

MINUTES OF MEETING  
OF  
SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION  
March 7, 1996  
10:30 a.m.

MEMBERS PRESENT

Mr. Fred L. Day, Chairman  
Mr. J. Randolph Ayers  
Dr. Colgate W. Darden, III  
Mr. Fred C. Fore  
Mr. R. Austin Gilbert, Jr.  
Mr. Kenneth E. Goad  
Ms. Reba Anne Kinon  
Mr. Ray D. Lathan  
Dr. W. David Maxwell  
Mr. Willard A. Metcalf  
Gen. Thomas R. Olsen  
Mr. Lewis Phillips  
Dr. Raymond C. Ramage  
Mr. Bill H. Stern  
Mr. Edwin E. Tolbert, Sr.  
Ms. Debbie N. Whittle  
Ms. Mildred R. Williams

STAFF

Mr. Michael L. Brown  
Mr. Charlie FitzSimons  
Mr. Ivan F. Guinn  
Ms. Maggie Hicks  
Mr. Douglas I. Holleman  
Mr. Mike Kennedy  
Mr. Raghu Korrapati  
Mr. Alan S. Krech  
Ms. Lynn W. Metcalf  
Dr. Gail M. Morrison  
Dr. Robert K. Poch  
Mr. Fred R. Sheheen  
Mr. John E. Smalls  
Ms. Yolanda Solone  
Ms. Janet K. Stewart

GUESTS

Dr. Margaret Amick  
Mr. Todd E. Barnette  
Ms. Donna Collins  
Dr. Larry R. Faulkner  
Mr. John L. Finan  
Mr. Robert Gallagher  
Dr. Carol Z. Garrison  
Mr. Sandy Gilliam  
Mr. Joe Good  
Dr. Ray Greenberg  
Mr. Mike Gross  
Dr. Wanda Hayes  
Dr. Sally Horner  
Mr. James Kirk  
Col. Calvin G. Lyons  
Dr. Harry G. Matthews  
Mr. Gary McCombs  
Ms. El Nault  
Mr. John Newton  
Mr. William T. Putnam  
Mr. Leon Sanders  
Mr. Charles Shawver  
Mr. Sterling Smith  
Dr. John C. Sutusky  
Dr. David Underwood  
Mr. Mark Wright

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

Mr. Day welcomed guests and introduced Gen. Thomas R. Olsen who was appointed to the Commission from the Fifth Congressional District.

Mr. Stern congratulated S. C. State University on its 100th year anniversary. Mr. Sheheen stated that the staff would prepare a resolution for transmission to S. C. State University's Board of Trustees and the administration.

1. Approval of Minutes of Meeting of February 1, 1996

It was moved (Williams), seconded (Lathan), and voted that the minutes of the meeting of February 1, 1996 be approved as written.

2. Special Presentation

Report on the Deans' Committee

Dr. Faulkner, Chair, Deans' Committee on Medical Education, gave a succinct presentation on the following: 1) History of CHE oversight of medical education in South Carolina; 2) Problems with oversight committee functioning; 3) the Deans' Committee on Medical Education; 4) Current activities of the Deans' Committee on Medical Education; 5) Preliminary recommendations concerning future directions for the Deans' Committee on Medical Education; 6) An overview of the Deans' Committee investigation of medical education in South Carolina; and 7) Conclusions.

3. Committee Reports

3.01 Report of the Executive Committee

Mr. Gilbert reported on the following matter:

Methodology for Handling Commission Consideration of Proposed Lease Between the Medical University and Columbia/HCA

The Committee recommended the following procedure for Commission consideration of the proposed lease agreement between the Medical University and Columbia/HCA:

1) Upon receipt of the documents, the Commission staff will prepare a summary of the major provisions which can be easily understood by members of the Commission, members of the General Assembly, the media and the public.

2) The summary will be reviewed for accuracy and comprehensiveness with the staff of the Budget and Control Board and the Joint Bond Review Committee, both agencies which must consider the matter before the final state approval can be granted.

3) The summary will then be reviewed for accuracy and comprehensiveness with the staff of the Medical University, in order to ensure that the statewide agencies' understanding of the agreement is complete.

4) The summary document will be made available to all potentially interested parties in South Carolina in the health community, to members of the General Assembly, and to the public.

5) The Commission, acting as a Committee of the Whole, will hold a public hearing, prior to any recommendation from the staff to the Commission. The hearing will be widely publicized by mail notification and by newspaper advertising in the major media of the State.

6) Following the public hearing, a staff recommendation will be forthcoming to the Commission. Hopefully, the staff of the Commission, the Budget and Control Board and the Joint Bond Review Committee will agree on recommendations. However, that might not necessarily occur.

7) The Commission will act on the proposed lease agreement and forward its recommendation to the appropriate state agencies.

It was moved (Gilbert), seconded (Metcalf), and voted that the Committee's recommendations be approved.

#### 3.04 Report of the Committee on Business and Finance

Mr. Lathan, chairman of the Committee on Business and Finance reported on the following matter:

##### Consideration of Certification of Unique Cost Policy

At its January 4, 1996 meeting, the Commission on Higher Education approved the Business and Finance Committee's recommendation revising the Step 12 process. The revised Step 12 policy resulted from a detailed and comprehensive report done by Dr. David Maxwell. The staff indicated that the vast majority of Dr. Maxwell's suggestions significantly strengthened and enhanced the existing Step 12 policy and, as a result, were recommended and adopted by the Commission. One item in Dr.

