

June 13, 2016

The Honorable James H. Lucas
Speaker, SC House of Representatives
506 Blatt Building
Columbia, S.C. 29201

Re: Part 1 B, Page 286, Section 1, Department of Education — Proviso 1.87, SDE: Moving Cost Study

Dear Mr. Speaker:

The Governor has vetoed Proviso 1.87 – SDE: Moving Cost Study. The Department of Education requested the proviso to ensure that the estimate received regarding moving employees and equipment out of the Rutledge Building and 1427 Senate Street was accurate and provided the agency, Governor, and General Assembly with a valid cost estimate to ensure resources to fund the move are available.

The Department of Administration (Admin) and the Governor indicate that these costs will be included in the analysis currently being conducted by Admin and industry partner CBRE. The Department of Education is supportive of sustaining the veto based on the assurance provided by the Department of Administration and the Governor's Office.

In compliance with Executive Order 2013–09, Admin, with the help of our industry partner CBRE, established an accounting of the State's real estate portfolio and conducted an extensive study about potential savings and current use of space. That effort identified several measures that provide the State a balanced equation of sales and new space options in its effort to reduce the State's real estate footprint.

Collaborative efforts between Admin, CBRE, and the SCDE have been very productive and have allowed for more than just a move analysis. We have conducted a preliminary analysis and are in the process of conducting a complete financial analysis for the relocation of the SCDE, providing the agency with a clear picture of all potential costs and savings associated with moving. In addition to the short-term costs, the analysis includes projections for ongoing maintenance and operations and future capital improvements for any new space whether obtained through lease or purchase.

Currently, Admin is working with CBRE and the SCDE to finalize a space study which assesses the feasibility of housing the entire agency in one location. Along with extensive research and market analysis, all of these efforts have and are incorporating feedback from multiple



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discussions with the SCDE's executive staff and program managers to ensure that the agency can make an informed and confident decision about relocation. We assure you that once the analysis is complete, it will be shared before any action is taken.

The work the SCDE has done to help Admin in its efforts to accomplish the State's goal of promoting efficient and effective use of real property will ultimately translate into greater stewardship of taxpayer dollars.

Considering the efforts described above, including the SCDE's participation in the process, there appears to be no need for the SCDE to conduct a moving cost study.

Sincerely,

Marcia S. Adams
Executive Director

Molly M. Spearman
State Superintendent of Education