



## South Carolina Commission on Higher Education

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Ms. Elizabeth Jackson  
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Ms. Leah B. Moody  
Vice Admiral Charles Munns, USN (ret.)  
Mr. Kim F. Phillips  
Mr. Y. W. Scarborough, III  
Dr. Jennifer B. Settlemyer  
Mr. Hood Temple  
The Honorable Lewis R. Vaughn

Dr. Richard C. Sutton,  
Executive Director

**TO:** Mr. Bill Scarborough, Chair, and Members of the Committee on Finance & Facilities

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

**SUBJECT:** Committee Meeting, October 3

**DATE:** September 26, 2013

A meeting of the Committee is scheduled to **be held in the Second Floor Conference Room in Colcock Hall located on the Medical University of South Carolina (MUSC) Campus at 9:30 a.m. on Thursday, October 3.** The agenda and materials for the meeting are enclosed.

Parking will be available at the E-Lot Garage (also known as the President Street Garage, located at the corner of Bee Street and President Street) and metered parking is available on the streets throughout the campus of MUSC. To view these locations online, go to:

<http://academicdepartments.musc.edu/oirr/forms/campusmap.pdf>

If you have any questions about the materials, please contact me at (803) 737-2155. We look forward to meeting with you on October 3.

*Enclosures*

**AGENDA**  
COMMITTEE ON FINANCE & FACILITIES  
OCTOBER 3, 2013  
9:30 A.M.  
SECOND FLOOR CONFERENCE ROOM  
COLCOCK HALL  
MEDICAL UNIVERSITY OF SOUTH CAROLINA  
179 ASHLEY AVENUE  
CHARLESTON, SC 29425

1. Introductions
2. Minutes of August 14 and September 5 Meetings
3. Interim Capital Projects
  - A. Coastal Carolina University
    - i. Softball/Baseball Complex Improvements  
- *increase budget*
  - B. College of Charleston
    - i. Rita Hollings Science Center Renovation  
- *increase budget, change source of funds, revise scope*
4. Other Business (*For Information, No Action Required*)
  - A. Quarterly Budget Report
  - B. New Permanent Improvement Project Policies of the Joint Bond Review Committee (JBRC)
  - C. Lists of Capital Projects & Leases Processed by Staff for August & September 2013

**MINUTES**

COMMITTEE ON FINANCE AND FACILITIES

AUGUST 14, 2013

9:30 A.M.

MAIN CONFERENCE ROOM

SC COMMISSION ON HIGHER EDUCATION

1122 LADY STREET, SUITE 300

COLUMBIA, SC 29201

**Committee Members Present**

Vice Chairman Lewis Vaughn  
Commissioner Natasha Hanna  
Commissioner Kim Phillips (phone)  
Commissioner Hood Temple

Mr. Jeff Beaver  
Ms. Mary Lou Cook  
Mr. Gary McCombs  
Ms. Beth McInnis  
Mr. Steve Osborne

**Committee Members Not Present**

Chairman Bill Scarborough

**Staff Present**

Mr. Gary Glenn  
Ms. Courtney Blake  
Ms. Julie Carullo  
Ms. Renea Eshleman  
Ms. Trudy Norton

**Guests Present**

Chairman John Finan  
Commissioner Betty Rose Horne

For the record, notification of the meeting was made to the public as required by the Freedom of Information Act.

**I. Call to Order**

Vice Chairman Vaughn called the meeting to order at 9:30 a.m. Ms. Blake introduced guests in attendance.

The following matters were considered:

**II. Approval of Minutes of Meeting on June 6, 2013**

A motion was made (Temple), seconded (Phillips), and carried to approve the minutes of the June 6, 2013 meeting.

**III. Interim Capital Project**

The following project was presented and discussed:

- A.) Lander University
  - i. Pedestrian Plaza & Vehicular Access Enhancement

Mr. Glenn presented the project stating that the University requests approval to increase the budget and revise the scope of the Pedestrian Plaza and Vehicular Access Enhancement project to include infrastructure to support the relocation of a student coffee/quick lunch shop in the Jackson Library. He explained that the relocation will move the shop to a more visible location that is accessible from the newly designed pedestrian plaza. Included are modifications to the underground sanitary waste line and to a portion of the front steps of the Library into an outdoor seating area for the students. Mr. Glenn noted that other contributing factors to the budget increase are the use of more durable

materials and installation of a fountain. He added that since CPIP submission, the University renewed its food service contract. The relocation of the student coffee/quick lunch shop in the Jackson Library is one of the food service vendor's top priorities. They are providing funding for the relocation and infrastructure.

With no further questions, it was moved (Temple), seconded (Hanna), and voted to approve the Lander University project as proposed.

#### **IV. Lease**

The following lease was presented and discussed:

##### A.) College of Charleston

##### i. North Campus & Lowcountry Graduate Center

Mr. Glenn presented the lease stating that the lease approved by the Commission at the June 6 meeting was not considered favorably by the Budget and Control Board; therefore, the College is bringing a new lease request back with a new location as well as new rates and terms.