Maxwell's paper regarding "the certification of unique costs" was not recommended by the staff.

At Dr. Maxwell's request, the Business and Finance Committee met again prior to the Commission meeting to consider further modifying the process for "certification of unique cost." The Committee discussed at length this certification and determined that further adjustments as requested by Dr. Maxwell are not warranted at this time. Therefore, Mr. Lathan stated that the Committee unanimously concurred with the action of the Commission at its January 4, 1996 meeting on the consideration of unique cost.

It was moved (Lathan), seconded (Goad), and voted to reaffirm the Step 12 policy approved on January 4, 1996.

### 3.05 Report of Committee on Facilities

Ms. Kinon, chairman of the Committee on Facilities, reported on the following matters:

#### A. Clemson University

##### 1) Redfern Health Center

Clemson University requested authorization to establish a budget for architectural and engineering services through design development in order to renovate approximately 11,000 square feet of Redfern Health Center at an estimated cost of \$25,000. The source of funds is auxiliary revenue. In accord with the Commission's newly adopted Architecture and Engineering (A&E) policy, full A&E work will be approved only when a sufficient source of funds has been identified, and the full project has received Commission approval.

The Committee recommended approval of the project as proposed. It was moved (Kinon), seconded (Fore), and voted that the recommendations of the Committee be approved.

##### 2) Jordan Hall Renovations

Clemson University requested approval to increase the budget and revise the scope of this previously approved project. The revised estimated project cost is \$1,850,000. The revised sources of funds include student institutional bonds and private funds. There will be no student fee increase as a result of this project and no affect on formula funding.

The Committee recommended approval of the project as proposed. It was moved (Kinon), seconded (Fore) and voted that the recommendation be approved.

B. Trident Technical College - Wetterau Warehouse/Office Building Renovations

Trident Technical College requested authorization to increase the budget of this previously approved project by \$250,000. The revised estimated total project cost is \$1,450,000. The source is local funds (annual county allocation) with no formula funding impact.

The Committee recommended approval of the project as proposed. It was moved (Kinon), seconded (Darden) and voted that the recommendation be approved.

C. Medical University of South Carolina - St. Francis Hospital Complex, Lease of Tower Floors Eleven and Twelve

MUSC requested authorization to lease two floors of the St. Francis Hospital complex from University Medical Associates. The annual rent, including operating costs, is \$651,000 to be paid by Federal grants and contract funds and University unrestricted funds. This project will have a net formula funding impact of approximately \$162,000.

The Committee recommended approval of the project as proposed. It was moved (Kinon), seconded (Darden) and voted that the recommendation be approved.

D. USC-Columbia - Williams-Brice Stadium Scoreboards

USC-Columbia requested authorization for the installation of new scoreboards and a public address system. The estimated total project cost is \$1 million, and the source of funds is proposed revenues from the sale of advertising.

The Committee recommended approval of the project as proposed. It was moved (Kinon) and seconded (Metcalf) that the recommendation be approved.

It was moved (Tolbert), seconded (Williams) and voted as a substitute motion that approval of the project be contingent upon successful revenues from the sale of advertising.

E. Consideration of Routine Repair, Replacement and Maintenance Projects

Under the Commission's policy, institutional projects of this nature which have received staff approval will be presented to the full Commission in summary form for consideration.

MUSC - Harborview Towers HVAC System - This request was to increase the existing budget by \$293,500 to revise the scope of the project for the addition of an ice storage unit to the HVAC system. The source of funds will be a rebate from SCE&G and insurance reserve fund. Since there were no specific inquiries, the project will be forwarded to the Budget and Control Board with a positive recommendation.

4. Report of the Commissioner

A. Status of State Scholarship Program

Mr. Sheheen stated that the General Assembly has established a \$30 million scholarship program for higher education to be funded through the Commission by proceeds from the Barnwell Nuclear Processing Facility. The funds are to be distributed to students entering the academic year of Fall 1996.

Mr. Sheheen stated that the Palmetto Fellows Program will expand from approximately 40 awards a year ultimately to 650 awards per year. Also a need-based program for students will be established. The Commission has the authority to write the guidelines for the administration of the expanded Palmetto Fellows Program and for the need-based program. The guidelines for these programs will be reviewed by the Committee on Academic Affairs, and if approved, will be on the Commission agenda in April.

B. Status of Legislation Enacting the Higher Education Study

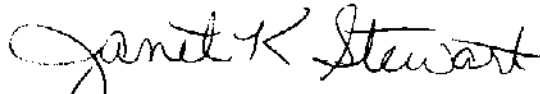
The legislation enacting the higher education study was approved by the Senate Education Committee and is on the calendar in the Senate. There were some minor amendments made to clarify the role of the technical colleges. The legislation will go to the full House Committee on March 27.

C. Status of Quality Funding in 1996-97 Appropriations Bill

The House of Representatives appropriated \$3.5 million for the higher education formula and \$12 million to the Commission for distribution to the higher education institutions for performance and quality.

There being no further business, the meeting was adjourned at 12:10 p. m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Janet K. Stewart". The signature is written in dark ink and is positioned above the printed name.

Janet K. Stewart  
Recording Secretary