

MINUTES OF MEETING  
OF  
SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION  
September 7, 1989  
10:30 a.m.- 1:00 p.m.

MEMBERS PRESENT

Mr. William J. Whitener, Chairman  
Dr. D. Glenburn Askins, Jr.  
Mr. George L. Brighttharp  
Mr. Tom Moore Craig  
Mr. Palmer Freeman, Sr.  
Mr. Robert C. Gallagher  
Mr. Roger E. Henderson  
Mr. Marvin C. Jones  
Ms. Reba Anne Kinon  
Mr. Howard Love  
Mr. Lewis Phillips  
Mr. Edwin E. Tolbert, Sr.  
Mr. Joseph J. Turner, Jr.

MEMBERS ABSENT

Mr. Walter E. Brooker  
Mr. Kenneth E. Goad  
Mr. Vernon McGuire  
Mr. Raymond C. Ramage  
Ms. Mildred R. Williams

STAFF

Dr. Jeffrey Bartkovich  
Mr. Michael L. Brown  
Ms. Sandra E. Carr  
Dr. Jeanette A. Deas  
Dr. Robert A. Day  
Mr. Milton Kimpson  
Dr. Frank E. Kinard  
Mr. Alan S. Krech  
Ms. Lynn W. Metcalf  
Dr. Gail M. Morrison  
Dr. James A. Paschal  
Mr. Robert K. Poch  
Ms. Sarah Reynolds  
Mr. Fred R. Sheheen  
Mr. John E. Smalls  
Dr. Leonard P. Sternbach  
Ms. Janet Stewart  
Dr. John C. Sutusky  
Ms. Gaylon Syrett  
Ms. Judi R. Tillman  
Dr. Aileen C. Trafter  
Ms. Julia E. Wells

GUESTS

Ms. Melanie Barton  
Mr. Les Boles  
Ms. Katherine Bristow  
Mr. Ray Carson  
Dr. Dean Cleghorn  
Dr. Anthony DiGiorgio  
Dr. Dick Gray  
Mr. Clay Harris  
Dr. Kathryn Holten  
Mr. Earle Holley  
Dr. Vermelle Johnson  
Mr. David Larson  
Col. Ben Legare  
Dr. Max Lennon  
Col. Calvin B. Lyon  
Mr. M. Hurst Marshall  
Dr. W. David Maxwell  
Dr. Carolyn McIver  
Mr. William Putnam  
Mr. Jim Sally  
Dr. Olin Sansbury  
Mr. Edward M. Shannon, III  
Dr. Richard A. Skinner  
Dr. Arthur K. Smith  
Mr. Sterling Smith  
Dr. DeWitt Stone  
Mr. William E. Troublefield  
Mr. Floyd Tyler  
Dr. Ruby Watts  
Dr. Edwin F. Wilde  
Mr. Marion Woodbury

MEMBERS OF THE PRESS

Mr. Sid Gauldin  
Mr. Gary Karr  
Mr. Bill Robinson

I. Modification of Agenda

Mr. Whitener asked for a consensus of the Commission that Agenda Item 5 be moved to follow Agenda Item 3 in order to get a document to the printer as soon as possible.

It was moved (Love) and seconded (Kinon) that the recommendation be approved.

II. Report of the Executive Committee

a. Consideration of Tuition Grants Commission Recommendations

The Executive Committee, at the request of the Commission, has examined various funding relationships between the Tuition Grants Program for private colleges in the State and the funding of public colleges and universities.

The General Assembly placed the Commissioner on the Tuition Grants Commission, and he is therefore required to articulate positions and philosophy on a number of issues that come before the Tuition Grants Commission.

The staff recommended to the Executive Committee that in order to place the funding of the Tuition Grants program into some kind of orderly pattern, funding for the Tuition Grants program should be advanced by a percentage equivalent to the increase in funding for the public higher educational institutions each year. That figure will be determined by the Commission on Higher Education and the Tuition Grants Commission, in consultation with the appropriate committees of the House and the Senate.

The Executive Committee of the Commission has approved this plan and recommends it to the Commission for presentation to the Budget and Control Board and the appropriate committees of the General Assembly.