Mr. Glenn explained that this lease request is for 46,000 – 50,000 SF in a newly constructed facility owned by Holder Properties located at 4105 Leeds Avenue in North Charleston. As originally proposed, the facility will be used to house the North Campus and Lowcountry Graduate Center. The initial term of the lease is for seven years with two renewal options of five years each. The cost per SF is \$22.25 with a three percent annual increase. The total estimated lease cost will be between \$7,842,530 and \$8,524,489 with an average first-year cost between \$1,023,500 and \$1,112,500 to be funded with College funds. Mr. Glenn added that the College will be required to pay for electricity and its pro-rata share of cost increases in taxes and insurance only over a base year of \$2.36 per SF.

With no further questions, it was moved (Temple), seconded (Hanna), and voted to approve the College of Charleston lease provided the rates and terms are approved by the Budget and Control Board.

#### **V. Other Business**

Mr. Glenn presented the FY 2012-13 year-end budget report pointing out the carryover funds that will be brought forward in the new fiscal year. Commissioner Temple asked why there was a \$7M carryover for scholarship and grant programs. Mr. Glenn explained that every student identified as qualifying for a scholarship/grant received funding. The relatively small balance resulted from the difference between projected and actual award amounts.

Mr. Glenn presented the FY 2013-14 tuition and required fees summary. He drew the Committees attention to the debt service line. He noted that this fee helps pay off bonds the institution has requested to support education and general (E&G) capital projects. He added that the residual debt service can be used for maintenance and renovation. Mr. Glenn noted that this year the fee for maintenance repair and renovation reserve has been retitled. He explained that this is an old line with a new name in response to JBRC requesting that institutions have funds set aside for maintenance and renovation. Mr. Glenn added that CHE cannot require the institutions to list a fee on this line; however, the institutions are strongly encouraged to consider making the funding of maintenance and repair more transparent.

The lists of Capital Projects & Leases processed by staff for June and July 2013 were presented for information. Mr. Glenn noted that the College of Charleston brought back their lease for Fountain Walk which was staff approved. The College was directed by B&CB to re-solicit the lease and return for

approval. Bids were received and Fountain Walk is still the best choice. The total lease cost is \$253,954 less than the original approval and the funding source remains the same.

With no further business, Vice Chairman Vaughn adjourned the meeting at 10:05 a.m.

Respectfully submitted,

Courtney W. Blake  
Recorder

*\*Attachments are not included in this mailing but will be filed with the permanent record of these minutes and are available for review upon request.*

**MINUTES**

COMMITTEE ON FINANCE AND FACILITIES

SEPTEMBER 5, 2013

9:30 A.M.

MAIN CONFERENCE ROOM

SC COMMISSION ON HIGHER EDUCATION

1122 LADY STREET, SUITE 300

COLUMBIA, SC 29201

**Committee Members Present**

Chairman Bill Scarborough

Commissioner Natasha Hanna

Commissioner Hood Temple

Mr. Bob Smith

Mr. Adam Taylor

Col. Ben Wham

**Committee Members Not Present**

Commissioner Lewis Vaughn

Commissioner Kim Phillips

**Staff Present**

Dr. Rick Sutton

Mr. Gary Glenn

Ms. Courtney Blake

Ms. Camille Brown

Ms. Julie Carullo

Ms. Stephanie Charbonneau

Ms. Renea Eshleman

Ms. Trudy Norton

**Guests Present**

Chairman John Finan

Commissioner Chuck Munns

Mr. John Gardner

For the record, notification of the meeting was made to the public as required by the Freedom of Information Act.

**VI. Call to Order**

Chairman Scarborough called the meeting to order at 9:35 a.m. Ms. Blake introduced guests in attendance.

The following matters were considered:

**VII. Preliminary FY 2014-15 Budget Request**

Dr. Sutton discussed the FY 2014-15 budget request. A handout was given to the committee members. Dr. Sutton pointed out that the budget will focus on asking for funding for Partnership Among South Carolina Academic Libraries (PASCAL) and Southern Regional Education Board (SREB). Chairman Finan asked how many years CHE has asked for funding for PASCAL and SREB and stated that CHE should focus on budget items that are critical and go after them. Commissioner Hanna asked why the money for SREB was needed. Mr. Glenn explained that there are two components to SREB; funding for out-of-state students to pay in-state tuition rates for programs not offered in their respective states, and funding for participation in the SREB contract program. He stated that CHE's request for SREB funding is in regards to CHE's participation in programs for veterinary medicine and optometry.

Dr. Sutton stated that the theme for the FY 2014-15 budget is "Innovations for Student Affordability." CHE will focus on time to degree initiatives and how to speed up the time it takes for a student to graduate. He stated that CHE will also need to shape the direction in which money is distributed. This will consist of many conversations with the institutions to form one voice on these initiatives. He stated that the FY 2014-15 budget request is due to the governor by October 1, 2013 and asked committee

members to endorse the request. The finalized budget request will be brought before the Full Commission for consideration at CHE's October 3, 2013 meeting.

Committee members present endorsed the concept of the FY 2014-15 budget request.

With no further business, Chairman Scarborough adjourned the meeting at 10:20 a.m.

