

Agenda Item 7.05



**South Carolina
Commission on Higher Education**

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Dr. Richard C. Sutton
Executive Director

TO: Members, Commission on Higher Education
FROM: Mr. Bill Scarborough, Chair, and Members of the Committee on Finance & Facilities
SUBJECT: Items for Consideration on April 3
DATE: April 1, 2014

Attached are items for your review and consideration at the April 3 Commission meeting. Please note the Committee on Finance and Facilities has not yet acted on these items but is scheduled to review and develop recommendations at its meeting scheduled for 8:30 a.m. on April 3. The Committee will bring its recommendations to the Commission for consideration at the Commission meeting. Staff recommendations are included for your information.

If you have any questions about a particular item, or if you need additional information, please contact Gary Glenn at (803) 737-2155.

7.05A Interim Capital Projects

- A. Clemson University
 - i. Student Activities Center Renovation
- *establish project*
- B. Spartanburg Community College
 - i. Cherokee Advanced Technology Center
- *increase budget*
- C. Tri-County Technical College
 - i. Student Success Center/Central Plant
- *establish project*

**7.05B Quarterly Budget Report
(For Information, No Action Required)**

**7.05C List of Capital Projects & Leases Processed by Staff for March 2014
(For Information, No Action Required)**

DESCRIPTION OF INTERIM CAPITAL PROJECTS FOR CONSIDERATION

April 3, 2014

CLEMSON UNIVERSITY

PROJECT NAME: Student Activities Center Renovation
REQUESTED ACTION: Establish Project
REQUESTED ACTION AMOUNT: \$3,000,000
INITIAL CHE APPROVAL DATE: NA

<u>Project Budget</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Professional Service Fees	\$0	\$300,000	\$300,000
Interior Building Renovations	\$0	\$2,000,000	\$2,000,000
Other Capital Outlay (FF&E)	\$0	\$170,000	\$170,000
Other (Various Internal Costs)	\$0	\$280,000	\$280,000
Contingency	\$0	\$250,000	\$250,000
Total	\$0	\$3,000,000	\$3,000,000

<u>Source of Funds</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Dining Improvement Fund	\$0	\$2,000,000	\$2,000,000
Private Gift	\$0	\$1,000,000	\$1,000,000
Total	\$0	\$3,000,000	\$3,000,000

**This project is included in the institution's FY 2014-15 CIP year one as priority number two. Because the FY 2014-15 CIP year one list has not been approved by the Commission, the project is being brought through the interim capital project process.*

DESCRIPTION:

The University requests approval to establish a project to renovate a 7,000 SF vacated central campus agriculture building, formerly known as the Sheep Barn. Due to its open floor plan, the renovated facility will include large meeting and lecture rooms and spaces for student and academic related functions. The renovation will include making structural improvements to the facility, adding mechanical and electrical systems, and upgrading the building envelope.

The facility is centrally located adjacent to the Hendrix Student Center and other housing facilities on the east campus. It offers a unique and highly accessible venue for hosting a variety of student activities, entertainment, food options, informal social interactions, and other programs that foster student engagement. The facility will provide a new alternative, especially for students who live or commute on the east side of the campus, to connect with the campus.

Care will be taken to preserve the character of the facility and maintain its status on the National Register of Historic Places. Because of its historic status, the building must be preserved. Renovation into a student activities center will create the best use of the building.

E&G MAINTENANCE NEEDS:

Based on Fall 2012 data, the Sheep Barn has a current condition code of 43 with existing maintenance needs of \$95,921 over the next twenty years.

ANNUAL OPERATING COSTS/SAVINGS:

Utilities and maintenance will require additional operating costs of \$40,810 in the first year, \$42,034 in the second year, and \$43,295 in the third year following project completion.

RECOMMENDATION:

Staff recommends approval of this project as proposed.

