

AS

MINUTES OF MEETING
OF
SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION
March 1, 1990
10:30 a.m.

MEMBERS PRESENT

Mr. William J. Whitener, Chairman
Dr. D. Glenburn Askins, Jr.
Mr. George L. Brightharp
Mr. Tom Moore Craig
Mr. Palmer Freeman, Sr.
Mr. Kenneth E. Goad
Mr. Marvin C. Jones
Ms. Reba A. Kinon
Mr. Howard G. Love
Mr. Lewis Phillips
Dr. Raymond C. Ramage
Mr. Edwin E. Tolbert, Sr.
Mr. Joseph J. Turner, Jr.

MEMBERS ABSENT

Mr. Walter E. Brooker
Mr. Robert C. Gallagher
Mr. Roger E. Henderson
Mr. Vernon McGuire
Ms. Mildred R. Williams

STAFF

Mr. Todd E. Barnette
Dr. Jeffrey P. Bartkovich
Dr. Robert A. Day
Dr. Jeanette A. Deas
Mr. Milton Kimpson
Dr. Frank E. Kinard
Mr. Alan S. Krech
Ms. Lynn W. Metcalf
Dr. Gail M. Morrison
Dr. Robert K. Poch
Mr. Fred R. Sheheen
Mr. John E. Smalls
Dr. Leonard P. Sternbach
Ms. Janet K. Stewart
Dr. John C. Sutusky
Dr. Aileen C. Trainer
Ms. Julia E. Wells

GUESTS

Dr. David Bell
Mr. John Bell
Mr. Bob Bierman
Ms. Katherine Bristow
Dr. John R. Broadhead
Dr. Betsy Brown
Dr. Ann Carmichael
Dr. Jim Daniels
Dr. Ken Davis
Dr. Pete Denton
Lt. Col. Ralph P. Earhart
Mr. James Edwards
Dr. John Gardner
Mr. Stan Godshall
Dr. Marshall Grigsby
Dr. Mac Holderfield
Dr. Henry Hollingsworth
Dr. Sally Horner
Ms. Terri Jenkins
Dr. John Johns
Mr. David Larson
Dr. Joe Lesesne
Dr. W. David Maxwell
Ms. Rebecca Mbhu
Dr. Carolyn McIver Smith
Dr. Peter T. Mitchell
Dr. John Newby
Col. W. Gary Nichols
Dr. Kenneth Orr
Dr. Terry Peterson
Dr. Blanche Premo-Hopkins
Dr. Oscar Rogers
Dr. Ken Schwab
Dr. Robert Scott
Dr. Kent Sharples
Dr. Arthur K. Smith
Dr. Michael Smith
Mr. Sterling Smith
Mr. Ed Troublefield
Dr. Edwin Wilde

MEMBERS OF THE PRESS

Mr. Steve Guilfoyle
Mr. Bill Robinson

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 February 1, 1990

It was moved (Love), seconded (Kinon), and voted that the minutes of the meeting of February 1, 1990, be approved as written.

II. Report of Committee on Access and Equity

Ms. Kinon thanked the staff and Commission members for their participation in the Fifth Annual Technical Assistance Workshop. She stated that more people attended this year than ever before, making it a very successful activity.

Ms. Kinon stated that since the last Commission meeting, she, along with Ms. Wells of the staff, visited Chesterfield-Marlboro Technical College, Williamsburg Technical College, and USC-School of Medicine. Mr. Kimpson accompanied them to Sumter Area Technical College and USC-Sumter. The schedule for visits in March has been developed. She invited Commission members to contact Ms. Wells if they will be able to go on some or any of these visits.

III. Report of Committee on Business and Finance

Mr. Jones, chairman of the Committee on Business and Finance, reported on the following matters:

A. Consideration of Increasing the FTE Waivers for Undergraduate Students

During the 1988-89 fiscal year, the General Assembly approved Proviso 129.4 which states that, "The Institutions of Higher Education may offer educational fee waivers to no more than 2% of the undergraduate student body." Clemson University and Winthrop College have requested that the percentage be increased to 4%. The staff has analyzed the waivers granted under this proviso to students by the colleges and universities and believes that the waivers have been helpful in attracting the talented, especially academically talented students, into the institutions. However, the staff believes that the waivers to athletes should be kept to a minimum.