Respectfully submitted,

Courtney W. Blake  
Recorder

*\*Attachments are not included in this mailing but will be filed with the permanent record of these minutes and are available for review upon request.*

**DESCRIPTION OF INTERIM CAPITAL PROJECTS FOR CONSIDERATION**

October 3, 2013

**COASTAL CAROLINA UNIVERSITY**

**PROJECT NAME:** Softball/Baseball Complex Improvements  
**REQUESTED ACTION:** Increase Budget  
**REQUESTED ACTION AMOUNT:** \$1,580,933  
**INITIAL CHE APPROVAL DATE:** November 15, 2010

<b><u>Source of Funds</u></b>	<b><u>Previous</u></b>	<b><u>Change</u></b>	<b><u>Revised</u></b>
Auxiliary	\$30,000	\$0	\$30,000
Institutional Capital Project Funds	\$4,000,000	\$0	\$4,000,000
Renovation Reserve/Plant Expansion	\$2,990,000	\$0	\$2,990,000
Chanticleer Athletic Foundation Gift	\$4,200,000	\$1,580,933	\$5,780,933
<b>Total</b>	<b>\$11,220,000</b>	<b>\$1,580,933</b>	<b>\$12,800,933</b>

**DESCRIPTION:**

The University requests approval to accept the donation of lighting, seating, lockers, and interior finishing for the baseball stadium; lockers for the softball stadium; and design fees for future berm, boardwalk, and bullpens from the Coastal Athletic Foundation. The project was approved by CHE for construction on November 14, 2011 and has been bid. The project was designed knowing these gifts would be received. All parties wanted to wait until the money was in hand before adding the gift to the project. Substantial completion is anticipated on March 18, 2014.

**E&G MAINTENANCE NEEDS:**

N/A – Auxiliary

**ANNUAL OPERATING COSTS/SAVINGS:**

Utilities, supplies, and personnel will require additional operating costs of \$212,050 in each of the three years following project completion.

**RECOMMENDATION:**

Staff recommends approval of this project as proposed.

**COLLEGE OF CHARLESTON**

**PROJECT NAME:** Rita Hollings Science Center Renovation  
**REQUESTED ACTION:** Increase Budget, Change Source of Funds, Revise Scope  
**REQUESTED ACTION AMOUNT:** \$15,000,000  
**INITIAL CHE APPROVAL DATE:** April 18, 2011

<b>Source of Funds</b>	<b>FY 2013-14 CPIP Year One</b>	<b>Change</b>	<b>Total Proposed Budget</b>
Institutional Revenue Bonds (Supported by Capital Improvement Fees)	\$45,000,000	\$10,000,000	\$55,000,000
FY 2013-14 Capital Reserve Funds	\$0	\$2,000,000	\$2,000,000
College Fees	\$0	\$3,000,000	\$3,000,000
<b>Total</b>	<b>\$45,000,000</b>	<b>\$15,000,000</b>	<b>\$60,000,000</b>

**DESCRIPTION:**

The College requests approval to increase the budget and revise the scope of the Rita Hollings Science Center Renovation project to include demolition and reconstruction of the Physicians Memorial Auditorium.

During the design phase of this project the architect team recognized an opportunity in reconstructing the auditorium adjoining the Rita Hollings Science Center in conjunction with the planned renovations. The Physicians Memorial Auditorium, a large-capacity sloped floor event venue with fixed seating, will be reconstructed to allow the build-out of a second and third floor. The proposed scope change will better utilize the event space and allow for the addition of four classrooms, five laboratories, and five offices. The space will be reconstructed with reconfigurable seating and modern technology to better accommodate large lecture courses, orientation sessions, and community events. Two classrooms will be added to the first floor which can be converted into expanded seating sections for events as necessary. The newly constructed second and third floors will provide for faculty offices, which will allow for more space within the Rita Hollings Science Center to be used for teaching and lab spaces. Building efficiencies will be recognized by having all laboratory spaces within one structure, as the support infrastructure will only be required in one building.

The College's 2012 Master Plan identified a major academic space deficit and recommended that a third science building be added to the main campus. The proposed scope revision will mitigate the need for additional science space on the main campus for the next fifteen years.

This project is included in the institution's FY 2013-14 CPIP year one as priority number 1 of 6 with a total budget of \$45,000,000 to be funded with Institutional Revenue Bonds.

**E&G MAINTENANCE NEEDS:**

Based on Fall 2012 data, Rita Hollings Science Center has a current condition code of 40 with existing maintenance needs of \$15,548,603 over the next twenty years, and Physicians Memorial Auditorium has a current condition code of 55 with existing maintenance needs of \$1,898,376.

**ANNUAL OPERATING COSTS/SAVINGS:**

Utilities and maintenance will require additional operating costs of \$63,959 in the first year, and \$127,919 in the second and third years following project completion.

**RECOMMENDATION:**

Staff recommends approval of this project as proposed.

SC Commission on Higher Education - Quarterly Budget Information Report, FY 2013-14