SPARTANBURG COMMUNITY COLLEGE

PROJECT NAME: Cherokee Advanced Technology Center
REQUESTED ACTION: Increase Budget
REQUESTED ACTION AMOUNT: \$1,768,958
INITIAL CHE APPROVAL DATE: February 13, 2013

<u>Project Budget</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Professional Service Fees	\$443,000	\$24,832	\$467,832
Site Development	\$0	\$647,323	\$647,323
New Construction	\$3,382,000	\$995,799	\$4,377,799
Landscaping	\$0	\$30,000	\$30,000
Contingency	\$375,000	\$71,004	\$446,004
Total	\$4,200,000	\$1,768,958	\$5,968,958

<u>Source of Funds</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Appropriated State	\$3,500,000	\$0	\$3,500,000
Lottery Funds	\$0	\$840,000	\$840,000
College Matching Funds	\$700,000	\$0	\$700,000
College Plant Funds	\$0	\$928,958	\$928,958
Total	\$4,200,000	\$1,768,958	\$5,968,958

**This project is included in the institution's FY 2014-15 CPIP year one as priority number one. Because the FY 2014-15 CPIP year one list has not been approved by the Commission, the project is being brought through the interim capital project process.*

DESCRIPTION:

The College requests approval to increase the budget to construct a 27,245 SF Center for Advanced Manufacturing and Industrial Technologies (CAMIT) on the Cherokee County Campus. The facility will provide industrial training classrooms and labs for machine tool technology, mechatronics and welding technology programs. A 100 space parking lot will be designed adjacent to the building. The facility will be Green Globe Certified at the 2 Globe level.

The project budget increased due to construction estimates. After completion of preliminary design work, the third party cost estimate necessitated an increase.

E&G MAINTENANCE NEEDS:

N/A – New Construction

ANNUAL OPERATING COSTS/SAVINGS:

Staff, utilities, telephone, maintenance supplies, miscellaneous services, supplies and mileage expenses will require additional operating costs of \$117,090 in the first year, \$160,535 in the second year, and \$169,811 in the third year following project completion.

RECOMMENDATION:

Staff recommends approval of this project as proposed.

TRI-COUNTY TECHNICAL COLLEGE

PROJECT NAME: Student Success Center/Central Plant
REQUESTED ACTION: Establish Project
REQUESTED ACTION AMOUNT: \$41,600,000
INITIAL CHE APPROVAL DATE: N/A

Project Budget	Previous	Change	Revised
Professional Service Fees	\$0	\$4,000,000	\$4,000,000
Equipment and/or Materials	\$0	\$2,900,000	\$2,900,000
Site Development	\$0	\$3,000,000	\$3,000,000
New Construction	\$0	\$17,100,000	\$17,100,000
Interior Building Renovations	\$0	\$7,000,000	\$7,000,000
Contingency	\$0	\$7,600,000	\$7,600,000
Total	\$0	\$41,600,000	\$41,600,000

Source of Funds	Previous	Change	Revised
Local/Plant Funds	\$0	\$41,600,000	\$41,600,000
Total	\$0	\$41,600,000	\$41,600,000

**This project is included in the institution's FY 2014-15 CPIP year one as priority number one. Because the FY 2014-15 CPIP year one list has not been approved by the Commission, the project is being brought through the interim capital project process.*

DESCRIPTION:

The College requests approval to establish a project to construct a new Student Success Center, refurbish and repurpose Ruby Hicks Hall, and construct a new Central Plant.

The new Student Success Center will house a Learning Commons and associated group study space, computer labs, campus store, café, and shipping and receiving area. Construction of the Success Center will allow for swing space to vacate Ruby Hicks which will be refurbished and repurposed to become a one-stop student services center. Completing construction of the Success Center first to vacate Ruby Hicks will reduce construction costs and time, as well as preserve campus safety and productivity. Refurbishment of Ruby Hicks is dependent on the new Central Plant being operational. HVAC systems in Ruby Hicks are approaching end-of-life and are highly inefficient. The new Central Plant will provide cooling for campus buildings, via an energy loop, to substantially reduce energy usage and reduce maintenance costs while improving system reliability.

E&G MAINTENANCE NEEDS:

Based on Fall 2012 data, Ruby Hicks Hall has a current condition code of 53 with existing maintenance needs of \$3,937,384 over the next twenty years.

ANNUAL OPERATING COSTS/SAVINGS:

Utilities, maintenance, custodial, and insurance will require additional operating costs of \$86,318 in the first year, \$20,089 in the second year, and \$11,842 in the third year following project completion.