The Committee recommends that the Commission give its staff authorization to request the General Assembly to revise Proviso 129.4 from a limit of 2% to 4%, provided that waivers for athletic purposes be limited to 2% and waivers for out-of-state students be limited to 2%. It was moved (Jones) and seconded (Ramage) that the recommendation of the Committee be adopted.

After some discussion, it was moved (Turner) and seconded (Askins) that the motion be amended to read: The Committee on Business and Finance recommends that the Commission give its staff authorization to request the General Assembly to revise Proviso 129.4 from a limit of 2% to 4%, provided that waivers for athletic purposes at the colleges and universities and at the technical colleges be limited to 2%. The amended motion was adopted.

B. Consideration of Step 12 (Unique Cost) Definitions and Guidelines

The Unique Cost Step of the formula is intended for items which are unique to one or to a small number of institutions. Unlike other steps of the formula, allocations under the unique cost step are expected to be spent as allocated (with appropriate adjustments made based on the percent of the formula received). Due to questions that have arisen in the past, it has become necessary to establish additional guidelines for Step 12 requests.

The Committee on Business and Finance recommends that the Commission adopt the position paper dealing with the Unique Cost Step guidelines.

It was moved (Jones), seconded (Turner), and voted that the recommendation of the Committee be adopted. The position paper is attached as Exhibit A.

C. Request from USC-Coastal for Additional Funding

USC-Coastal has submitted a unique cost step request for \$1,000,000 for FY 90-91. USC-Coastal has stated that years of underfunding the formula have negatively impacted them. Faculty salaries in particular have suffered and equipment needs also. These arguments have been heard from a number of institutions for several years. Further, the Commission has, until now, turned down all unique cost requests related to equipment and faculty salaries which result from underfunding the formula.

The Committee on Business and Finance recommends that this request be denied. It was moved (Jones), seconded (Askins), and voted that the recommendation of the Committee be adopted.

D. Consideration of Request from S. C. AHEC for Step 12

The General Assembly appropriated \$500,000 in recurring funds for FY 89-90 to the Medical University of South Carolina for the Rural Physician Recruitment Program. The program is administered through the Area Health Education Consortium's Center for Recruitment, Retention, and Placement. It was developed to provide additional programs and incentives to recruit and retain more doctors in rural communities throughout the State. The Commission approved \$500,000 as a unique cost item in the FY 90-91 appropriation formula for MUSC to continue funding for this program. The S. C. AHEC Consortium requests an additional \$350,000 in recurring funds, bringing the total budget requests for 90-91 to \$850,000 in recurring funds. The most pressing reason for the request is that the budget for FY 90-91 does not include sufficient funds to maintain the Statewide Incentive Grant Program at its current level.

The Committee on Business and Finance recommends that the Commission approve this request in principle, and that the program be funded outside the Commission's budget. The Committee further recommends that the CHE present to S. C. AHEC a letter stating that, while the Commission agrees with the request in principle, no action was taken

on the funding request based on the recent legislative position that the Commission's budget request not be amended. It was moved (Jones), seconded (Ramage) and voted that the recommendation of the Committee be adopted. The recommended budget is attached as Exhibit B.

E. Allocation to SBTCE Institutions

During the past year, CHE staff began collecting the data required to compute the formula by campus. The staff currently is not doing calculations by individual technical college campuses. SBTCE will submit to the Commission's staff the calculations for the individual technical colleges using the CHE formula, and the allocation to the technical colleges as re-allocated by the State Technical College Board.

The Committee on Business and Finance concluded that no formal action is needed and the report be accepted as information.

F. Consideration of Request to Equalize the Revenue Step Between SBTCE and the Two-year Campuses of USC-Columbia

At the request of members of the Business and Finance Committee, the staff has prepared a report on the effect of equalizing the revenue step between SBTCE and the two-year campuses of the University of South Carolina. The revenue step of the formula is fundamentally different for the SBTCE institutions than for the other institutions, including the two-year branches of USC.

The Committee recommends that for the FY 1990-91 formula, the rate used in the revenue step for the two-year branch campuses of USC be the same as the rate used for SBTCE. It was moved (Jones) that the committee recommendation be approved.

