



South Carolina Commission on Higher Education

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The Honorable Lewis R. Vaughn

Ms. Julie J. Carullo
Acting 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, February 7

DATE: February 1, 2013

A meeting of the Committee is scheduled to **be held in the Commission's Main Conference Room at 9:30 a.m. on Thursday, February 7.** The agenda and materials for the meeting are enclosed.

If you have any questions about the materials, please contact me at (803) 737-2155. We look forward to meeting with you on February 7.

Enclosures

AGENDA
COMMITTEE ON FINANCE & FACILITIES
FEBRUARY 7, 2013
9:30 A.M.
MAIN CONFERENCE ROOM
SC COMMISSION ON HIGHER EDUCATION
1122 LADY STREET, SUITE 300
COLUMBIA, SC 29201

1. Introductions
2. Minutes of January 3 Meeting
3. Interim Capital Projects
 - A. Coastal Carolina University
 - i. Singleton Building Renovation
- *establish project*
 - ii. Science Annex II Construction
- *establish construction budget*
 - B. Greenville Technical College
 - i. Greer Campus Land Acquisition
- *increase budget*
4. Consideration of New Policy for Inclusion of Updated Building Condition Survey with Project Close-outs
5. Other Business
 - A. List of Capital Projects & Leases Processed by Staff for January 2013
(For Information, No Action Required)

MINUTES

COMMITTEE ON FINANCE AND FACILITIES
JANUARY 3, 2013
10:00 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 Lewis Vaughn

Mr. Christopher Judge
Mr. Paul Mead
Mr. Matt Nichols
Mr. Kim Pipkin

Committee Members Not Present

Commissioner Hood Temple

Staff Present

Ms. Julie Carullo
Mr. Gary Glenn
Ms. Courtney Blake
Mr. Michael Brown
Ms. Stephanie Charbonneau
Ms. Lorinda Copeland

Guests Present

Chairman John Finan
Ms. Donna Collins
Mr. Derek Gruner

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

I. Call to Order

Chairman Scarborough called the meeting to order at 10:05 a.m. Ms. Blake introduced guests in attendance.

The following matters were considered:

II. Approval of Minutes of Meeting on December 6, 2012

A motion was made (Vaughn), seconded (Hanna), and carried to approve the minutes of the December 6, 2012 meeting.

III. Interim Capital Project

The following project was presented and discussed:

- A.) University of South Carolina Columbia
 - i. Coker Seventh Floor Laboratory Renovation

Mr. Glenn presented the project stating that the University requests approval to establish a project to renovate a portion of the seventh floor of Coker Life Sciences for the College of Pharmacy to house the SmartState Chair in Translational Cancer Therapeutics. The renovation creates office space and laboratories. Work includes mechanical/electrical/plumbing upgrades, new partitions, new finishes, and laboratory casework. He added that this project was not included in the institution's FY 2012-13

CPIP year one because originally it was not anticipated that the work would require the establishment of a Permanent Improvement Project (PIP). During development of construction documents it was determined that the budget would exceed the \$1M PIP threshold.

Mr. Glenn noted the project will alleviate a portion of the \$11,349,465 in existing maintenance needs. Commissioner Vaughn asked what time period the existing maintenance needs expand. Mr. Glenn replied that the existing maintenance needs are accumulated over time from construction. He explained the thirteen systems and two standards evaluated in each Education and General (E&G) building to calculate the amount of maintenance needs. He noted that each system has its own life-cycle, and all thirteen systems are at different points in their life-cycle at any given time.

With no further questions, it was moved (Vaughn), seconded (Hanna), and voted to approve the University of South Carolina Columbia project as proposed.

IV. Consideration of an amended FY2013-14 Budget Request for the SC National Guard College Assistance Program (SCNG CAP)

Mr. Michael Brown gave a brief overview of the SC National Guard College Assistance Program (SCNG CAP). He noted that the program reached its capacity for FY 2012-13 during the Fall 2012 semester. As a result, program funds are not available for eligible participants during the Spring 2013 semester. To meet the SCNG CAP goals, additional Lottery funding of \$2,854,000 is requested for FY 2013-14. The additional funds will enable annual participation at similar levels to that of Fall 2012. The request is estimated based on the Guard recruiting 750 Army Guard members and 131 Air Guard members. The requested increase in funding will bring total program funding to \$4,643,868.

Chairman Scarborough asked why \$1.7M has been adequate in the past but the request for funding has increased. Mr. Brown explained that the funding was adequate because additional funds were drawn down from a trust fund. The trust fund has now been depleted. Directing his comments to the National Guard members present, Chairman Finan stated that he would like to see more justification. He noted that he would like to see recruitment and retention numbers, what areas the National Guard is having problems in, what solutions are to those problems, what the GI Bill pays, and how much total need the National Guard has. Chairman Finan asked the National Guard to provide a paper with these answers so that the Commission has a better understanding and background to support the National Guard with this request.

With no further questions, it was moved (Vaughn), seconded (Hanna), and voted to approve the amendment of CHE's FY 2013-14 budget requests to include the addition of the request for increased funding for the SCNG CAP.

V. Other Business

The list of Capital Projects & Leases processed by staff for December 2012 was presented for information. Chairman Scarborough noted that Chairman Finan inquired about putting a dollar amount to the portion of maintenance needs each project is eliminating. Mr. Glenn stated that staff would work with the institutions to provide a dollar amount for the maintenance needs that will be eliminated through each project. Commissioner Hanna stated that she would also like to see the time period existing maintenance needs are spread over. Mr. Glenn noted that questions before the meeting were asked in regards to the Francis Marion Deferred Maintenance 2012 staff approval. He stated that the \$499,004 requested for site development includes the resurfacing of parking lots A and C.

