



# South Carolina Commission on Higher Education

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## MEMORANDUM

**DATE:** June 13, 2012

**TO:** Members, Finance & Facilities Advisory Committees

**FROM:** Mr. Gary S. Glenn, Director of Finance, Facilities, & MIS

**SUBJECT:** Finance & Facilities Advisory Committees Meeting Agenda, June 27

The Finance & Facilities Advisory Committees will meet on **Wednesday, June 27, 2012 at 10:00 a.m. in the Commission's Main Conference Room.** The agenda and meeting materials are attached.

If you have any questions, please do not hesitate to contact me at (803) 737-2155 or Courtney Blake at (803) 737-9930.

*Enclosures*

## **AGENDA**

FINANCE & FACILITIES ADVISORY COMMITTEES

JUNE 27, 2012

10:00 A.M.

MAIN CONFERENCE ROOM

COMMISSION ON HIGHER EDUCATION

1122 LADY STREET, SUITE 300

COLUMBIA, SC 29201

1. Introductions
2. Call for Volunteers to Discuss Solutions for Foundation Development Projects  
– Voight Shealy, MMO
3. Round Table Discussion
4. Building Data Summary
  - a. Proposal for Calculating Replacement Costs – College of Charleston
  - b. Ownership Codes – review of changes
  - c. How to make data more useful for institutions
5. Break for Lunch - 12:00 pm - 1:00 pm
  - a. Lunch will be on your own. A few options nearby are Atlanta Bread, Zoës, Swanson's, M Fresh, M Café, J Gumbos....and many more.
6. Allocation Methods for Deferred Maintenance (*handout*)
  - a. Proposal to base future maintenance need support on Accumulated Maintenance Need Data.
    - Compare actual cost to APPA Standard (3% of replacement cost).
      - If actual is greater than or equal to APPA Standard, the institution will receive their proportionate share of building maintenance needs funding.
      - If actual is less than APPA Standard, the institution will receive their proportionate share of building maintenance needs funding minus the shortfall.
  - (*Note: Actual E&G building maintenance cost minus State Support compared to APPA Standard will determine institutional effort.*)
  - b. Proposal to incorporate actual E&G building maintenance cost into CHE 150.
7. Facilities Utilization Standards Discussion
8. Facilities Policies & Procedures Manual - Proposed Revisions
  - a. Removal of Routine Repair, Replacement, and Maintenance Approvals
  - b. Removal of Alternatives Requirement for Permanent Improvement Projects
  - c. Removal of Annual Institutional Maintenance Needs Plans
9. Funding Source Classifications
10. FY 2011-2012 MRR (*handout*)
11. Tuition Implications for Dually Enrolled High School Students
12. Other Business
  - a. Next Meeting

## **REVIEW OF OWNERSHIP CODE CHANGES**

At its meeting on November 17, 2009, the Facilities Advisory Committee agreed to the ownership code changes below:

Ownership code 4 will be defined as Leased/Rented Unaffiliated - Not owned by the institution, but leased or rented to the institution by an unaffiliated third party without maintenance included.

Ownership code 5 will be defined as Leased/Rented Affiliated - Not owned by the institution but leased or rented to the institution by a related entity (i.e.; institutional foundations, trusts, etc.) without maintenance included.

(Maintenance is **not** included in the lease payment. Institution pays for maintenance separate from the lease payment. )

*Note: These buildings will need building condition assessments and will be added with owned buildings for overall maintenance needs calculations.*

Ownership code 7 will be **added** as Leased/Rented Unaffiliated - Not owned by the institution, but leased or rented to the institution by an unaffiliated third party with maintenance included.

Ownership code 8 will be **added** as Leased/Rented Affiliated - Not owned by the institution but leased or rented to the institution by a related entity (i.e.; institutional foundations, trusts, etc.) with maintenance included.

(Maintenance **is** included as part of the lease agreement (full-service). The Lessor maintains and insures the building.)

