student applicants. The Student Loan Corporation, in consultation with the Commission on Higher Education, shall establish allocation procedures for the minority applications. Any funds earmarked for the minority loan program not committed by June 1 of the current fiscal year shall revert back to the original EIA Student Loan Program.

To assist the staff in meeting the intent of the proviso, the following policy statement was developed, modelled closely on the provisions of Section 59-104-20 of Act 629, the Cutting Edge legislation: Measures will be taken by the staff of the Student Loan Corporation to ensure equitable minority participation in the Teacher Loan program.

The Committee recommended that the Commission adopt the proposed policy.

It was moved (Turner) and seconded (Jones) that the recommendation of the Committee be adopted.

The motion was amended (Gallager), seconded (Miley), and voted that the recommendation of the Committee be adopted to provide that the Student Loan Corporation should report back to the Commission prior to January 1, 1992, on the effectiveness of measures taken to ensure minority participation in the Teacher Loan Program.

D. Report on Emergency and Final Regulations for the Governor's Teacher Scholarship/Loan Program

On June 7, 1990, the Commission approved Emergency Regulations in anticipation of the establishment of the Governor's Teaching Scholarship Loan Program. This program was subsequently established and received an appropriation of \$1.0 million for FY 90-91.

Like the Teacher Loan Program, this is a forgivable loan program. Service as a teacher in the State for a stated number

of years will result in cancellation of the loan and of accrued interest. Failure to serve as a teacher requires that the loan and accrued interest be repaid by the borrower. This program is operated by the S. C. Student Loan Corporation. In accord with the Administrative Procedures Act, the Commission is required to adopt regulations for this program, in consultation with the State Department of Education and the Student Loan Corporation.

The report is for information only.

III. Report of Committee on Business and Finance

A. Report on 1992-93 Appropriation Formula

During the past year, the Commission staff held quarterly meetings with the Finance Officers Advisory Committee. Various revisions to the formula were considered along with the potential impact of the suggested revisions on the institutions. The staff in consultation with the finance officers believes that all steps of the formula should be looked at as a whole; therefore, the staff will do a complete study of the formula by February 18, 1992. The results of the study will be presented to the Business and Finance Committee for its consideration in June, 1992. The Formula Advisory Committee recommended that no methodology changes be made in the 1992-93 formula and endorsed a complete study of the formula, including seeking alternative methods of allocating formula funds.

The Committee recommended that no methodology changes be made in the appropriation formula for FY 1992-93. It is understood that the inflationary and activity increases, as well as the salary survey results and increases in FTE enrollment will be reflected in the 1992-93 formula, with the caveat that the staff give a report to the Business and Finance Committee by October 1991 as to how funds ought to be allocated in the event of another tight fiscal year.

It was moved (Jones), seconded (Tolbert), and voted that the recommendation of the Committee be adopted.

IV. Report of Committee on Facilities

Mr. Whitener reported on the following matters:

A. APIP Requests

1. Clemson University

a. Bradley Hall, Renovate Bathrooms - This request involves the total replacement of all fixtures, floor and wall coverings, and the upgrading of the HVAC systems in the bathrooms of this 1935 dormitory facility. The total estimated cost is \$300,000 which is to be funded with Housing Improvement Fees.

b. Lever Hall, Replace/Repair Elevator - This request will either replace or repair the two elevators that serve this 10-story women's dormitory. These elevators are over twenty years old and are in constant need of repair. If total replacement is necessary, the estimate is an additional \$50,000. The project will cost an estimated \$450,000 to be funded with

Housing Improvement Fees.

c. New Campus Parking Lot - The University is requesting authorization to construct an additional 400 space student parking lot. This work will include construction of sidewalks and the installation of appropriate lighting. The total cost to construct this lot is estimated at \$400,000 which will be funded with Parking Operating Revenues.

The Committee recommended that the three requests be approved as proposed by the University.

It was moved (Whitener), seconded (Kinon), and voted that the recommendation of the Committee be adopted.