It was moved (Askins), seconded (Turner), and voted that the recommendation of the Committee be adopted contingent upon the approval of the Tuition Grants Commission.

b. Authorization of Study of Distance Education Needs

At the request of the Office of Information Technology Policy and Management of the Budget and Control Board, the Executive Committee of the Commission has accepted responsibility for conducting a study of distance learning or distance education programs in South Carolina.

The Executive Committee recommends a moratorium on the acquisition of new technological resources to support distance learning programs until the study is completed. The Executive Committee recommends the adoption of the statement attached as Exhibit A.

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

Dr. Lennon stated that the moratorium could create a hardship for Clemson in that Clemson anticipates funding of a \$945,000 proposal from the Department of Energy, to be announced in November. The proposal would

extend the state's ITFS Network into every county extension office, the 4-H Leadership Centers, and the Research and Education Centers. Dr. Lennon asked the Commission to grant Clemson an exemption to the moratorium. Mr. Sheehen stated that he would be pleased to discuss the matter with Dr. Lennon.

c. Consideration of Licensure of Phillips College to Award Degrees in South Carolina

Dr. Askins stated that the Executive Committee recommends that the Commission confer temporary licenses to Rutledge Colleges in Charleston, Columbia, Greenville, and Spartanburg under the ownership of Phillips Colleges, Inc., and that the institutions be limited to those associate degree programs offered under the former ownership until reinstatement of accreditation by the Association of Independent Colleges and Schools.

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

III. Consideration of Guidelines for Tri-Star Early Intervention Program Planning Grants

Mr. Kimpson stated that the Commission is making available \$35,000 in FY 1989-90 to fund a series of program planning grants to assist public colleges and universities in assessing needs and preparing proposals for the Tri-Star Program. The staff recommends approval of the guidelines for Program Planning Grants for the Tri-Star Program for FY 1989-90.

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

IV. Report of Committee on Business and Finance

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

Consideration of Recommendations Concerning 1990-91 Appropriation Requests of the Public Colleges and Universities and the State Board for Technical and Comprehensive Education. On August 29 the Committee on Business and Finance reviewed the 1990-91 appropriation requests of the public colleges and universities and of the State Board for Technical and Comprehensive Education (SBTCE) for the purpose of making recommendations for consideration by the full Commission. The Committee based its review and recommendations for all institutions on requests computed through the 1990-91 appropriation formula. Careful attention was given to the oral presentations made to the Commission on August 28 and 29 by the presidents of the colleges and universities and the executive director of SBTCE.

For the first time last year, the Commission recommended that rental/lease items in the higher education budget be removed from the formula and defined as a separate section in the higher education budget. This shift in accounting would preserve formula funding for its intended purpose: operational funds for the institutions. Additionally, it would not permit the large rental/lease items in the formula to distort the distribution of funds among institutions, particularly threatening to smaller institutions which do not have large rental/lease factors.

In keeping with the intent to phase-out leases in the formula, the Committee recommends that only those leases traditionally approved for funding in Step 12 be included in the formula for 1990-91, and that other approved leases be requested as a separate item "below the line." The Committee further recommends that any new approved leases or renewals of existing leases (whether currently included in Step 12 or not) be moved "below the line" as they occur.

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

The Citadel. The Committee recommends \$14,611,663, including \$653,101 in Unique Costs. It was moved (Jones), seconded (Love), and voted that the recommendation of the Committee be adopted.

S. C. State. The Committee recommends \$22,124,027, including \$630,000 Unique Costs traditionally approved, and \$115,560 Additional Unique Costs. It was moved (Jones), seconded (Tolbert), and voted that the recommendation of the Committee be adopted.

Winthrop. The Committee recommends \$22,423,525, including \$360,000 Unique Costs traditionally approved, and \$68,270 Additional Unique Costs, and \$14,442 Approved Leases. It was moved (Jones), seconded (Kinon), and voted that the recommendation of the Committee be adopted.

College of Charleston. The Committee recommends \$22,101,143, including Unique Costs traditionally approved of \$1,190,137 and \$63,330 in Approved Leases. It was moved (Jones), seconded (Turner), and voted that the recommendation of the Committee be adopted.

Francis Marion. The Committee recommends \$13,873,168, including \$277,625 traditionally approved Unique Costs. It was moved (Jones), seconded (Gallager), and voted that the recommendation of the Committee be adopted.