RECOMMENDATION:

Staff recommends approval of this project as proposed.

Source		Activity	Expended in FY 2012-13	FY 2013-14 Budgeted					Expended Through		Balance	
				Salary & Fringe	Operating	Major Contracts	Flow-Through	Scholarships	Total	3/31/2014		Target
										Amount		% Expended
CHE Operating and Programs												
State	CHE General Administration - Personnel		1,218,611	1,798,729					1,798,729	1,184,970.50	65.9%	613,759
State	CHE General Administration - Personnel (Carryover)			30,230					31,066	31,066.33	100.0%	0
State	CHE General Administration - Operational Support		238,174		285,520			285,520	251,871.47	88.2%	33,649	
State	CHE General Administration (Carryover) (Search Committee Support)		9,314		10,686			10,686	7,025.87	65.7%	3,660	
State	CHE LDS Continuation (Carryover)			74,636	23,567			98,203	87,612.03	89.2%	10,591	
State	CHE General Administration (Carryover) (Building Security)		0		20,000			20,000	150.00	0.8%	19,850	
State	CHE General Administration (Carryover) (Data Security)		36,351	19,154	29,043			48,197	41,187.79	85.5%	7,009	
State	CHE General Administration (Carryover)		0		340,119			340,119	0.00	0.0%	340,119	
Lottery	Lottery Administration		256,113	217,078	42,922			260,000	168,582.29	64.8%	91,418	
Lottery	Lottery Administration (Carryover)		5,258		3,887			3,887	3,886.68	100.0%	0	
State	Licensing		47,032	47,032				47,032	37,217.82	79.1%	9,814	
Revenue	Licensing		184,269	246,398				246,398	147,818.75	60.0%	98,579	
Revenue	Licensing		37,058		59,929			59,929	24,413.29	40.7%	35,516	
State	Education & Economic Development Act (EEDA)		1,167,746	207,087	123,868	849,621		1,180,576	892,907.84	75.6%	287,668	
State	Education & Economic Development Act (EEDA) (Carryover)		11,640		12,830			12,830	12,830.00	100.0%	0	
Revenue	Education & Economic Development Act (EEDA)		15,501					0	0.00	0.0%	0	
EIA	Centers of Excellence (through SCDE to CHE per Proviso 1A.37)		886,694	38,165	6,945		842,416	887,526	755,561.46	85.1%	131,965	
Federal	Improving Teacher Quality (ITQ)		775,814	27,684	20,286		830,909	878,879	720,731.55	82.0%	158,147	
Federal	State Approving Agency (Veterans Education & Training)		251,928	247,312	26,978			274,290	217,939.14	79.5%	56,351	
State	GEAR UP		177,201	38,659	26,602	111,940		177,201	36,245.88	20.5%	140,955	
Federal	GEAR UP		2,261,568	173,622	213,938	406,248	2,649,792	3,443,600	2,001,473.82	58.1%	1,442,126	
Revenue	College Goal Sunday		35,000		35,000			35,000	29,187.27	83.4%	5,813	
Federal	College Access Challenge Grant		704,126	225,790	711,724	775,757		1,942,116	912,367.58	47.0%	1,029,748	
Federal	Statewide Longitudinal Data System (SLDS)		3,402,634					0	0.00	0.0%	0	
Subtotal			11,722,030	3,391,576	1,994,679	2,143,566	4,551,962	0	12,081,783	7,565,047.36	62.6%	4,516,736
Other Agencies and Entities												
State	State Electronic Library (PASCAL) - CHE Operating Support		16,194		17,919			17,919	10,365.42	57.8%	7,554	
State	State Electronic Library (PASCAL) - CHE Operating Support (carryover)		597					0	0.00	0.0%	0	
State	State Electronic Library (PASCAL)		148,095			146,370		146,370	0.00	0.0%	146,370	
Revenue	State Electronic Library (PASCAL)		2,176,115			3,686,577		3,686,577	2,107,243.56	57.2%	1,579,333	
Lottery	State Electronic Library (PASCAL) (Carryover) ¹		-			1,290,514		1,290,514	651,159.00	50.5%	639,355	
Trust	SmartState Administration (CHE Support) ²		395,437	294,396	290,888			585,284	248,864.11	42.5%	336,420	
Trust	SmartState Administration (Institution Support) ²		300,000			300,000		300,000	300,000.00	100.0%	0	
Trust	SmartState State Matching Funds ²		5,348,922			5,599,600		5,599,600	5,599,600.00	100.0%	0	
State	Univ. Center of Greenville - Greenville Technical College		594,390			594,390		594,390	445,792.00	75.0%	148,598	
State	Univ. Center of Greenville - Operations		1,084,899			1,084,899		1,084,899	1,084,899.00	100.0%	0	
State	Univ. Center of Greenville - Infrastructure Development (Proviso 118.17)					200,000		200,000	200,000.00	100.0%	0	
State	Lowcountry Graduate Center		785,099			785,099		785,099	588,824.25	75.0%	196,275	
State	Academic Endowment		160,592			160,592		160,592	117,260.00	73.0%	43,332	
State	EPSCoR		161,314			161,314		161,314	120,985.00	75.0%	40,329	
State	Performance Funding (Distributed per Proviso 11.8)											0
State	EPSCoR		1,118,016			1,118,016		1,118,016	838,512.00	75.0%	279,504	
State	SC State University		279,504			279,504		279,504	139,752.00	50.0%	139,752	
State	African American Loan Program (Distributed per Proviso 11.4)							0				0
State	SC State University		87,905			87,905		87,905	43,962.00	50.0%	43,943	
State	Benedict College		31,395			31,395		31,395	0.00	0.0%	31,395	
State	Charleston Transition Connection ³		179,178			0		0	0.00	0.0%	0	
Lottery	2-Yr & 4-Yr Public Institutions Lottery Technology		9,801,816			9,576,816		9,576,816	8,068,625.00	84.3%	1,508,191	
Lottery	Public 4-Yr & 2-Yr Institutions -- Maintenance Needs		14,765,315			22,584,883		22,584,883	13,583,544.00	60.1%	9,001,339	
Lottery	Higher Education Excellence Enhancement Program (HEEEP)		3,000,000			3,978,053		3,978,053	3,232,168.00	81.2%	745,885	
EIA	Teacher Recruitment (to CHE through SCDE & Distributed per Proviso 1A.9)							0				0
EIA	CERRA		3,904,045			3,904,045		3,904,045	2,928,031.50	75.0%	976,014	
EIA	SC State Univ. PRRMT		339,482			339,482		339,482	0.00	0.0%	339,482	
Subtotal			44,678,310	294,396	308,807	0	55,909,454	0	56,512,657	40,309,586.84	71.3%	16,203,070