2. USC-Columbia

a. Elevator Handicap and Fire Compliance - This project will provide fireman service to 28 elevators and handicap accessibility to 49 elevators in administrative and academic buildings on the campus. The estimated cost for this mechanical repair and replacement is \$630,000 to be funded with Tuition Bond Excess Debt Service.

b. Backflow Prevention Device Installation - This request is required to meet existing Department of Health and Environmental Control plumbing codes. The University will install approximately 200 backflow prevention devices to protect the city's potable water supply. The project will cost approximately \$600,000 in Tuition Bond Excess Debt Service.

c. Fire Equipment Update - This project is designed to upgrade and modernize the overall fire alarm reporting system in the housing facilities on campus. It includes connecting the alarms to a central location on campus to provide for continuous monitoring. These actions are in compliance with recently amended State fire codes. This project is estimated to cost approximately \$250,000 in Housing Revenue.

d. Preston Renovations - The project will replace the HVAC system, perform electrical modifications, install a new hot water system, install a new ceiling, and remove a minimal amount of mechanical system asbestos in the Preston Dormitory. The total cost of \$600,000 will be funded with Housing Revenue.

The Committee recommended that each of these four requests be approved as proposed by the University.

It was moved (Whitener), seconded (Jones), and voted that the recommendation of the Committee be adopted.

3. USC-Coastal Carolina

a. Campus Development - This project is needed due to the College's rapid expansion of its physical plant. The following work will be included: parking lots, sidewalks, utility expansion, exterior lighting, landscaping, and campus signage. The total request will be funded with \$800,000 in tuition bonds.

b. Interior Renovations - This request is for approval to expend \$350,000 to address deferred maintenance needs in four facilities: Singleton Administration Building, Kearns Hall, Williams-Brice Physical Education Building, and the Wheelwright Auditorium. Each of these facilities had needs identified in the most recent Building Quality Survey. The work will be funded with \$50,000 in Tuition Bonds and \$300,000 in Renovation Reserve Fees.

The Committee recommended that both of these requests be approved as proposed.

It was moved (Whitener), seconded (Kinon), and voted that the recommendation of the Committee be adopted.

4. Midlands Technical College-Harbison Campus, Renovation of Dormitory Building

Midlands Technical College is submitting this request in order to establish a project to renovate the 7,400 gross square feet Dormitory Building on the Harbison campus for use as classrooms and offices. The total project is estimated to cost \$525,000 and will be obtained from County bond appropriations.

The Committee recommended that this request be approved as requested by the College.

It was moved (Whitener), seconded (Jones), and voted that the recommendation of the Committee be adopted.

B. Other Requests

1. The Citadel - Various Buildings -Roof Repairs/Replacement, Budget Increase

The Citadel is requesting approval to increase the budget of this previously established project by \$266,681, from \$1,718,748 to \$1,985,429. This increase will be funded with Institution (Tuition) Bonds. This project was established in 1985 to repair and replace various roofs on campus facilities. It remains an active project which receives additional funding as it becomes available to address roofing problems.

The Committee recommended that this project be approved as requested.

It was moved (Whitener), seconded (McMullen), and voted that the recommendation of the Committee be adopted.

2. The Citadel - Barracks Renovation Design - Budget Increase

The Citadel is requesting permission to increase the budget of this previously approved project by \$340,000, from \$300,000 to \$640,000. This will allow the College to perform extensive evaluation of the condition of the four barracks and accompanying infrastructure; the extent of renovation needed and required by building codes; a solution for housing renovation needed and required by building codes; a solution for housing the cadets during construction; and a reliable cost estimate. Funding for

this project is being provided entirely from Housing Excess Debt Service.

The Committee recommended that this requested increase be approved as proposed by the College.

It was moved (Whitener), seconded (Jones), and voted that the recommendation of the Committee be adopted.

3. College of Charleston

a. 202-204 Calhoun Street Land Acquisition

The College of Charleston is requesting approval to acquire two tracts of land totalling approximately one quarter of an acre. These lots are currently owned by the College of Charleston Foundation and are leased to the College for \$7,854 per year. The College would continue to use these lots for parking. The purchase price is \$76,950, which represents the Foundation's original acquisition cost. Legal fees, appraisal fees, an environmental study, and other related costs totalling \$4,000 bring the total budget for this request to \$80,950 which will be funded entirely with Parking Revenues.

