

MINUTES OF MEETING
OF
SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION

June 2, 1988
10:30 a.m. - 2:00 p.m.

MEMBERS PRESENT

Mrs. Nelle H. Taylor, Chairperson
Dr. D. Glenburn Askins, Jr.
Mr. George L. Brightharp
Mr. Tom Moore Craig
Dr. Willa J. DeWitt
Mr. Palmer Freeman, Sr.
Mr. Marvin C. Jones
Mrs. Reba Ann Kinon
Dr. Alba M. Lewis
Mr. Howard G. Love
Mr. Vernon McGuire
Mr. Joseph J. Turner, Jr.
Mr. Robert L. Utsey, Jr.
Mr. William J. Whitener
Mrs. Mildred R. Williams
Dr. Robert F. Williams

MEMBERS ABSENT

Mr. Walter E. Brooker
Mr. Roger E. Henderson

STAFF

Ms. Saundra E. Carr
Dr. Jeanette A. Deas
Dr. Frank E. Kinard
Mr. Alan S. Krech
Ms. Linda Laub
Ms. Lynn W. Metcalf
Dr. Gail M. Morrison
Dr. James A. Paschal
Ms. Sarah P. Reynolds
Mr. Fred R. Sheheen
Mr. John E. Smalls
Dr. Leonard P. Sternbach
Dr. John C. Sutusky
Ms. Gaylon Syrett

GUESTS

Dr. Andrew L. Abrams
Mr. Charles A. Brooks, Jr.
Lt. Col. Robert Collins
Dr. H. M. Holderfield
Dr. Vermelle Johnson
Mr. Charles E. Kaylor, Jr.
Mr. David R. Larson
Mr. Harry M. Lightsey
Mr. Manning N. Lomax
Ms. Lynnette Lown
Col. C. G. Lyons
Mr. M. Hurst Marshall
Mr. William T. Putnam
Dr. George M. Reeves
Mr. David P. Rinker
Mr. William E. Troublefield
Ms. Kaye Sanders
Ms. Mary Sandifer
Dr. Monica Scott
Dr. Juanita Scott
Ms. Janice Traywick
Mr. Jack Wilson
Mr. Marion E. Woodbury

MEMBERS OF THE PRESS

Mr. Thomas W. Haywood
Ms. Jenny Munro
Mr. Steve Smith

I. Introduction of New Member

Mrs. Taylor welcomed Mr. Howard G. Love, St. Matthews, recently appointed to the Commission by Governor Campbell to fill a vacancy in the 2nd Congressional District. Mr. Love's term will expire on June 26, 1992.

II. Approval of Minutes of Meeting of May 5, 1988

It was moved (Lewis), seconded (Turner), and voted that the minutes of the meeting of May 5, 1988, be adopted as written.

III. Report of Committee on Business and Finance

Dr. Williams, chairperson of the Committee on Business and Finance, reported on the following matters:

a. Consideration of 1989-90 Appropriation Formula

(1) Faculty Salary Averages. Faculty salary averages are updated biennially to reflect averages of peer institutions in the Southeast. As in the past, increases and decreases have been limited to 10% over the current formula. The Committee recommends for the 1989-90 appropriation formula the proposed salary averages, by discipline, for groups I and II and the SREB average of \$28,077 for group III. The Committee also recommends that salary averages be revised to reflect any pay increases included in the 1988-89 appropriation act. It was moved (Williams), seconded (Freeman), and voted that the recommendations of the Committee be adopted.

(2) Student/Faculty Ratios. The Commission's past practice of adjusting by one, up or down, any formula ratio with differences of two or more has proven to be an equitable method of adjusting the student/faculty ratios. The Committee recommends that the proposed changes be approved for the 1989-90 formula. The Committee also recommends that the staff work with institutional staff to determine a standard for student/faculty ratios for consideration next year. It was moved (Williams), seconded (DeWitt), and voted that the recommendation of the Committee be adopted.

(3) Status of Study of Instructional Support Percentages. In spring 1987 the Committee on Business and Finance directed the staff to conduct a study of instructional support percentages for possible use in the 1989-90 formula. That study is underway but is not complete at this time. The staff and institutional personnel plan to continue the study and present the results at the 1989 Appropriation Formula Advisory Committee meeting. The Committee on Business and Finance recommends that the instructional support percentages currently used in the 1988-89 formula be continued in the 1989-90 formula. The Committee also recommends that the results of the study be considered for use in the 1990-91 formula. It was moved (Williams), seconded (Askins), and voted that the recommendation of the Committee be adopted.