Source		Activity	Expended in FY 2012-13	FY 2013-14 Budgeted					Expended Through		Balance	
				Salary & Fringe	Operating	Major Contracts	Flow-Through	Scholarships	Total	9/30/2013		Target
										Amount		% Expended
<b>CHE Operating and Programs</b>												
State	CHE General Administration		1,218,611	1,798,729					1,798,729	422,493	23.5%	1,376,236
State	CHE General Administration (Carryover)			30,230					31,066	31,066	100.0%	0
State	CHE General Administration		238,174						285,520	95,433	33.4%	190,087
State	CHE General Administration (Carryover) (Search Committee Support) (		9,314						10,686	2,313	21.6%	8,373
State	CHE LDS Continuation (Carryover)			74,636					98,203	36,965	37.6%	61,237
State	CHE General Administration (Carryover) (Building Security)		-						20,000	0	0.0%	20,000
State	CHE General Administration (Carryover) (Data Security)		36,351	19,154					48,197	5,667	11.8%	42,530
State	CHE General Administration (Carryover)		-						340,119	0	0.0%	340,119
Lottery	Lottery Administration		256,113	217,078					260,000	50,388	19.4%	209,612
Lottery	Lottery Administration (Carryover)		5,258						3,887	3,887	100.0%	0
State	Licensing		47,032	47,032					47,032	13,718	29.2%	33,314
Revenue	Licensing		184,269	246,398					246,398	53,925	21.9%	192,473
Revenue	Licensing		37,058						59,929	10,275	17.1%	49,654
State	Education & Economic Development Act (EEDA)		1,167,746	207,087		849,621			1,180,576	669,594	56.7%	510,982
State	Education & Economic Development Act (EEDA) (Carryover)		11,640						12,830	12,830	100.0%	0
Revenue	Education & Economic Development Act (EEDA)		15,501						0	0	0.0%	0
EIA	Centers of Excellence (through SCDE to CHE per Proviso 1A.47)		886,694	38,165	6,945		842,416		887,526	259,919	29.3%	627,607
Federal	Improving Teacher Quality (ITQ)		775,814	27,684	18,286		830,909		876,879	115,380	13.2%	761,499
Federal	State Approving Agency (Veterans Education & Training)		251,928	237,038	28,357				265,395	81,701	30.8%	183,694
State	GEAR UP		177,201	38,659	26,602	111,940			177,201	13,692	7.7%	163,509
Federal	GEAR UP		2,261,568	173,622	213,938	406,248	2,649,792		3,443,600	542,169	15.7%	2,901,431
Revenue	College Goal Sunday		35,000		35,000				35,000	97	0.3%	34,903
Federal	College Access Challenge Grant		704,126	149,603	110,465	802,970			1,063,038	214,525	20.2%	848,513
Federal	Statewide Longitudinal Data System (SLDS)		3,402,634						0	0	0.0%	0
<b>Subtotal</b>			<b>11,722,030</b>	<b>3,305,114</b>	<b>1,392,800</b>	<b>2,170,779</b>	<b>4,323,117</b>	<b>0</b>	<b>11,191,810</b>	<b>2,636,036</b>	<b>23.6%</b>	<b>8,555,774</b>
<b>Other Agencies and Entities</b>												
State	State Electronic Library (PASCAL) - CHE Operating Support		16,194		16,194				16,194	3,896	24.1%	12,298
State	State Electronic Library (PASCAL) - CHE Operating Support (carryover)		597						0	0	0.0%	0
State	State Electronic Library (PASCAL)		148,095				148,095		148,095	0	0.0%	148,095
Revenue	State Electronic Library (PASCAL)		2,176,115				3,686,577		3,686,577	1,496,318	40.6%	2,190,259
Lottery	State Electronic Library (PASCAL) (Carryover) <sup>1</sup>		-				1,290,514		1,290,514	0	0.0%	1,290,514
Trust	SmartState Administration (CHE Support) <sup>2</sup>		395,437	294,396	290,888				585,284	68,443	11.7%	516,841
Trust	SmartState Administration (Institution Support) <sup>2</sup>		300,000				300,000		300,000	300,000	100.0%	0
Trust	SmartState State Matching Funds <sup>2</sup>		5,348,922						0	0	0.0%	0
State	Univ. Center of Greenville - Greenville Technical College		594,390				594,390		594,390	297,194	50.0%	297,196
State	Univ. Center of Greenville - Operations		1,084,899				1,084,899		1,084,899	542,450	50.0%	542,450
State	Lowcountry Graduate Center		785,099				785,099		785,099	392,550	50.0%	392,550
State	Academic Endowment		160,592				160,592		160,592	0	0.0%	160,592
State	EPSCoR		161,314				161,314		161,314	80,656	50.0%	80,658
State	Performance Funding (Distributed per Proviso 6.9)								0	0	0.0%	0
State	EPSCoR		1,118,016				1,118,016		1,118,016	559,008	50.0%	559,008
State	SC State University		279,504				279,504		279,504	139,752	50.0%	139,752
State	African American Loan Program (Distributed per Proviso 6.5)								0	0	0.0%	0
State	SC State University		87,905				87,905		87,905	43,962	50.0%	43,943
State	Benedict College		31,395				31,395		31,395	0	0.0%	31,395
State	Charleston Transition Connection		179,178				179,178		179,178	0	0.0%	179,178
Lottery	2-Yr & 4-Yr Public Institutions Lottery Technology		9,801,816				7,301,816		7,301,816	0	0.0%	7,301,816
Lottery	Public 4-Yr & 2-Yr Institutions -- Maintenance Needs		14,765,315				13,994,883		13,994,883	0	0.0%	13,994,883
Lottery	Higher Education Excellence Enhancement Program (HEEEP)		3,000,000				3,978,053		3,978,053	0	0.0%	3,978,053
EIA	Teacher Recruitment (to CHE through SCDE & Distributed per Proviso 1A.10)								0	0	0.0%	0
EIA	CERRA		3,904,045				3,904,045		3,904,045	976,011	25.0%	2,928,035
EIA	SC State Univ. PRRMT		339,482				339,482		339,482	0	0.0%	339,482
<b>Subtotal</b>			<b>44,678,310</b>	<b>294,396</b>	<b>307,082</b>	<b>0</b>	<b>39,425,757</b>	<b>0</b>	<b>40,027,235</b>	<b>4,900,238</b>	<b>12.2%</b>	<b>35,126,997</b>