The Committee recommended that this acquisition be approved as proposed by the College.

It was moved (Whitener), seconded (Miley), and voted that the recommendation of the Committee be adopted.

b. Executed Leases - 298-300 Meeting Street, 13 Coming and 8 Kirkland Lane

In July of 1990, the College realized it had committed to provide 150 more beds than it had in its inventory. To remedy this situation, College officials located two facilities, 298-300 Meeting Street and 13 Coming Street and Kirkland Lane, and negotiated leases with the owners. These leases were executed in violation of the South Carolina Consolidated Procurement Code. Attempts have been ongoing to reconcile the execution of these leases with the State's Procurement Code. The Division of General Services has recently ratified the leases in question.

This was presented for information only.

4. USC-Coastal Carolina

a. Physical Education Support Facility Construction, Budget Increase

USC-Coastal Carolina is requesting authorization to increase the budget of this previously approved project by \$350,000, from \$500,000 to \$850,000. This will allow for a scope revision in the project to include construction of an 11,680 gross square feet facility, instead of the 4,800 gross square feet originally proposed. Funding is to come from Tuition Bonds, and this facility will now generate

approximately \$42,000 annually in plant maintenance and operations funding through the formula.

The Committee recommended that this requested increase be approved.

It was moved (Whitener), seconded (Kinon), and voted that the recommendation of the Committee be adopted.

b. Singleton Administration Building Addition

USC-Coastal is proposing the construction of a 30,000 square feet addition to the Singleton Administration Building. The proposed addition would serve several academic support services, house faculty and staff offices, and provide general classroom space. This addition would be funded through the issuance of \$3,000,000 in bonds by the Horry County Higher Education Commission. This additional space would generate approximately \$117,000 in annual formula allocation for plant maintenance and operations.

The Committee recommended that this request be approved contingent upon the Horry County Higher Education Commission's success in obtaining funding to support this project.

It was moved (Whitener), seconded (Kinon), and voted that the recommendation of the Committee be adopted.

5. USC-School of Medicine, Medical Park Property Acquisition

The University of South Carolina is requesting authorization to purchase approximately 19 acres of land adjacent to the Richland Memorial Hospital. Additionally, the University is proposing that the School of Medicine Educational Trust purchase, on behalf of the School of Medicine, Two Medical Park Building and Four Medical Park Building. The University's land purchase is to be financed with approximately \$2,400,000 in School of Medicine tuition bonds. The facility acquisitions will be funded through approximately \$8,200,000 in revenue bonds issued by the Trust.

The Committee recommended approval of the proposed acquisition subject to the following:

1. That the property be used exclusively for the clinical faculty practice plan excepting those spaces currently leased to non-University tenants unless other use receives prior approval of the Commission.
2. That State operations and maintenance funding is neither sought nor received until after Commission approval of changes in use.
3. That this action not be deemed as approval of the acquisition of any property which has not received a clean environmental assessment.

It was moved (Whitener), seconded (Williams), and voted that the recommendations of the Committee be adopted.

6. Winthrop College, Johnson Hall Renovation/Addition

Winthrop College requested and received \$3.2 million in the 1988 Capital Improvement Bond Act for the purpose of renovating Johnson Hall. The initial program of work called for the expenditure of \$3.2 million to refurbish and upgrade instructional, office and related space as well as the auditorium, stage, and backstage areas. Winthrop College is now requesting that \$2.8 million in State Institution (Tuition) Bonds be added to this project. The scope of work now calls for new construction, rather than simple renovation of the stage, side stages, orchestra pit, trap area, and pit undercut. Additional new space includes a theatre lab, dance rehearsal area, scene shop, storage, dressing rooms, green room, TV studio and control, offices and associated fixed equipment. The space originally envisioned for renovation remains constant.

The Committee recommended the requested budget increase and scope of work be approved as proposed.

It was moved (Whitener), seconded (Kinon), and voted that the recommendation of the Committee be adopted.