(4) Revenue Step Calculation for Out-of-State Students. The revenue step of the formula currently results in a deduction of 20% of total educational and general costs for in-state and 40% for out-of-state students. The staff proposes to increase the revenue step deduction for out-of-state students from 40% to 50% for the 1989-90 formula. The Committee recommends that the staff proposal be approved. It was moved (Williams) and seconded (Utsey) that the recommendation of the Committee be adopted.

Mr. Brightharp expressed concern that increasing the revenue step would adversely affect enrollments at certain institutions. A substitute motion was made (Brightharp) and seconded (McGuire) to table the motion.

The substitute motion was disapproved. The motion to approve the Committee recommendation was adopted.

(5) Summer School Funding. The Committee proposes that the formula be more consistent than in past years in the funding of summer school. The Committee recommends that additional summer school funding be included in the formula, and that faculty salary costs be computed using the same dollars per credit hour as for fall and spring. Since summer school faculty salaries are the only clearly identifiable additional costs not funded, the summer faculty salaries were analyzed in relation to the summer E&G fees. This analysis showed that the fees available for E&G costs in summer total approximately 65% of computed faculty salary costs. The Committee recommends therefore that additional summer school funding be provided in the 1989-90 appropriation formula at 35% of computed faculty salary costs. It was moved (Williams), seconded (Whitener), and voted that the recommendation of the Committee be adopted.

(6) Honors Funding. The honors step of the formula currently has a 5% cap on the number of undergraduate students that may be included. The Committee recommends that the cap be removed. It was moved (Williams), seconded (DeWitt), and voted that the recommendation of the Committee be adopted.

Because the amount per student is calculated separately for each institution and ranges from \$1,000 to \$1,350 for all institutions (except MUSC where it is \$2,600), the Committee also recommends that the amount per student be set at \$1,200 for all institutions. The minimum allocation of \$25,000 per institution would remain unchanged. It was moved (Williams), seconded (Whitener), and voted that the recommendation of the Committee be adopted.

(7) Adequacy of Funding for Higher Education in South Carolina. Although a number of requests for formula revision have been received, the Committee notes that the college and university business officers recently agreed to proceed with a study, to be conducted by outside consultants, addressing the adequacy of funding for the colleges and universities. The Committee recommends that no additional changes be made in the formula until the results of the study have been evaluated. It was moved (Williams), seconded (Lewis), and voted that the recommendation of the Committee be adopted.

(8) MUSC Medical Center Formula. Over the past few years, the formula recommendation for the Medical University Medical Center has increased at a much higher rate than have the formula recommendations for other institutions. The Committee recommends that the formula for the MUSC Medical Center be allowed to increase at the same rate as the average increase for the other universities, the colleges, and the technical education system. It was moved (Williams), seconded (Freeman), and voted that the recommendation of the Committee be adopted.

(9) Teaching Costs at USC School of Medicine. Last year the Commission approved an additional \$1.2 million in the USC Medical School formula for a five-year period, during which the amount appropriated annually would be gradually phased out. These funds would then assist the institution in reimbursing Richland Memorial Hospital (RMH) for non-reimbursed medical education costs.

In addition, USC's 1988 Overall Permanent Improvement Plan (OPIP) included the construction of a \$22 million facility to be located near RMH to provide teaching and office space needed by the Medical School. In the meantime, the old Southern Bell building became available and was purchased by USC for \$3.2 million, eliminating the need for the \$22 million facility. The institution will allocate approximately \$500,000 a year for 10 years to service the loan on the facility, and \$700,000 to RMH for educational costs. USC has requested that \$500,000 of the original \$1.2 million approved for a five-year period be continued in the Medical School's formula for 10 years. The \$700,000 would remain in the formula calculation to pay for education costs incurred by RMH.

The Committee recommends that this request be brought before the Joint Board for Medical Education for study and review prior to consideration by the Commission. It was moved (Williams), seconded (Lewis), and voted that the recommendation of the Committee be adopted.

(10) Technical College Budgets. Dr. Williams stated that the proposed amendment concerning technical college budgets was deleted from the final version of "The Cutting Edge" legislation; therefore, no action is necessary.

It was moved (Williams), seconded (Lewis), and voted that the 1989-90 appropriation formula, incorporating the changes described above, be adopted.

b. Proposed Administrative Budget for Teacher Loan Program, 1988-89. A provision of the Education Improvement Act of 1984 requires the Commission to recommend appropriations for loans and administrative costs incurred by the South Carolina Student Loan Corporation in administering the Teacher Loan Program. On May 3, 1988, the Board of Trustees of the Corporation approved a proposed budget of \$141,460 for the Teacher Loan Program for 1988-89. The Committee recommends approval of the proposed operating expenditures of \$141,460 for 1988-89. It was moved (Williams), seconded (DeWitt), and voted that the recommendation of the Committee be adopted.