*Note: These buildings will **not** need building condition assessments and will **not** be added with owned buildings for overall maintenance needs calculations.*

## **FACILITIES UTILIZATION STANDARDS**

- The SC standard for classroom square feet per student station is 22 SF.  
The SC standard for lab square feet per student station is:
  - High Intensive – 180 SF
  - Intensive – 70 SF
  - Moderately Intensive – 50 SF
  - Non-Intensive – 33 SF

- ideally the institutional number should be lower than the SC standard.
- The SC standard for classroom instruction hours per week is 30.  

- ideally the institutional number should be higher than the SC standard.
- The SC standard for classroom station utilization is 60%.  

- ideally the institutional number should be higher than the SC standard.
- The SC standard for space factor is 1.22.  

- ideally the institutional number should be lower than the SC standard.
- The SC standard for ASF per FTE of academic space is:
  - Four-year – 93 SF
  - Two-year – 70 SF

- ideally the institutional number should be lower than the SC standard.
- The SC standard for square feet needed for research is 9,000 SF per \$1 million in research.

### **RECOMMENDATION:**

Based upon data submitted, the SC standard for research space needs to be evaluated and possibly revised.

## 2012-13 Facilities Utilization Based on Fall 2011 Data

	Space Factor Standards				Research Space Factor Standard			
	2011 Classroom Average Student Station Size (SF per Student Station) <sup>1</sup>	2011 Average Weekly Classroom Hours of Instruction <sup>2</sup>	2011 Classroom Station Utilization Percentage <sup>3</sup>	2011 Space Factor Calculation $[A/(B \cdot C)]^4$	Total Research Expenditures in FY 2010-11 <sup>5</sup>	2011 Square Feet Allocated to Research	Square Feet Needed for Standard 9,000 SF per \$1 million in Research <sup>6</sup>	Actual SF less Standard
<b>SC Standards<sup>7</sup></b>	[A] 22.00 ↓	[B] 30.00 ↑	[C] 60.00% ↑	1.22 ↓			9,000	
<b>Research Institutions</b>								
Clemson	16.95	27.71	47.34%	1.29	\$145,343,969	644,171	1,308,096	(663,925)
USC Columbia <sup>8,9</sup>	16.97	38.50	40.73%	1.08	\$128,654,587	645,588	1,157,891	(512,303)
MUSC <sup>8</sup>					\$173,480,442	708,746	1,561,324	(852,578)
					<b>ASF/FTE of Academic Space<sup>10,11</sup></b>			
<b>Teaching Institutions</b>					<b>4-year Standard<sup>7</sup> = 93.00 ↓</b>			
Citadel	19.46	15.39	56.84%	2.22	113.23	20.23		
Coastal Carolina	16.99	41.91	49.40%	0.82	56.39	(36.61)		
College of Charleston (Main)	18.21	27.55	66.55%	0.99	81.52	(11.48)		
College of Charleston (North Charleston)	20.20	8.01	39.24%	6.43				
College of Charleston (Grice Marine Lab.)	18.21	33.33	32.61%	1.68				
Francis Marion	19.30	14.58	63.00%	2.10	109.86	16.86		
Lander	20.14	25.00	61.43%	1.31	115.38	22.38		
SC State	19.73	18.59	38.67%	2.74	176.18	83.18		
USC Aiken	21.74	33.27	54.37%	1.20	130.35	37.35		
USC Beaufort (Historic Beaufort Campus)	19.03	13.89	49.26%	2.78	77.82	(15.18)		
USC Beaufort (Hilton Head Gateway)	19.18	31.88	42.18%	1.43				
USC Upstate	18.06	20.57	50.74%	1.73	91.37	(1.63)		
Winthrop	20.16	28.33	55.29%	1.29	155.72	62.72		
<b>Teaching Average</b>	<b>19.26</b>	<b>24.02</b>	<b>50.74%</b>	<b>1.58</b>	<b>110.78</b>	<b>17.78</b>		
<b>USC Two-Year Branches<sup>12</sup></b>							<b>2-year Standard<sup>7</sup> = 70.00 ↓</b>	
USC Lancaster	21.11	31.73	42.77%	1.56			82.62	12.62
USC Salkehatchie (Allendale)	21.08	29.75	71.78%	0.99			143.03	73.03
USC Salkehatchie (Walterboro)	18.82	38.45	43.41%	1.13				
USC Sumter	21.18	24.15	40.76%	2.15			149.00	79.00
USC Union (Main)	19.92	20.65	47.79%	2.02			124.21	54.21
USC Union (Laurens)	46.94	7.75	16.10%	37.62				
<b>Branch Average</b>	<b>24.84</b>	<b>25.41</b>	<b>43.77%</b>	<b>2.23</b>			<b>124.72</b>	<b>54.72</b>
<b>Technical Colleges</b>								
Aiken TC	22.04	16.72	60.35%	2.18			102.72	32.72
Central Carolina TC (Main)	24.32	21.05	46.78%	2.47			109.76	39.76
Central Carolina TC (Shaw)	23.94	6.61	40.11%	9.03				
Central Carolina TC (Lee)	27.77	9.77	51.91%	5.48				
Denmark TC (Main)	23.51	10.50	80.49%	2.78			95.10	25.10
Denmark TC (Barnwell)	15.06							
Florence-Darlington TC (Main)	22.44	18.06	70.29%	1.77			87.46	17.46
Florence-Darlington TC (Hartsville)	24.33	12.67	79.35%	2.42				
Florence-Darlington TC (Lake City)	24.86	12.00	90.20%	2.30				
Florence-Darlington TC (Cosmetology)	53.25	26.04	71.09%	2.88				
Florence-Darlington TC (Mullins)	25.26	11.85	98.39%	2.17				
Florence-Darlington TC (Bellsouth)	22.59	28.13	29.26%	2.74				
Greenville TC (Main excl. GH)	26.87	33.25	70.95%	1.14			90.44	20.44
Greenville TC (Donaldson)	29.65	143.08	61.44%	0.34				
Greenville TC (Greer)	26.96	39.64	63.89%	1.06				
Greenville TC (Northwest Campus)	28.43	31.16	67.50%	1.35				
Greenville TC (Simpsonville)	22.18	31.28	72.49%	0.98				
Greenville TC (Cont. Ed)	31.78							
Greenville TC (RACE)	36.74							