7. Medical University of South Carolina

a. Student Wellness Center, Source of Funds Change

The Medical University is requesting permission to change the source of funding on \$3,000,000 that is to be added to the Student Wellness Center project. The University desires to utilize Institution (Tuition) Bond funds in replacement of Capital Improvement Bond money recommended by the Commission in its 1990 Overall Permanent Improvement Plan recommendations.

The Committee recommended that this request be approved as proposed.

It was moved (Whitener), seconded (Day), and voted that the recommendation of the Committee be adopted.

b. 49 Bee Street Purchase

The Medical University is seeking approval to purchase a house and residential lot located at 49 Bee Street. This house is currently leased by the University for use as a Student Health Center. The cost to purchase the property is represented by the appraised value of \$205,000 and is to be funded with Hospital Generated Revenues. As student health services are required by law to be self-supporting, this facility will receive no plant maintenance and operations funding through the formula.

The Committee recommended that this acquisition be approved as proposed by the University.

It was moved (Whitener), seconded (Day), and voted that the recommendation of the Committee be adopted.

c. Harborview Office Tower Proposed Acquisition

The Medical University is proposing to acquire the Harborview

Office Tower, formerly the Summerall Center at 19 Hagood Avenue. The appraised value of the property (land and improvements including the five story parking garage) is \$18,260,000. The University is of the opinion that its occupancy of significant portions of this facility over the past 14 years attests to its long-term need for this permanent space.

The Committee supported the proposed acquisition provided prior to execution of the transaction the following are submitted and approved:

1. A financial statement detailing the portion of the annual lease purchase cost to be borne from auxiliary fund sources to pay for the value of the parking structure.
2. A financial statement detailing revenues to be realized from non-E&G operations reflecting a fair share allocation for building operating costs, with the balance applied to the annual purchase cost.
3. A financial statement reflecting the net of the annual lease purchase cost to be borne from E&G funds.
4. All pertinent documents to this transaction including but not limited to the foundation papers and lease.

Additionally, Step 12 appropriations for support of this acquisition through 1998 may not exceed the lease payment to which the Medical University might otherwise have been entitled.

It was moved (Whitener), seconded (Jones), and voted that the recommendations of the Committee be adopted.

V. Report of the Commissioner

A. Consideration of New Initiatives for 1991-92

Mr. Sheheen reviewed a summary of new initiatives to be accomplished in 1991-92 by the Commission's five staff divisions. By direction of the Budget and Control Board, only new initiatives for the ensuing fiscal year and none of the many ongoing activities of the Commission are included in the plan.

The staff recommended that this plan for 1991-92 be approved and submitted to the Budget and Control Board's Division of Human Resource Management.

It was moved (Day), seconded (Askins), and voted that the recommendation of the staff be adopted.

It was moved (Gallager), seconded (Tolbert), and voted that before the CHE Management Information System is implemented it be brought to the Commission for approval.

B. Consideration of Ethical Principles for South Carolina State Government Service

Mr. Sheheen stated that the South Carolina Budget and Control Board has established a State Employee Committee on Ethics, with

representation from the Governor's Office, The Budget and Control Board staff, the South Carolina State Employees Association, and three state agencies. The Committee has developed a code of ethics for career employees in state government, and Governor Campbell has requested that each state agency adopt these principles.

It was moved (Askins), seconded (Kinon), and voted that the code of ethics for career employees in state government be adopted by the Commission.

VI. Other Business

Dr. Arthur Smith voiced some apprehension about the Commission's decision to implement a student-specific data system for South Carolina's system of higher education in order to improve the flow of information available to the institutions, the Commission, the General Assembly and the federal government. Mr. Sheheen stated that an improved system of information was a key recommendation of the AVA study and the Cutting Edge program. The Commission has approved the system in open session and in the presence of institutional representatives with no objection being recorded by any institution. Mr. Sheheen added that the request for institutional representatives was an effort to involve the institutions from the beginning of the project. He stated that he hopes the apprehensions of the University will be alleviated at some point and that the University will join in this constructive endeavor for higher education in South Carolina. Dr. Smith agreed to involve a representative from the University.

There being no further business, the meeting was adjourned at 1:00 p.m.

Respectfully submitted,

Janet K. Stewart
Recording Secretary