IV. Report of Committee on Facilities

Mr. Brightharp, chairperson of the Committee on Facilities, reported on the following matters:

a. Consideration of Requests for Interim Approvals

(1) New Student Housing, Clemson University. Clemson University requests authorization to construct a new dormitory on the East Campus at a cost of \$7.5 million, to be funded with revenue bonds. The committee recommends approval. It was moved (Brightharp) seconded (Lewis), and voted that the recommendation of the Committee be adopted.

(2) University of Academic Learning Center, Clemson University. Clemson University requests authorization to construct a facility to house the Academic Learning Center, the tutoring and advising program for Clemson's student athletes, at a cost of \$2,455,000, to be funded with private donations. The Committee recommends approval with the understanding that no formula funds or other State monies will be used for the operation and maintenance of the facility unless a special request is presented and approved by the Commission. It was moved (Brightharp) seconded (Lewis), and voted that the recommendation of the Committee be adopted.

(3) Central Energy Facility, The Citadel. The Citadel requests authorization to demolish its existing boiler plant, construct a new facility, and acquire four 800 horsepower fire tube boilers at an estimated cost of \$1.5 million, to be funded with capital improvement bonds. An evaluation of the existing boilers by consulting engineers concluded that unexpected failure might occur at any time. This project was submitted as an addition to the institution's OPIP that was acted on by the Commission in November 1987. The Committee recommends approval with the understanding that the Commission's support of the project be made known to the General Assembly for inclusion in the 1988 bond bill. It was moved (Brightharp) seconded (Lewis), and voted that the recommendation of the Committee be adopted.

(4) Changes in Dormitory Construction Project, College of Charleston. In 1985 the Commission approved construction of a 500-bed dormitory at the College of Charleston at an estimated cost of \$6 million, to be financed through revenue bonds. The following year, officials requested approval of two modifications to the project that would change the number of beds to 300 and permit a private developer to finance, construct, operate, and maintain the facility. The Commission approved both changes.

The College now requests another change to increase the bed capacity to 666, based on a five-year projection of housing needs. The Committee recommends approval. It was moved (Brightharp) seconded (Jones), and voted that the recommendation of the Committee be adopted.

(5) Temporary Gymnasium, Lander College. In December 1984 the Commission approved construction of a new Health and Physical Education Resources (HPER) facility at Lander College. The General Assembly provided funding of \$10 million in the 1986 Bond Bill for the project. The project called for demolition of the Barksdale Physical education Center which is situated on a portion of the site of the new complex. The college initially planned to do without an on-campus gym for the estimated two-year construction period. College officials now view it to be more desirable not to experience a two-year period without a gym on campus and therefore propose that the Lander College Foundation construct a butler building to accommodate one basketball court that can be readily converted for other physical education activities. Cost is estimated at \$300,000-\$350,000. The college plans to lease the facility from the Foundation for an annual payment not to exceed \$40,000. The Committee recommends approval. It was moved (Brightharp) seconded (Kinon), and voted that the recommendation of the Committee be adopted.

(6) Thornwell Dormitory Renovation, University of South Carolina. USC-Columbia requests authorization to repair and renovate Thornwell Dormitory at a cost of \$1 million, to be funded with housing revenue. The Committee recommends approval. It was moved (Brightharp) seconded (Turner), and voted that the recommendation of the Committee be adopted.

(7) Industrial and Business Development Center, Tri-County Technical College. Tri-County Technical College proposes to construct a 22,000 square feet building to house its Industrial and Business Development Center at a cost of \$2 million, to be financed with \$600,000 in federal funds, \$600,000 in private donations, and \$800,000 from Anderson, Oconee, and Pickens Counties. The Committee recommends approval. It was moved (Brightharp) seconded (DeWitt), and voted that the recommendation of the Committee be adopted.

(8) Reconsideration of Educational Support Facility, York Technical College. York Technical College proposes to construct a classroom building as part of its 1987 OPIP update. The project originally proposed was to consist of a new 40,000 gross square feet classroom building to cost an estimated \$2 million with \$1.6 million in capital improvement bonds and \$400,000 in local funds. In November 1987 the Commission voted to defer the project to a subsequent bond bill.