SC Commission on Higher Education - Quarterly Budget Information Report, FY 2013-14

Source	Activity	Expended in FY 2012-13	FY 2013-14 Budgeted					Expended Through		Balance	
			Salary & Fringe	Operating	Major Contracts	Flow- Through	Scholarships	Total	9/30/2013		Target
									Amount		% Expended
<b>State-Supported Student Scholarship and Grant Programs</b>											
State	SREB Contract Program & Assessments <sup>4</sup>	3,282,640					3,509,750	3,509,750	354,150	10.1%	3,155,600
State	SREB Contract Program & Assessments (Carryover)	176,110					147,400	147,400	147,400	100.0%	0
State	SREB Arts Program (NC School for the Arts)	7,177					7,177	7,177	0	0.0%	7,177
State	LIFE Scholarships	65,154,048					59,754,048	59,754,048	18,450,944	30.9%	41,303,104
Lottery	LIFE Scholarships	103,920,617					109,046,354	109,046,354	0	0.0%	109,046,354
Lottery	LIFE Scholarships (Carryover)	6,871,400					3,055,620	3,055,620	0	0.0%	3,055,620
State	Palmetto Fellows - Educational Endowment <sup>3</sup>	12,000,000					12,000,000	12,000,000	2,588,420	21.6%	9,411,580
State	Palmetto Fellows Scholarships	7,109,427					8,439,310	8,439,310	1,328,953	15.7%	7,110,357
Lottery	Palmetto Fellows Scholarships	29,998,897					30,777,240	30,777,240	0	0.0%	30,777,240
Lottery	Palmetto Fellows Scholarships (Carryover)	4,905,346					778,343	778,343	0	0.0%	778,343
State	HOPE Scholarships	231,727					231,727	231,727	231,727	100.0%	0
Lottery	HOPE Scholarships	6,847,979					7,779,856	7,779,856	697,292	9.0%	7,082,564
Lottery	HOPE Scholarships (Carryover)	823,792					931,877	931,877	225,400	24.2%	706,477
State	Need-based Grants - Educational Endowment <sup>3</sup>	12,000,000					12,000,000	12,000,000	5,394,236	45.0%	6,605,764
Lottery	Need-based Grants	10,328,774					13,000,000	13,000,000	0	0.0%	13,000,000
Lottery	Need-based Grants (Carryover)	1,658,384					1,302,791	1,302,791	0	0.0%	1,302,791
Lottery	Lottery Tuition Assistance (LTA) <sup>4</sup>	1,413,545					2,455,000	2,455,000	0	0.0%	2,455,000
Lottery	Lottery Tuition Assistance (LTA) <sup>4</sup> (Carryover)	1,163,375					1,041,455	1,041,455	0	0.0%	1,041,455
State	National Guard College Assistance Program	89,968	77,434	10,506			2,028	89,968	28,667	31.9%	61,301
Lottery	National Guard College Assistance Program	1,700,000					4,545,000	4,545,000	0	0.0%	4,545,000
Trust	National Guard Loan Repayment Trust <sup>5</sup>	453,695	31,091	7,331			297,627	336,049	175,927	52.4%	160,122
Trust	DAYCO Scholarship <sup>6</sup>	-							0	0.0%	0
<b>Subtotal</b>		<b>270,136,903</b>	<b>108,525</b>	<b>17,837</b>	<b>0</b>	<b>0</b>	<b>271,102,603</b>	<b>271,228,965</b>	<b>29,623,117</b>	<b>10.9%</b>	<b>241,605,848</b>
<b>Grand Total All Funds and Programs</b>		<b>326,537,243</b>	<b>3,708,035</b>	<b>1,717,719</b>	<b>2,170,779</b>	<b>43,748,874</b>	<b>271,102,603</b>	<b>322,448,010</b>	<b>37,159,391</b>	<b>11.5%</b>	<b>285,288,619</b>
	State	107,370,332	2,168,941	462,690	961,561	4,630,387	95,944,040	104,167,619	31,651,494	30.4%	72,516,125
	State Carryover	234,012	124,020	437,081	0	0	147,400	708,501	236,241	33.3%	472,259
	Revenue	2,447,943	246,398	94,929	0	3,686,577	0	4,027,904	1,560,615	38.7%	2,467,289
	Other - EIA & Trust	11,628,276	363,652	305,164	0	5,385,943	297,627	6,352,386	1,780,299	28.0%	4,572,087
	Lottery	182,033,058	217,078	42,922	0	26,565,266	167,603,450	193,138,202	747,680	0.4%	193,681,036
	Lottery Carryover	15,427,555	0	3,887	0	0	7,110,086	8,404,487	229,287	2.7%	6,884,686
	Federal	7,396,069	587,947	371,046	1,209,218	3,480,701	0	5,648,912	953,774	16.9%	4,695,138

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.
- 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. 9/30/2013

**PERMANENT IMPROVEMENT PROJECT (PIP) POLICY REVISION**

October 3, 2013

At its meeting on August 8, 2013, the Joint Bond review Committee adopted two new policies relating to permanent improvement projects. The first policy is for project scope revisions involving a change in the use, purpose or programming of a facility that result in an increase in the size of the facility. The second policy involves projects established for Phase I pre-design, requiring agencies/institutions to establish the Phase II full design and construction budget within two years of Phase I approval. If Phase II is not established within two years of Phase I, the agency/institution must request an extension and state the specific reason(s) the construction budget was not requested within the initial two-year period.