Source	Activity	Expended in FY 2012-13	FY 2013-14 Budgeted					Expended Through		Balance	
			Salary & Fringe	Operating	Major Contracts	Flow- Through	Scholarships	Total	3/31/2014		Target
									Amount		% Expended
State-Supported Student Scholarship and Grant Programs											
State	SREB Contract Program & Assessments ⁴	3,282,640					3,509,750	3,509,750	3,407,600.00	97.1%	102,150
State	SREB Contract Program & Assessments (Carryover)	176,110					147,400	147,400	147,400.00	100.0%	0
State	SREB Arts Program (NC School for the Arts)	7,177					7,177	7,177	7,177.00	100.0%	0
State	LIFE Scholarships	65,154,048					59,754,048	59,754,048	59,754,048.00	100.0%	0
Lottery	LIFE Scholarships	103,920,617					109,046,354	109,046,354	83,942,290.79	77.0%	25,104,063
Lottery	LIFE Scholarships (Carryover)	6,871,400					3,055,620	3,055,620	3,055,619.99	100.0%	0
State	Palmetto Fellows - Educational Endowment ³	12,000,000					12,000,000	12,000,000	12,000,000.00	100.0%	0
State	Palmetto Fellows Scholarships	7,109,427					8,439,310	8,439,310	8,439,310.00	100.0%	0
Lottery	Palmetto Fellows Scholarships	29,998,897					30,777,240	30,777,240	24,738,625.75	80.4%	6,038,614
Lottery	Palmetto Fellows Scholarships (Carryover)	4,905,346					778,343	778,343	778,342.82	100.0%	0
State	HOPE Scholarships	231,727					231,727	231,727	231,727.00	100.0%	0
Lottery	HOPE Scholarships	6,847,979					7,779,856	7,779,856	6,615,858.76	85.0%	1,163,997
Lottery	HOPE Scholarships (Carryover)	823,792					931,877	931,877	931,876.99	100.0%	0
State	Need-based Grants - Educational Endowment ³	12,000,000					12,179,178	12,179,178	12,139,736.00	99.7%	39,442
Lottery	Need-based Grants	10,328,774					13,000,000	13,000,000	7,449,217.38	57.3%	5,550,783
Lottery	Need-based Grants (Carryover)	1,658,384					1,302,791	1,302,791	1,302,791.33	100.0%	0
Lottery	Lottery Tuition Assistance (LTA) ⁴	1,413,545					2,455,000	2,455,000	1,266,000.12	51.6%	1,189,000
Lottery	Lottery Tuition Assistance (LTA) ⁴ (Carryover)	1,163,375					1,041,455	1,041,455	1,041,455.16	100.0%	0
State	National Guard College Assistance Program	89,968	77,434	10,506			2,028	89,968	74,372.85	82.7%	15,595
Lottery	National Guard College Assistance Program	1,700,000					4,545,000	4,545,000	1,479,480.01	32.6%	3,065,520
Trust	National Guard Loan Repayment Trust ⁵	453,695	31,091	7,331			297,627	336,049	326,512.12	97.2%	9,537
Trust	DAYCO Scholarship ⁶	-							0.00	0.0%	0
Subtotal		270,136,903	108,525	17,837	0	0	271,281,781	271,408,143	229,129,442.07	84.4%	42,278,701
Grand Total All Funds and Programs		326,537,243	3,794,497	2,321,323	2,143,566	60,461,416	271,281,781	340,002,584	277,004,076.27	81.5%	62,998,507
	State	107,370,332	2,168,941	464,415	961,561	4,449,484	96,123,218	104,367,619	102,047,536.03	97.8%	2,320,083
	State Carryover	234,012	124,020	437,081	0	0	147,400	708,501	327,272.02	46.2%	381,229
	Revenue	2,447,943	246,398	94,929	0	3,686,577	0	4,027,904	2,308,662.87	57.3%	1,719,241
	Other - EIA & Trust	11,628,276	363,652	305,164	0	10,985,543	297,627	11,951,986	10,158,569.19	85.0%	1,793,417
	Lottery	182,033,058	217,078	42,922	0	37,430,266	167,603,450	204,003,202	151,195,551.10	74.1%	54,098,165
	Lottery Carryover	15,427,555	0	3,887	0	0	7,110,086	8,404,487	7,113,972.97	84.6%	0
	Federal	7,396,069	674,408	972,925	1,182,005	3,709,546	0	6,538,885	3,852,512.09	58.9%	2,686,373