Horry-Georgetown TC (Main)	22.92	20.39	60.07%	1.87		69.31	(0.69)
Horry-Georgetown TC (Grand Strand)	26.47	16.85	66.01%	2.38			
Horry-Georgetown TC (Georgetown)	22.04	12.90	53.96%	3.17			
Midlands TC (Airport)	20.64	30.20	63.28%	1.08		72.29	2.29
Midlands TC (Batesburg/Leesville)	32.67	10.19	41.71%	7.69			
Midlands TC (Beltline)	23.21	31.28	72.22%	1.03			
Midlands TC (Fairfield Extension)	37.86	1.89	18.75%	106.84			
Midlands TC (Harbison)	28.29	6.35	70.36%	6.33			
Midlands TC (Northeast)	31.75	5.19	78.03%	7.84			
Northeastern TC (Main)	27.66	13.45	72.40%	2.84		139.47	69.47
Northeastern TC (Bennettsville)	24.77	26.00	32.00%	2.98			
Northeastern TC (Dillon)	27.97	11.00	25.50%	9.97			
Northeastern TC (Pageland)	24.87	15.50	14.44%	11.11			
Orangeburg-Calhoun TC	19.62	16.21	44.99%	2.69		105.25	35.25
Piedmont TC (Main)	22.08	20.13	56.74%	1.93		79.15	9.15
Piedmont TC (Abbeville)	28.59	13.94	67.98%	3.02			
Piedmont TC (Edgefield)	24.65	8.46	59.69%	4.88			
Piedmont TC (Laurens)	15.74	14.10	58.21%	1.92			
Piedmont TC (McCormick)	110.70	13.67	53.27%	15.20			
Piedmont TC (Newberry)	26.30	23.68	61.76%	1.80			
Piedmont TC (Saluda)	27.76	17.54	68.56%	2.31			
Spartanburg CC	29.45	21.22	67.90%	2.04		91.57	21.57
TC of the Lowcountry (Main)	22.17	13.73	45.70%	3.53		113.46	43.46
TC of the Lowcountry (New River)	35.71	32.11	52.52%	2.12			
TC of the Lowcountry (Mungin)	32.69						
Tri-County TC (Main)	24.39	24.62	70.05%	1.41		55.99	(14.01)
Tri-County TC (Anderson)	30.35	22.79	59.62%	2.23			
Trident TC (Main)	21.83	26.27	58.85%	1.41		49.52	(20.48)
Trident TC (Berkeley)	30.98	15.49	59.81%	3.34			
Trident TC (Palmer)	17.34	18.35	63.97%	1.48			
Williamsburg TC	22.96	18.17	47.71%	2.65		163.31	93.31
York TC	26.02	23.45	59.54%	1.86		82.62	12.62
<b>Technical Average</b>	<b>28.09</b>	<b>21.21</b>	<b>59.15%</b>	<b>2.24</b>		<b>94.21</b>	<b>24.21</b>