After some discussion, it was moved (Tolbert), seconded (Love), and voted that the recommendation be amended to read: The Committee recommends that for the FY 1990-91 Formula, the rate used in the revenue step for the two-year branch campuses of USC be the same as the rate used for SBTCE, provided that the USC two-year campuses reduce fees by an amount equivalent to the revenue enhancement received as a result of the new revenue step deduction.

IV. Report of Committee on Facilities

A. Clemson University

1) Budget Increase, Memorial Stadium Stands Restoration and Sealing - Clemson is proposing to increase the budget of this previously established project to clean and seal concrete in Memorial Stadium by \$500,000, bringing the total project budget to \$600,000. The University proposes to utilize \$500,000 of IPTAY funds. The project will involve the removal and replacement of concrete in the south stands damaged by water infiltration. After this replacement, the stands will be cleaned and sealed to prevent future deterioration.

The Committee recommends the requested increase be approved as proposed. It was moved (Brightharp), seconded (Phillips), and voted that the recommendation of the Committee be adopted.

2) Lease-Office Space on Highway 123, Grants and Contracts & Financial Management (Accounting) - Clemson is requesting

authorization to lease 8,000 square feet of space for administrative, clerical, and accounting functions. This leased space will be occupied by personnel from Grants and Contracts currently housed in Martin Hall, and by some Financial Management personnel (Accounting) currently housed in Sikes Hall. The annual lease cost will be \$68,000 and will be funded through State appropriations.

The Committee recommends the request be approved as proposed. It was moved (Brightharp), seconded (Jones), and voted that the recommendation of the Committee be adopted.

3) Proposed Changes, New Student Housing - East Campus - Clemson received all necessary approvals in mid-1988 to construct a new dormitory, located on East Campus, consisting of 500 beds. The University is now requesting permission to change this previously approved project in two ways: a) to construct more gross square feet to accommodate 100 more students and b) to increase the established project budget to \$10,827,700.

The Committee recommends the changes be approved as proposed. It was moved (Brightharp), seconded (Tolbert), and voted that the recommendation of the Committee be adopted.

B. College of Charleston

1) Budget Increase, Sears Building Renovation - The College of Charleston is requesting approval to increase the budget of this previously approved project by \$390,416. Following the planning/design phase, it is now the judgment of the A & E firm that the preliminary cost estimate of \$1.3 million is insufficient and that the bid price will more likely approach \$1.7 million.

The Committee recommends the requested budget increase be approved as proposed. It was moved (Brightharp), seconded (Freeman), and voted that the recommendation of the Committee be adopted.

C. Medical University of South Carolina

Animal Facilities Upgrade Basic Science Building and Building "E" - The Medical University is seeking approval to upgrade two existing areas of campus used to house animals for research purposes in order to comply with animal standards promulgated by the Liaison Committee for Medical Education and the American Association for the Accreditation of Animal Laboratory Care. The total estimated cost for work in the Basic Science Building is expected to be \$600,000, while work in Building "E" is projected to cost \$800,000.

The Committee recommends the upgrade of the facilities as proposed. It was moved (Brightharp), seconded (Goad), and voted that the recommendation of the Committee be adopted.

D. University of South Carolina System

1) Beaufort: Lease, Kiawah Building, Hilton Head Island - USC-Beaufort proposes to lease 8,808 square feet of space in the Kiawah Building on Hilton Head Island to house its operation on the Island. The total space of the building will be shared equally on each floor with the Technical College of the Lowcountry. The Committee recommends the lease be approved as proposed. It was moved (Brightharp), seconded (Kinson), and voted that the recommendation of the Committee be adopted.

2) Columbia: Athletic Field House Replacement - USC-Columbia previously established a project to replace the air supported fabric field house (Bubble) to pre-hurricane condition, which was to be financed by the insurance settlement. The University is now seeking approval to increase the budget of this established project by \$1.7 million in order to replace the air supported fabric structure with a substantially different type facility of a pre-engineered metal building, with brick veneer. The University plans to use those portions of the former facility that were not destroyed or damaged by the hurricane.

The Committee recommends the requested increase be approved. It was moved (Brightharp), seconded (Ramage), and voted that the recommendation of the Committee be adopted.

3) Union: Union Oil Mill Property Acquisition - USC-Union is proposing to accept a gift of approximately 2.29 acres of land, known as the Union Oil Mill property, from the Norfolk Southern Railroad Corporation. The land is adjacent to the campus and is considered to be a valuable asset to the University.