Notes:

- 1) Funds were carried over from FY 2011-12 (\$1,253,581) and FY 2012-13 (\$36,933) via an appropriation of excess unclaimed prize funds received at fiscal year-end
- 2) Funds represent administrative support authorization included in the FY 2013-14 Appropriation Act. SmartState matching funds are added as endowed chair's matches are perfected. No new funds have been appropriated for SmartState since FY 2008-09.
- 3) The Education Endowment was initially established with Barnwell Nuclear Fee Revenues but is now supported solely with State General Funds. Per SC Code of Laws, Section 48-46-30(F), the Endowment is to be funded at least at the 1999-2000 levels. Higher education funds from the endowment are divided per statute equally between Palmetto Fellows and Need-Based Grants. In FY 2013-14, the appropriation for the Charleston Transition Connection was transferred to the Need-based grant component of the Education Endowment making the total Need-based grant allocation \$12,179,178. These
- 4) CHE and the Technical College System Office share administrative responsibilities for LTA. As of a proviso change effective with FY2011-12, the appropriation for LTA is split between CHE and the SC Technical College System Office. Of the \$49.1 million appropriated in FY 13, \$2.455 million comes to CHE to support LTA grants to students at USC 2-Yr Campuses and Spartanburg Methodist College
- 5) Fund balance for the National Guard Loan Repayment Program is held in trust and used to support the National Guard Tuition Assistance Program payments \$4,545,000 (increased from \$1.7M in FY 13) provided in Lottery. National Guard Loan Repayment closed to new participants in 2007 in lieu of the established College Assistance Program.
- 6) Dayco Scholarships are budgeted as awards are made.