**REQUESTED ACTION**

In an effort to align CHE's processes with that of the Joint Bond Review Committee and Budget & Control Board, the Committee is asked to formally adopt the permanent improvement project policy revision as stated below.

**Scope Revisions**

If an institution determines during any phase of a permanent improvement project that a change in the use, purpose, or programming of the facility is necessary, the institution must submit a request to revise the project scope to be reviewed and approved by the Commission before submitting to the Joint Bond Review Committee and Budget & Control Board.

For projects with an estimated cost of \$10M or less:

- Changes resulting in an increase in square footage of 30% or more must be submitted for review and approval of the Commission.
- Changes resulting in an increase in square footage of less than 30% must be submitted for review and approval of CHE staff. The Commission will be informed of all staff approvals processed each month.

For projects with an estimated cost of more than \$10M:

- Changes resulting in an increase in square footage of 20% or more must be submitted for review and approval of the Commission.
- Changes resulting in an increase in square footage of less than 20% must be submitted for review and approval of CHE staff. The Commission will be informed of all staff approvals processed each month.

**Requests for Project Extension**

All Phase II Full Design and Construction permanent improvement project requests should be submitted for approval within two years of approval of the Phase I Pre-design. For projects that are not submitted for Phase II Full Design and Construction Budget approval within two years, a request for extension must be submitted for consideration by the Commission. The request for extension must fully explain the reason(s) Phase II has been delayed. If a request for extension is granted by the Commission and the project is not submitted and approved for Phase II within two years of approval of the extension, the project must be closed or a further request for extension must be submitted for consideration by the Commission.

**INFORMATION ITEM**

**Capital Projects & Leases Processed by Staff  
August 2013**

Date Approved	Project #	Institution	Project Name	Action Category	Budget Change	Revised Budget	Original Approval Date	Revised Building Condition Survey With Close-out
<b>Routine Staff Approvals</b>								
8/15/2013	9564	Francis Marion	Deferred Maintenance <sup>1</sup>	decrease budget	(\$30,000)	\$935,801	10/17/2011	-
8/15/2013	9566	Francis Marion	Deferred Maintenance 2012/2013 <sup>2</sup>	increase budget, revise scope	\$30,000	\$1,673,547	12/20/2012	-
8/16/2013	9899	Piedmont TC	Abbeville County Center	increase budget	\$34	\$1,560,034	10/11/2004	-
<b>Close-Outs</b>								
8/6/2013	9570	College of Charleston	Simons Center for the Arts Expansion	decrease budget, close project	(\$585,092)	\$26,664,908	2/17/2000	-
8/6/2013	9807	Clemson	Academic Success Center Construction	decrease budget, close project	(\$682,124)	\$12,952,876	12/10/2002	-
8/13/2013	9878	Clemson	Translational Bioengineering Research Center Upfit	decrease budget, close project	(\$4,056)	\$6,995,944	5/22/2007	-
8/16/2013	9943	Piedmont TC	Deferred Maintenance	decrease budget, close project	(\$34)	\$824,590	3/5/2001	-
8/26/2013	9903	Williamsburg TC	Building Repairs	close project	\$0	\$400,000	11/29/2004	-

<sup>1</sup>Decrease budget by \$30,000 in 2010-11 Capital Reserve Funds and transfer to project #9566.

<sup>2</sup>Increase budget by \$30,000 in 2010-11 Capital Reserve Funds from project #9564 for the addition of interior renovations to faculty offices in the McNair Science Building. Originally the project scope included interior renovations to classrooms, labs, and hallways.

**Leases Processed by Staff  
August 2013**

Date Approved	Action	Institution	Project Name	Purpose/Additional Info	Rates	Term
8/19/2013	Renewal	Clemson	Clemson Comuting (CCIT) & Eagles Landing	Continue to provide space for Clemson's Computing & Information Technology Medicaid IT Services staff. This group provides applications programming support for University systems and support for the contract with the SC Department of Health and Human Services to process Medicaid claims and the project for the DHHS Medicaid Contract, the Medicaid Information Technology Architecture (MITA) project.	Cost per SF - \$15.25; Annual Lease Cost - \$267,759.50 (includes operating expenses); Total Lease Cost - \$803,278.50	3 years beginning on January 1, 2014