<sup>1</sup>This number is calculated by dividing the Total Assignable Square Foot by the Number of Student Stations.

<sup>2</sup>This number is calculated by dividing the Total Utilized Day & Evening Hours by Total Number of Rooms.

<sup>3</sup>This number is calculated by dividing Total Student Clock Hours by Total Potential Student Hours.

<sup>4</sup>This number is calculated by using the formula (Col A/(Col B\*Col C)).

<sup>5</sup>Research expenditures pulled from IPEDS.

<sup>6</sup>This number is calculated by dividing the Total Research Expenditures by \$1,000,000 and multiplying by 9,000.

<sup>7</sup>If the arrow beside the standard is pointing down, ideally the institutional number should be lower than the SC Standard. If the arrow beside the standard is pointing up, ideally the institutional number should be higher than the SC Standard.

<sup>8</sup>Excludes station utilization space factor calculation for medical schools.

<sup>9</sup>The "2011 SF Allocated to Research" column is the sum of USC Main Campus, USC Hobcaw Barony and USC Veteran's Hospital.

<sup>10</sup>Includes classrooms, labs, research, academic support (excluding library stacks), & study space.

<sup>11</sup>Using Fall 2011 FTE.

<sup>12</sup>Reflects utilization for classes taught by four-year institutions.

Created 2/24/2012

Updated 4/27/2012

**FACILITIES POLICIES & PROCEDURES MANUAL - PROPOSED REVISIONS**

*Note: Revised copies of Manual will be emailed and posted on web once revisions are approved.*

1. Eliminate in its entirety the section on Routine Repair, Replacement, and Maintenance.

**~~Routine Repair, Replacement, and Maintenance~~**

~~Routine repair, replacement, and maintenance projects may be submitted to CHE staff at any time. The Commission has delegated staff the authority to approve these projects and present to the Commission in summary form at the next scheduled CHE meeting. However, even though a project may fall within the technical definitions outlined below, if the staff believes that particular characteristics of a project requires further consideration, the staff will refer that project to the full review and approval process of the Finance & Facilities Committee and the Commission.~~

~~The following examples illustrate the types of projects that are considered to be routine repair, replacement, and maintenance of existing facilities:~~

- ~~1. Roof repair/replacement~~
- ~~2. Building system modifications (HVAC, plumbing, electrical, etc.)~~
- ~~3. Interior refurbishment without major reconfiguration of interior space~~
- ~~4. Exterior refurbishment (waterproofing, window replacement, etc.) excluding additions beyond approximately 1,000 sq. feet~~
- ~~5. Renovation of \$500,000 or more that does not result in major building use change or additions beyond approximately 1,000 sq. feet~~
- ~~6. Code compliance (ADA, elevator, fire, electrical, etc.)~~
- ~~7. Infrastructure modifications/replacement (communications systems, sewers, waterlines, steam lines, etc.)~~

