



SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION
RUTLEDGE BUILDING
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MEMORANDUM

TO: Members, Commission on Higher Education

FROM: Howard R. Booser *HRS*

Purpose

In 1975, the General Assembly enacted legislation regarding submission of requests for funds from Capital Improvement Bonds, which limits submission to alternate years beginning in fiscal year 1976-77. Agencies are required to appear before the Budget and Control Board to make such requests and the Board must submit its recommendations to the General Assembly by February 15.

Through arrangement with the Budget and Control Board, requests from the public colleges and universities will be submitted through the Commission on Higher Education. This memorandum covers those submitted in fiscal year 1976-77. Copies of all requests have been distributed separately to members of the Commission; a list of the projects is attached as Enclosure 1.

Prior Funding

As shown in Enclosure 2, since the passage of the Capital Improvement Bonds Act in 1968 the General Assembly has authorized \$174,379,087 for the public colleges and universities. All funds have been released except the following:

1. Act No. 354 of 1973 provided \$8,400,000 for a new auditorium at the University of South Carolina and \$6,000,000 for a continuing education center at Clemson, both to be funded with "Revenue Sharing" funds. In Fall, 1975 due to the State's economic condition, the unencumbered balances in these two authorizations were withdrawn, amounting to \$5,084,714 for the auditorium and \$6,000,000 for the continuing education center. Both institutions confirm the need for these facilities.
2. In 1975, the General Assembly directed the Budget and Control Board to regulate the issuance of General Obligation Bonds (which includes Capital Improvement Bonds) so that annual debt service requirements, excluding requirements for highway bonds and institution bonds, will not exceed five percent of general fund revenue of the last completed fiscal year. In 1976 the General Assembly authorized exceptions amounting to \$86 million but in September 1976 there still were projects approved by the General Assembly at sixteen agencies totaling \$101 million that could not be funded because of the "5%" limitation. Table 1. lists these projects at the public colleges and universities.

TABLE 1Funds Frozen By 5% Limitation

Medical University		\$5,887,163
Radiology/lab/surgery building	\$3,600,000	
(now included in Hospital east wing)		
Student center	2,287,163	
College of Charleston		\$3,009,400
Botanical greenhouse	\$ 27,600	
Fine arts center	1,400,150	
Central energy facility	90,000	
Education center	1,232,000	
Craig Union renovation	159,650	
Outdoor activity facility	100,000	
Lander		\$ 648,000
Athletic fields	\$ 200,000	
Parking lots	315,000	
Central energy facility	133,000	
TOTAL, THREE INSTITUTIONS		\$9,544,563

The Medical University reports that four projects have been partially funded by the General Assembly as follows:

TABLE 2Medical University Projects Partially Funded

	<u>Amount Funded</u>	<u>Amount Unfunded</u>	<u>Total Cost</u>
1. Hospital renovation (Acts No. 354 of 1973 and No. 1294 of 1974, \$1,000,000 each)	\$ 2,000,000	\$ 5,000,000	\$ 7,000,000
2. Hospital east wing (Act No. 354 of 1973 and including \$3,600,000 "frozen". See Table 1)	5,700,000	21,300,000	27,000,000
3. Quadrangle renovation (Act No. 354 of 1973.)	743,000	2,257,000	3,000,000
4. Student center (Act No. 354 of 1973, and including \$2,287,163 "frozen." See Table 1)	2,291,000	1,300,000	3,591,000
TOTALS	\$10,734,000	\$29,857,000	\$40,591,000

Act No. 1555 of 1972 provided the University of South Carolina with \$2,800,000 to renovate the Horseshoe. U.S.C. reports a requirement for an additional \$1,587,500 from State funds to complete the project.

The Acts cited above do not indicate any future commitment of funds.

Projects Approved but Not Funded

Table 3 lists projects approved by the Commission but not funded by the General Assembly. Date of Commission approval is shown in parentheses. All have been re-submitted at this time, most at higher estimated cost but with no other substantial change that should affect the Commission's approval.