Lander. The Committee recommends \$9,420,719, including \$197,133 Unique Costs and \$68,717 Approved Leases. It was moved (Jones), seconded (Craig), and voted that the recommendation of the Committee be adopted.

USC-Aiken. The Committee recommends \$8,085,578 for Continuing Operations. It was moved (Jones), seconded (Freeman), and voted that the recommendation of the Committee be adopted.

USC-Coastal. The Committee recommends \$11,498,525, including \$8,400 Approved Leases. It was moved (Jones), seconded (Gallager), and voted that the recommendation of the Committee be adopted.

USC-Spartanburg. The Committee recommends \$10,352,221, including \$19,440 Approved Leases. It was moved (Jones), seconded (Love), and voted that the recommendation of the Committee be adopted.

USC-Beaufort. The Committee recommends \$1,759,006 for Continuing Operations. It was moved (Jones), seconded (Gallager), and voted that the recommendation of the Committee be adopted.

USC-Lancaster. The Committee recommends \$2,540,710 for Continuing Operations. It was moved (Jones), seconded (Gallager), and voted that the recommendation of the Committee be adopted.

USC-Salkehatchie. The Committee recommends \$1,785,301 for Continuing Operations. It was moved (Jones), seconded (Gallager), and voted that the recommendation of the Committee be adopted.

USC-Sumter. The Committee recommends \$3,532,223 for Continuing Operations. It was moved (Jones), seconded (Gallager), and voted that the recommendation of the Committee be adopted.

USC-Union. The Committee recommends \$899,785 for Continuing Operations. It was moved (Jones), seconded (Gallager), and voted that the recommendation of the Committee be adopted.

USC-School of Medicine. The Committee recommends \$21,749,682, including \$2,285,102 Unique Costs. It was moved (Jones), seconded (Gallager), and voted that the recommendation of the Committee be adopted.

USC-Columbia. The Committee recommends \$135,355,327, including \$1,610,976 Unique Costs, \$69,473 Additional Unique Costs, \$1,087,863 Approved Leases, \$700,000 Small Business Development Center, plus \$802,500 for the Koger Center. It was moved (Jones), seconded (Gallager), and voted that the recommendation of the Committee be adopted.

Clemson. The Committee recommends \$86,212,336, including \$616,630 Unique Costs, \$188,851 Additional Unique Costs and \$1,173,039 Approved Leases. It was moved (Jones), seconded (Gallager), and voted that the recommendation of the Committee be adopted.

Medical University - Academic Division. The Committee recommends \$86,366,252, including \$840,000 Additional Unique Cost (Resident Malpractice Insurance) and \$2,189,171 Approved Leases. MUSC requested funds to pay for resident malpractice insurance. The Committee recommends that 60% of the total request (\$840,000) be approved for unique cost funding to cover the residents while in practice. It was moved (Jones), seconded (Gallager), and voted that the recommendation of the Committee be adopted.

Medical University - Medical Center. MUSC requested that is College of Medicine be funded at 100% of formula for the reduced number of students currently funded. The Commission agreed to hold MUSC harmless from the effects of the required reduction in medical students which will be completed in 1991. The Committee recommends that, because of the Commission's prior commitment, the College of Medicine be funded at 100% for 1990-91, if the formula is less than fully funded. The Committee recommends \$20,094,997 for Continuing Operations.

Medical University - Statewide Programs (AHEC). The Committee recommends \$16,574,436, including \$500,000 Additional Unique Costs. It was moved (Jones), seconded (Gallager), and voted that the recommendation of the Committee be adopted.

SBTCE - Instructional Programs. The Committee recommends \$120,263,894 for Continuing Operations. It was moved (Jones), seconded (Gallager), and voted that the recommendation of the Committee be adopted.

V. Report of Committee on Facilities

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

Proposed Sale of Littlejohn Apartments - Clemson University. The Clemson University Board of Trustees has authorized the University Administration

to dispose of buildings and land that no longer represent sound investments. In accord with this policy, the University is seeking necessary approval to dispose of the property known as Littlejohn Apartments. While an MAI appraisal established a fair market value of \$530,000, the land is valued at \$455,354 with the remaining value in the improvements. The Committee recommends approval of the proposed sale with allocation of the proceeds to the Johnstone renovation project. It was moved (Brightharp), seconded (Love), and voted that the recommendation of the Committee be adopted.