2. Eliminate in its entirety the section on project alternatives.

~~**6. Alternatives**— State the alternatives to this project that were considered. Describe any other means of meeting the needs identified which were considered and discarded. Outline any relationships between this project and any other project being proposed or to be proposed. Indicate the effect on the services or activities of the institution if the request is not approved~~

3. Eliminate in its entirety the section on Institutional Maintenance Needs Plans.

### **Institutional Maintenance Needs Plans for Educational & General Facilities & Infrastructure**

#### **POLICY**

~~The Commission on Higher Education (CHE), recognizing the magnitude of maintenance needs for educational and general (E&G) facilities and infrastructure at public institutions of higher learning, has adopted a policy which requires institutions to submit an annual plan which would determine the amount of funding needed to bring the maintenance status to an acceptable level. The plans will allow CHE to review ongoing needs in addition to quantifying the amount of maintenance that has been delayed. Also, the plans will provide interested stakeholders with an understanding of the varying needs on each campus regarding this issue.~~

~~CHE staff, in consultation with institution facilities officers, has developed parameters for addressing E&G maintenance needs. The following definitions, calculation methods, and elements are included in the plans:~~

**FUNDING SOURCE CLASSIFICATIONS**

**Private/Third Party**

College of Medicine  
 Department of Surgery  
 Foundation  
 Generated Clinic Revenue  
 Health and Science Foundation  
 Neurosciences Practice Plan  
 Practice Plan  
 Presidents Development Fund  
 Private  
 Redevelopment Authority  
 SOM Educational Trust

**Tuition & Student Fees**

College Fees  
 College Funds  
 Excess Debt Service  
 General  
 Institution Bonds  
 Institution Funds  
 Institutional Capital Project Fund  
 Harborview Maintenance Fund  
 Maintenance Reserve  
 Operating  
 Physical Plant Operating Funds  
 Renovation Reserve  
 Special College Funds  
 Student Fees  
 Tuition  
 Unallocated Interest  
 University Funds

**Auxiliary**

Athletic  
 Athletic BAN  
 Athletic Operating Funds  
 Athletic Revenue Bonds  
 Auxiliary  
 Dining Improvement Fund  
 Dining Services Revenue  
 Food Service  
 Health Center Capital Reserve Fund  
 Hospital Authority Revenue  
 Hospital Generated Revenue  
 Hospital Operating Revenue  
 Housing  
 Housing Auxiliary Funds  
 Housing BAN  
 Housing Improvement Funds

Housing Maintenance Reserve  
 Housing Revenue Bonds  
 Parking Revenue  
 Parking Improvement  
 Revenue Bonds

**Appropriated**

Allied Health Initiative  
 Appropriated State  
 Capital Improvement Bonds  
 Capital Reserve Fund  
 Deferred Maintenance Allocation  
 Life Science Bonds  
 Lottery Funds  
 National Institute of Drug Abuse  
 RUIB  
 State Commerce

**Other Governmental Support**

City  
 City Redevelopment Funds  
 County Bonds  
 County Funds  
 Economic Development Bonds  
 Emergency Prep  
 Facilities and Administrative Costs/Indirect  
 Cost Recovery  
 Federal  
 Federal Stimulus Funding  
 FEMA  
 Grant Funding  
 Local  
 One Cent Sales Tax  
 State Energy Office Loan  
 State Treasury Master Lease

**Other**

Asbestos Settlement  
 Class Action Suit  
 EPSCOR  
 Insurance Claim Reimbursement  
 Insurance Reserve Fund  
 Proceeds from Sale of Property  
 SCE&G Rebate  
 Transfer of Property