TABLE 3

Projects Approved by CHE But Not Funded

Clemson (All approved December, 1971)

1. Renovation of Tillman Hall	\$ 2,100,000
2. Renovation of Riggs Hall	400,000
3. Student recreation and intramural athletic facilities	550,000
4. Renovation of Brackett Hall	245,000
5. Renovation of Earle Hall	40,000
6. Renovation of Long Hall	355,000
7. Renovation of Lowry Hall	270,000
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	(\$ 3,960,000)

College of Charleston (All except one approved December, 1974)

1. Physical education facility	\$ 3,780,000
2. Equipment for marine science (March, 1976)	306,379
3. Central energy facility extension	724,500
4. Outdoor activities facility	336,000
5. Campus development	446,250
6. Faculty and administrative facilities	425,000
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	(\$ 6,018,129)

Francis Marion (Approved December, 1974)

1. Art, drama, music, speech building	\$ 2,990,000
2. Campus development	494,000
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	(\$ 3,484,000)

Lander (Approved November, 1973)

1. Learning Center I	\$ 3,800,000
2. Renovation of library	250,000
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	(\$ 4,050,000)

Medical University (Approved December, 1974)

1. Land acquisition	\$ 1,000,000
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	(\$ 1,000,000)

S. C. State (Approved December, 1974)

1. Boiler replacement	\$ 250,000
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	(\$ 250,000)

1. (a) Wardlaw renovation	\$ 635,000
1. (b) Barnwell/Hamilton renovation	\$ 952,500
	(\$ 1,587,500)
TOTAL, SEVEN INSTITUTIONS	\$20,349,629

Projects beyond 1977-78

Each institution prepared and submitted in August 1976 a forecast of capital improvements for the five-year period beginning July 1, 1977. Since requests for funding under Capital Improvement Bonds are now submitted bi-annually, some institutions have requested funding for projects listed for 1978-79 and beyond on the five-year forecast, as well as for 1977-78. The apparent financial condition of the State indicates doubt that all of the 1977-78 projects can be funded, and less prospect for those for 1978-79 and beyond. In his memorandum of September 8, 1976, to agencies regarding the submission of requests, State Auditor William Putnam noted the backlog of unfunded requests and stated "...Budget and Control Board members have requested that all agencies review their needs carefully and submit requests for only those projects which are essential and urgent." It is proposed that the projects listed beyond 1977-78 on Enclosure 1 be forwarded to the Budget and Control Board without recommendation, but with the assurance that if the Board desires to consider any of them, the Commission will expeditiously prepare and submit appropriate recommendations.

Projects for Action by the Commission

After eliminating those projects previously approved by the General Assembly and/or the Commission (Tables 1, 2, and 3) and all projects forecast beyond 1977-78, there are 26 projects requiring Commission action. Staff proposals on these projects are presented in Enclosure 3.

Projects to Meet Exceptional Requirements

If the staff recommendations are accepted, the Commission will approve 17 new projects at a total cost of \$15,005,000. Combined with the projects previously approved by the Commission and/or the General Assembly, 41 projects totalling \$71,883,843 will be transmitted to the Budget and Control Board.

In reviewing the projects submitted by the institutions the Commission staff noted a number which meet exceptional requirements. These include the provision of minimum facilities at the emerging senior institutions; renovation of a facility at The Citadel to meet accreditation requirements; renovation of the main teaching hospital at the Medical University; and the replacement of boilers in the energy facility at South Carolina State.

Enclosure 4 lists all the projects recommended for approval and identifies those considered to meet exceptional requirements.

Recommendations

It is recommended that:

1. those projects listed on Enclosure 1 beyond 1977-78 be forwarded to the Budget and Control Board without recommendation, but with the assurance that the Commission will expeditiously prepare and submit appropriate recommendations if the Board so desires;

2. the recommendations in Enclosure 3 be approved, and that
3. the approved projects listed in Enclosure 4 be forwarded to the Budget and Control Board to include identification of those considered to meet exceptional requirements.