In January 1988 the college requested that the project, in amended form, be reconsidered. The amended project calls for the construction of an Educational Support Facility at a total cost of \$3.6 million, to be financed with \$2 million from York County, \$1.1 million in capital improvement bonds, and \$500,000 in local funds. The Committee recommends that the amended project remain on the Commission's deferred list. It was moved (Brightharp) seconded (Jones), and voted that the recommendation of the Committee be adopted.

b. Consideration of 1988-89 APIP Projects (\$250,000 or more)

(1) New Dining Hall Facility, The Citadel. The Citadel proposes to construct a new facility to include a dining hall on the first floor and an area to consolidate Cadet music programs and activities on the second level at an estimated cost of \$5,475,000. Sources of funds include \$1.2 million in institution (tuition) bonds, \$2 million in revenue bonds, \$2 million in plant improvement bonds, and the remaining \$275,000 from excess debt service. The Committee recommends approval. It was moved (Brightharp) seconded (Utsey), and voted that the recommendation of the Committee be adopted.

(2) Jordan Hall Reroof, Clemson University. Clemson University proposes to replace the roof of Jordan Hall at an estimated cost of \$265,000, to be funded from the University's maintenance, repair, and renovation account. The facility houses the biological sciences and includes a greenhouse on the roof. Reroofing requires demolition of the greenhouse pad and walkway access and disassembly of the greenhouse, causing the cost of the roofing project to be twice that of normal reroofing. The Committee recommends

approval provided the greenhouse is relocated permanently elsewhere on campus and not reassembled on a roof. It was moved (Brightharp) seconded (Jones), and voted that the recommendation of the Committee be adopted.

(3) Harcombe Commons Dining Hall, Clemson University. Clemson University proposes a major kitchen renovation to Harcombe Commons Dining Hall at an estimated cost of \$275,000, to be funded from dining hall operating revenue. The Committee recommends approval. It was moved (Brightharp) seconded (Whitener), and voted that the recommendation of the Committee be adopted.

(4) Hospital Boiler Replacement, MUSC. MUSC requests approval to replace two hospital boilers at an estimated cost of \$600,000, to be funded with hospital excess debt service funds. The Committee recommends approval. It was moved (Brightharp) seconded (Lewis), and voted that the recommendation of the Committee be adopted.

(5) Vince Mosely Center, MUSC. MUSC requests permission to purchase, from the Department of Mental Retardation (DMR), a 7,000 gross square feet facility and 1/4 acre lot on the corner of Bee and President Streets in Charleston. MUSC has leased the space from DMR since 1984. The purchase price is estimated at \$725,000, to be funded with institutional excess debt service. The Committee recommends approval. It was moved (Brightharp) seconded (Kinson), and voted that the recommendation of the Committee be adopted.

(6) Astro-turf for Athletic Field House, USC-Columbia. USC-Columbia requests authorization to install astro-turf in the Athletic Field House at an estimated cost of \$800,000, to be paid from athletic funds. The Committee recommends approval. It was moved (Brightharp) seconded (Kinson), and voted that the recommendation of the Committee be adopted.

(7) Land Acquisition, Greenville Technical College. Greenville Technical College requests authorization to purchase 4.5 acres of undeveloped land located adjacent to the campus at an estimated cost of \$290,000, to be financed with local funds. The Committee recommends approval. It was moved (Brightharp) seconded (Kinard), and voted that the recommendation of the Committee be adopted.

V. Report on Joint Board for Health and Medical Education

Dr. Askins presented a report on recent activities of the Joint Board for Health and Medical Education, established in 1983 to foster coordination in health and medical education in the State. Membership on the Joint Board includes two members elected by the Commission on Higher Education and representatives of the Governor's office, the Medical University of South Carolina and the University of South Carolina. Dr. Askins stated that the Joint Board plans to meet at least on a semiannual basis.

VI. Report of the Commissioner

Mr. Sheheen reported on the following matters:

The Cutting Edge Legislation. Mr. Sheheen reported that on June 1, 1988, the House and Senate adopted the Conference Committee version of H.3983, "The Cutting Edge," and sent it to the Governor for his signature. Mr. Sheheen noted that a commemorative signing of the act is scheduled to be held in the State House on Wednesday, June 22.

It was moved (Williams), seconded (Turner), and voted that the Commission and staff formally express their appreciation to Sen. Garrison and Rep. L. Phillips for their assistance in making this legislative effort a success. Mr. Sheheen expressed appreciation to the Commission and staff for their dedicated work in accomplishing this task.

Mr. Sheheen reported that Ms. Julia Wells, Coordinator of the Higher Education Desegregation Plan, suffered injuries in an automobile accident in Columbia on May 9. She has been released from the hospital and is recuperating at home in Sumter.

The meeting was adjourned at 2:00 p.m.

Respectfully submitted,

Gaylon Syrett
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Recording Secretary