The Committee recommends that USC-Union be allowed to accept this property as a gift. It was moved (Brightharp), seconded (Kinon), and voted that the recommendation of the Committee be adopted.

F. Horry-Georgetown Technical College: Proposed Utilization, Coastal Academy Property - In 1989, the Commission voted to disapprove Horry-Georgetown Technical College's request to acquire this property. The Budget and Control Board authorized the acquisition by Horry-Georgetown Technical College of the Coastal Academy property, using Horry County funds. This acquisition was approved "on the condition that this property be set aside for use as a future third campus of Horry-Georgetown Technical College when that use is approved by the Commission on Higher Education." In January, the College submitted a proposal outlining a plan to phase in the use of facilities on the Myrtle Beach site. The major elements of the College's proposed plan to utilize the Coastal Academy property, Committee discussion, and the Committee recommendation are attached as Exhibit C.

After some discussion, it was moved (Brightharp), seconded (Kinon), and voted that the recommendation of the Committee be adopted, with Mr. Love voting in the negative.

V. Report of the Commissioner

Mr. Sheheen reported on the following matters:

A. Report on Implementation of Center for the Advancement of Training and School Leadership

At its meeting on February 1, 1990, the Commission approved the proposal submitted by Winthrop College to establish the South Carolina Center for the Advancement of Teaching and School Leadership, subject to certain provisos. Winthrop submitted a requested report on February 16, 1990, to the Commissioner. After staff review of the revised proposal and consultation with several of the participating institutions, a revised proposal was submitted. The Commissioner has informed Winthrop that the revisions to the

proposal are satisfactory to the staff, and he commends all the institutions for their valuable participation in this vitally important State-wide initiative.

B. Response to SREB Publication, Goals for Education: Challenge 2000

A report has been prepared by the Commission on how South Carolina is meeting education goals insofar as higher education is concerned in response to Goals for Education: Challenge 2000.

C. Consideration of an Appointment to Policy Council for Nurse Recruitment and Retention

One of the original members of the Policy Council, Ms. Beverly House, AHEC Nursing Coordinator at Greenville AHEC, resigned on February 8, 1990. Mr. Sheheen recommends that the Commission appoint Dr. Lynn B. Welch, the new Director of Nursing Programs for the S. C. AHEC of MUSC, effective immediately, to the Policy Council for Nurse Recruitment and Retention, to fill the unexpired term of Ms. House. It was moved (Ramage), seconded (Jones), and voted that the recommendation of the Commissioner be adopted.

VI. Other Business

Mr. Sheheen reported on the status of the appropriation bill as reported by the Ways and Means Committee of the House of Representatives. He stated that this is a most unfortunate version of a finance bill for higher education, with the level of formula funding at its lowest level in a decade. Higher education is to be funded at 86% of full formula funding. Only \$3 million in new money is appropriated for the entire system. Mr. Sheheen asked if the Commission wants to take any action.

Mr. Jones presented a resolution directing the Commissioner and the staff, working in conjunction with the Council of College Presidents and the joint Commission-Council Legislative Committee, to undertake all feasible efforts to improve funding for higher education in the 1990 session of the General Assembly and to report back to the Commission at its April meeting. It was moved (Jones), seconded (Ramage), and voted that the resolution be adopted. The resolution is attached as Exhibit D.

VII. Meeting with Council of Independent College Presidents

Dr. Peter Mitchell, Chairman, Council of Independent College Presidents, introduced Dr. Joab Lesesne and Dr. John Johns, who spoke on current concerns of the independent colleges. The issue of future funding possibilities for the State Tuition Grants Program was addressed and also the importance of independent colleges working in collaboration with the State colleges and universities to heighten the awareness of the value of higher education in the State. The need for additional funding for the Tuition Grants Program was discussed.

It was noted that the Education Commission of the States has been developing a working paper on public and private cooperation in high education, which examines common ground between the public and private sectors and identifies potential projects for cooperative effort. Mr. Sheheen stated that the Commission on Higher Education

in consultation with the Council of Independent Colleges will take steps to formulate some strategies for public/private cooperation in South Carolina.

Mr. Sheheen noted that the Palmetto Fellows banquet will be held on Thursday, April 5.

There being no further business, the meeting was adjourned at 2:00 p.m.

Respectfully submitted,

Janet K. Stewart

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Recording Secretary