S.C. Energy Research and Development Center - Clemson University. Clemson University is requesting authorization to lease 2,214 square feet of space for administrative office and clerical use for the S. C. Energy Research and Development Center. Basic rent for the first year will be \$17,712. There will be an increase in rent of \$.50 per square foot for the second and third years of the five-year lease with the rate remaining constant thereafter. The Committee recommends approval. It was moved (Brightharp), seconded (Kinon), and voted that the recommendation of the Committee be adopted.

Performing Arts Center - Clemson University. Clemson University is requesting approval to increase an established project budget for A & E on its Performing Arts Center project by \$700,000. The source of funds is excess debt service monies. Since an engineer from the State Engineer's Office advised that the requested increase is not unreasonable at this point, and further that the final contract amount is subject to final approval by that Office, the Committee recommends the request be approved. It was moved (Brightharp), seconded (Freeman), and voted that the recommendation of the Committee be adopted.

Proposed Acquisition USC-Salkehatchie. USC-Salkehatchie proposes to acquire the old Walterboro High School cafeteria for use as a permanent library facility. The Western Carolina Higher Education Commission is prepared to purchase the building and land from the Colleton County School District #2 for \$20,000. The Committee recommends approval of the project as proposed providing title is passed to USC-Salkehatchie prior to expenditure of renovation funds on the facility. It was moved (Brightharp), seconded (Love), and voted that the recommendation of the Committee be adopted.

- VI. Report of the Joint Committee. Mr. Sheheen reported that the Joint Committee of Commission members and institutional presidents has agreed on the program attached as Exhibit B. The Committee has met in order to prepare a more vigorous initiative for higher education funding this year in terms of a commitment. The Joint Committee agreed that the approval of the full Commission and the full Council of College Presidents is necessary before the program can be officially adopted. It was moved (Whitener), seconded (Freeman), and voted that the recommendation of the Committee be adopted.

Mr. Whitener commented that he has been associated with higher education in the state on a close level for the last 12 years, and there have been very few years in which the institutions have had 100% formula funding. He noted that there are certain aspects of the operation of a college or university campus that suffer when funding is not up to the base level. Mr. Whitener stated that the purpose of the approach of the Committee is to make the strongest appeal to the General Assembly this year for full formula funding.

Dr. Lennon stated that the colleges and universities need aggressive support in the legislature and the business community. He added that higher education is the greatest asset of the state.

- VII. Proposed Acquisition of the Coastal Academy - Horry-Georgetown Technical College. On July 6, 1989 the Commission, following extensive discussion, voted to disapprove the request for the proposed acquisition of the property.

The request was considered by the Budget and Control Board on August 17. The Budget and Control Board referred the matter back to the Commission and the State Board for Technical and Comprehensive Education to see if an acceptable financial arrangement could be made to acquire the property. The Commission's objection was not only based on finance; it was also programmatic in terms of duplication of programs. Horry-Georgetown had a supplemental appraisal investigation conducted on the property. The Budget and Control Board Property Appraisal Office concluded that the new appraisal was not useful or helpful in setting the market value of the property. The Commission staff remains steadfast in opposition to acquisition of this campus, and remains firm in the position reported at the July Commission meeting that the sale price of the property should approximate the land value of \$1,074,000. The staff recommends that, should the Budget and Control Board authorize the purchase, the College enter into a contract, through Horry County, for a binding offer of \$1,074,000. Further, this offer shall remain open for 90 days to let the seller test the market to see if they can get any better offers. It was moved (Gallager) and seconded (Jones) that the recommendation of the staff be adopted.

Mr. Sheheen stated that there will be a hearing on the matter at the Budget and Control Board on September 12 and invited all the Commission members to attend if possible.

- VIII. Report of the Commissioner. Mr. Sheheen noted that the budget hearing for higher education will be on Monday, September 11, beginning with a panel discussion at 8:55 a.m., followed by presentation of the budget request adopted by the Commission. He urged Commission members to attend.

The meeting was adjourned at 1:00 p.m.

Respectfully submitted,

*Janet K. Stewart*

Janet K. Stewart  
Recording Secretary