**Capital Projects & Leases Processed by Staff**  
**September 2013**

Date Approved	Project #	Institution	Project Name	Action Category	Budget Change	Revised Budget	Original Approval Date	Revised Building Condition Survey With Close-out
<b>Maintenance Needs Projects Using FY 2013-14 Lottery Allocation and Match</b>								
9/24/2013	New	Winthrop	2013-14 Maintenance Needs <sup>1</sup>	establish project	\$0	\$1,138,614	-	-
<b>Project Extensions</b>								
9/4/2013	9548	Coastal Carolina	Science Building Renovation <sup>2</sup>	project extension	-	\$2,025,000	3/2/2006	-
9/6/2013	9886	Piedmont TC	Upstate Center for Manufacturing Excellence <sup>2</sup>	project extension	-	\$231,305	5/19/2004	-
<b>Routine Staff Approvals</b>								
9/4/2013	9911	Clemson	CU-ICAR Advanced Powertrain Lab Upgrade	establish construction budget	\$2,225,000	\$2,300,000	5/2/2013	-
9/6/2013	New	Clemson	Waste Management Building Acquisition <sup>3</sup>	establish project	\$0	\$20,000	-	-
9/6/2013	9886	Piedmont TC	Upstate Center for Manufacturing Excellence <sup>4</sup>	increase budget, revise scope, change project name	\$21,027	\$231,305	5/19/2004	-
9/11/2013	9600	Coastal Carolina	Perez Property Acquisition <sup>5</sup>	increase budget	\$190,000	\$210,000	7/26/2013	-
9/13/2013	6100	USC Columbia	Deferred Maintenance 2012 <sup>6</sup>	increase budget	\$1,652	\$4,989,385	10/29/2012	-
9/20/2013	New	USC Columbia	Athletic Village Improvements <sup>7</sup>	establish project	\$0	\$262,500	-	-
9/20/2013	New	USC Columbia	Williams-Brice Stadium Plaza Site Work <sup>7</sup>	establish project	\$0	\$210,000	-	-
9/20/2013	9652	College of Charleston	Addlestone Library Adaptation <sup>7</sup>	establish construction budget	\$5,025,000	\$5,100,000	4/4/2013	-
9/20/2013	New	Greenville TC	Enterprise Campus Construction <sup>7</sup>	establish project	\$0	\$435,750	-	-
9/20/2013	New	Spartanburg CC	Cherokee County Blanton Property Land Acquisition <sup>7</sup>	establish project	\$0	\$20,000	-	-
9/20/2013	New	Spartanburg CC	Cherokee County Degner Property Land Acquisition <sup>7</sup>	establish project	\$0	\$20,000	-	-
9/23/2013	9774	Clemson	Spaulding Paolozzi Center/Clemson Architecture Center in Charleston <sup>7</sup>	establish construction budget	\$16,808,612	\$23,700,000	4/9/2001	-
<b>Close-Outs</b>								
9/4/2013	9552	Coastal Carolina	Waties Island Research Facility	decrease budget, close project	(\$120,867)	\$29,133	10/24/2006	-
9/6/2013	9856	Clemson	CU-ICAR Parking Structure Construction	decrease budget, close project	(\$72)	\$21,675,348	4/29/2005	-
9/6/2013	9882	Clemson	Clemson Computing & Information Technology Building Acquisition	decrease budget, close project	(\$101)	\$1,400	11/5/2007	-
9/6/2013	9897	Clemson	Clemson University Restoration Institute Property Exchange	decrease budget, close project	(\$16,028)	\$3,973	8/15/2011	-
9/6/2013	6055	USC Columbia	Athletic Village Garage & Maintenance Facility Construction	decrease budget, close project	(\$1,992,830)	\$6,807,170	5/1/2008	-
9/6/2013	9537	USC Upstate	New Residence Hall Construction	decrease budget, close project	(\$1,717,863)	\$17,782,137	5/14/2007	-
9/6/2013	9966	Horry-Georgetown TC	Conway Building 100 Renovations	close project	(\$50,000)	\$0	1/6/2006	-
9/6/2013	9967	Horry-Georgetown TC	Conway Building 200 Renovations	close project	(\$50,000)	\$0	1/6/2006	-
9/13/2013	6005	USC Columbia	Deferred Maintenance	decrease budget, close project	(\$1,644)	\$473,356	9/6/2005	-
9/13/2013	6031	USC Columbia	Steam line Replacement/Repair	decrease budget, close project	(\$8)	\$999,992	9/1/2005	-
9/17/2013	9670	MUSC	Medical Center Flooring	close project	\$0	\$2,674,000	9/18/1997	-
9/17/2013	9814	MUSC	Institute of Psychiatry 30 Bathrooms Renovation	decrease budget, close project	(\$103,198)	\$646,802	9/20/2010	-
9/24/2013	9869	Clemson	Redfern Health Center Expansion A/E	decrease budget, close project	(\$177,954)	\$22,046	10/13/2006	-
9/24/2013	9896	Clemson	Littlejohn Coliseum Annex Addition	decrease budget, close project	(\$10,326)	\$263,994	9/7/2011	-
9/24/2013	9643	College of Charleston	Robert Scott Small Building 2nd Floor Classroom Conversion	decrease budget, close project	(\$242,903)	\$777,097	5/6/2010	-

<sup>1</sup>See supporting narrative.

<sup>2</sup>On August 8, 2013 the Joint Bond Review Committee (JBRC) adopted a new policy requiring institutions to establish Phase II, full design and construction budget, of a project within two years of approval of the Phase I, pre-design phase. If Phase II is not established within two years, the institution must request an extension of Phase I stating the specific reason(s) Phase II was not requested within the initial two-year period. Accordingly, CHE staff is reviewing extension requests and will report to the Committee and Commission on a monthly basis.