rev. 3/31/2014

INFORMATION ITEM

**Capital Projects & Leases Processed by Staff
March 2014**

Date Approved	Project #	Institution	Project Name	Action Category	Budget Change	Revised Budget	Original Approval Date	Revised Building Condition Survey With Close-out
Routine Staff Approvals								
2/28/2014	9808	MUSC	Harmond Gazes Building Envelope & Exhaust System Renovation	change source of funds	\$0	\$13,377,359	7/1/2010	-
2/28/2014	9622	College of Charleston	2005 Maintenance Needs ²	revise scope, change project name	\$0	\$624,873	7/12/2005	-
2/28/2014	9651	College of Charleston	2012 Deferred Maintenance ³	revise scope	\$0	\$880,383	10/24/2012	-
2/28/2014	9653	College of Charleston	2013-14 Maintenance Needs ⁴	revise scope	\$0	\$1,651,940	12/10/2013	-
3/12/2014	New	Coastal Carolina	Academic Classroom/Office Building II - Land Acquisition ⁵	establish project	\$0	\$20,000	-	-
3/17/2014	9906	Clemson	Core Campus Development ⁵	increase budget	\$94,560,000	\$96,000,000	10/23/2012	-
3/17/2014	9908	Clemson	Greenwood Genetics Center Land Acquisition ⁶	revise scope	\$0	\$20,000	2/15/2013	-
3/17/2014	6091	USC Columbia	Student Health Center Construction ⁵	increase budget, revise scope	\$26,817,500	\$27,500,000	8/15/2011	-
3/17/2014	6104	USC Columbia	Williams-Brice Stadium Plaza Site Upgrades ⁵	increase budget, revise scope	\$14,290,000	\$14,500,000	9/20/2013	-
3/17/2014	6105	USC Columbia	Athletic Village Improvements ⁵	increase budget	\$17,737,500	\$18,000,000	9/20/2013	-
3/18/2014	9899	Clemson	Douthitt Hills Development ⁵	revise scope	\$0	\$1,852,000	4/5/2012	-
Close-Outs								
2/28/2014	6080	Greenville TC	Greer Campus Land Acquisition	decrease budget, close project	(\$8,094)	\$216,907	12/6/2012	-
3/14/2014	9600	Coastal Carolina	Perez Property Acquisition	decrease budget, close project	(\$11,138)	\$198,862	7/26/2013	-

¹Change source of funds from \$2,156,100 in Institution Bonds to Institutional Capital Project Funds.

²Revise scope to add repair of the exterior envelope on the historic house located at 9 Glebe.

³When project was originally established, work included thermal condition improvements in the Robert Scott Small Building. Since establishment, a revision of scope was approved by staff on August 1, 2013 to remove work on the Robert Scott Small Building and add envelope repairs to the JC Long Building and stabilization of the exterior masonry surfaces on 12 Bull Street. Project scope is being revised once more to only include corrections of maintenance needs in the JC Long Building.

⁴When project was originally established, work included exterior repairs to 11 & 12 Glebe, 59 Coming, and the JC Long Building. Project scope is being revised to only include exterior repairs to 12 Bull Street and 12 Glebe Street.

⁵Approved by CHE on May 2, 2013 as part of FY 2013-14 CPIP year one.

⁶Revise scope to obtain preliminary studies for an additional one acre of land located at the Greenwood Genetics Campus. The additional acreage will provide connectivity and allow for better access for researchers between the future home of Clemson's Center for Human Genetics and the Greenwood Genetics Center. The additional acreage will be donated to the University by the Greenwood County.