<sup>3</sup>The University plans to acquire an active waste transfer facility as part of its waste management plan. The facility is a 20 year old single-story pre-fabricated metal building of approximately 10,000 SF with a modular office/scale house and an in-ground truck scale. This building is located on Clemson University property and was built by Waste Management Inc. The facility will continue to be used for waste diversion as a transfer station. It is in Clemson's best financial interest to own the building to maximize the options for waste diversion while continuing to secure an economical waste disposal method. The estimated purchase cost is \$50,000.

<sup>4</sup>Increase the budget and revise scope for construction only. No associated buildings will be renovated through this project. Change project name from Business Industrial Technology Center to Upstate Center for Manufacturing Excellence.

<sup>5</sup>Purchase 1.6 acres of land along Hwy. 544 adjacent to University property. Approved by CHE on September 6, 2012 as part of Master Land Acquisition Plan (MLAP).

<sup>6</sup>Increase budget with leftover funds from projects #6005 and #6031.

<sup>7</sup>Approved by CHE on May 2, 2013 as part of FY2013-14 CPIP year one.

**Leases Processed by Staff  
September 2013**

Date Approved	Action	Institution	Project Name	Purpose/Additional Info	Rates	Term
9/20/2013	New	College of Charleston	Research Laboratory Space	The College will begin an extensive renovation of the Rita Hollings Science Center within the next ten to twelve months, which requires the relocation of laboratories for the duration of the renovation. The College will sublease four research labs, and three small offices at the SCRA MUSC Innovation Center located at 645 Meeting Street. This is a full service lease.	The rental rate is \$181,332 for the initial term with annual increases not to exceed 4%.	One year with four renewal options of six months each.
9/20/2013	Amendment	College of Charleston	North Campus & Lowcountry Graduate Center	<p>In August CHE approved a lease for 46,000-50,000 SF of space at 4105 Leeds Avenue in North Charleston at a base rent of \$22.25 per SF with 3% annual increases for a rental cost of \$8,524,489 over the seven year term. This rate excluded electricity, and the College was responsible for its pro-rata share of cost increases in taxes and insurance over a base year of \$2.36 per SF. The approved lease had an estimated maximum cost to the College of \$8,952,660 including operating expenses.</p> <p>The College received notice on September 5, 2013 that Holder Properties is unable to honor the approved lease, and the College has received an updated proposal for 50,000 SF of space to be constructed per the College's specifications at 3800 Paramount Drive. The triple net base rent is \$16.60 per SF with 3% annual increases for a rental cost of \$6,359,844 over the seven year term. The estimated maximum cost of the lease is \$8,902,920 including operating expenses, and will result in savings of approximately \$50,000 over the seven year term.</p>	The rental rate is \$16.60 per SF with 3% annual increases for a rental cost of \$6,359,844 over the seven year term. The estimated maximum cost of the lease is \$8,902,920.	Seven years

**WINTHROP UNIVERSITY**

**PROJECT NAME:** 2013-14 Maintenance Needs  
**REQUESTED ACTION:** Establish Project  
**REQUESTED ACTION AMOUNT:** \$1,138,614  
**INITIAL CHE APPROVAL DATE:** N/A

<b>Project Budget</b>	<b>Previous</b>	<b>Change</b>	<b>Revised</b>
Interior Building Renovations	\$0	\$56,000	\$56,000
Building Utilities Renovations	\$0	\$157,614	\$157,614
Roofing	\$0	\$925,000	\$925,000
<b>Total</b>	<b>\$0</b>	<b>\$1,138,614</b>	<b>\$1,138,614</b>

<b>Source of Funds</b>	<b>Previous</b>	<b>Change</b>	<b>Revised</b>
Lottery Appropriation 2013-14*	\$0	\$569,307	\$569,307
Institution Bonds	\$0	\$569,307	\$569,307
<b>Total</b>	<b>\$0</b>	<b>\$1,138,614</b>	<b>\$1,138,614</b>

*\*Per lottery proviso 3.5, these funds are allocated for repair and maintenance and may only be distributed to an institution to the extent the funds are matched (1:1) by the institution. Matching funds exclude supplemental, capital reserve, lottery, or other non-recurring appropriated state funds. Because these funds are appropriated, under the PIP definition for higher education projects, a permanent improvement project must be established. Since these projects are considered legislatively authorized and the matching funds are legislatively mandated, CHE has delegated staff the authority to process submitted projects if the projects are set up to conform to the lottery proviso.*

**DESCRIPTION:**

The University requests approval to establish a project to address maintenance in multiple facilities. Scope of work will include roof replacements in the Music Conservatory, Johnson Hall - 1920 segment, 520 Cherry Road, and Byrnes Auditorium; water heating system replacement in Rutledge; repairs to rotten floors in the Kindergarten Building and Bancroft; repairs to water damage from former roof leaks including plaster, paint, and mold removal in McLaurin; repairs to the steam line in Thompson Café; replacement of campus lights; and repair/replacement of Roddey Apartment Building front porch.

**E&G MAINTENANCE NEEDS REDUCTION:**

The project will alleviate a portion of the \$16,827,016 in combined existing maintenance needs.

**ANNUAL OPERATING COSTS/SAVINGS:**

The project is not expected to generate additional operating costs at this time.