Mr. Glenn presented the quarterly budget stating that the agency is on target at 48.9%. He noted State Appropriations are slightly below 50% due to the absence of an executive director salary as well as an

open position in the Finance Division. Chairman Finan asked if the funds from open positions could be pushed to the Executive Director Search Committee. Mr. Glenn affirmed that the available funds can be used for the Search Committee.

With no further business, Chairman Scarborough adjourned the meeting at 10:40 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

February 7, 2013

COASTAL CAROLINA UNIVERSITY

PROJECT NAME: Singleton Building Renovation
REQUESTED ACTION: Establish Project
REQUESTED ACTION AMOUNT: \$1,000,000
INITIAL CHE APPROVAL DATE: N/A

<u>Source of Funds</u>	<u>FY 2012-13 CPIP year one</u>	<u>Change</u>	<u>Project Establishment</u>
Renovation Reserves/Plant Expansion	\$3,000,000	\$1,000,000	\$4,000,000
<i>Total</i>	<i>\$3,000,000</i>	<i>\$1,000,000</i>	<i>\$4,000,000</i>

DESCRIPTION:

The University requests approval to establish a project to renovate the Edward M. Singleton Building. Constructed in 1963, the building requires HVAC, electrical, and plumbing system upgrades. Scope of work will also include elevator replacement, asbestos removal, interior refurbishing, and ADA upgrades.

This project was approved by CHE on May 3, 2012 as the institution's priority number four on the FY 2012-13 CPIP year one. However, the budget has increased by \$1M due to a total HVAC renovation to include all piping within the building.

E&G MAINTENANCE NEEDS REDUCTION:

The project is projected to increase the building condition code from 44 to 74 and will alleviate approximately 65% of the buildings existing maintenance needs.

ANNUAL OPERATING COSTS/SAVINGS:

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

RECOMMENDATION:

Staff recommends approval of this project as proposed.

COASTAL CAROLINA UNIVERSITY

PROJECT NAME: Science Annex II Construction
REQUESTED ACTION: Establish Construction Budget
REQUESTED ACTION AMOUNT: \$29,790,000
INITIAL CHE APPROVAL DATE: May 26, 2011

<u>Source of Funds</u>	<u>Phase I (Pre-Design)</u>	<u>Phase II (Construction)</u>	<u>Total Proposed Budget</u>
Institution Bonds (2010)	\$210,000	\$6,165,660	\$6,375,660
One Cent Sales Tax	\$0	\$18,000,000	\$18,000,000
Institutional Capital Project Funds	\$0	\$5,624,340	\$5,624,340
<i>Total</i>	<i>\$210,000</i>	<i>\$29,790,000</i>	<i>\$30,000,000</i>

DESCRIPTION:

The University requests approval to establish a project to construct a second Science Annex. Through the programming and design process it was determined that by adding a third floor, for a total of 67,800 SF, the University can eliminate the need for a third annex and provide for the needs of the growing College of Science. The facility will provide fifty-seven faculty offices, fourteen teaching labs, five classrooms, and fifteen research labs with associated prep rooms and support spaces. The facility will house the Biology Department, Marine Science (Marine Biology, Marine Chemistry, and Marine Geology), and the Chemistry Department.

The College of Science is the largest of four academic colleges at the University. Its departments are spread throughout several locations on campus. The building will consolidate the departments within the College of Science onto the University's main campus. The construction of this second annex will provide needed labs, classrooms, and faculty offices to accommodate the expanding student population and faculty growth.

E&G MAINTENANCE NEEDS REDUCTION:

N/A – New Construction

ANNUAL OPERATING COSTS/SAVINGS:

Utilities, personnel services, and supplies will require additional operating costs of \$398,805 in each of the three years following project completion.

RECOMMENDATION:

Staff recommends approval of this project as proposed.

GREENVILLE TECHNICAL COLLEGE

PROJECT NAME: Greer Campus Land Acquisition
REQUESTED ACTION: Increase Budget
REQUESTED ACTION AMOUNT: \$220,000
INITIAL CHE APPROVAL DATE: December 6, 2012

<u>Source of Funds</u>	<u>Phase I (Environmental Assessment)</u>	<u>Phase II (Purchase of Property)</u>	<u>Total Proposed Budget</u>
Local Funds	\$5,000	\$220,000	\$225,000
<i>Total</i>	<i>\$5,000</i>	<i>\$220,000</i>	<i>\$225,000</i>

DESCRIPTION:

The College requests approval to increase the project budget to purchase 14.53 acres of land, appraised at \$315,000, for future expansion of the College's Greer Campus. The property is currently owned by the Greenville Technical College Foundation and is contiguous to the Greer Campus.

The College will lease approximately 6 of the 14.53 acres to the Greer Charter High School for construction of a permanent classroom facility. A lease is currently in place between the Greer Charter High School and Greenville Technical College for use of land to house 26 portable classrooms. Once the 26 portables are removed, the College will be able to expand parking and provide future building space for a Greenville Technical College classroom building. This building will replace 4 portable classrooms currently used by Greenville Technical College and will expand the Visual Arts, Physical and Occupational Therapy programs offered at the Greer Campus.

E&G MAINTENANCE NEEDS REDUCTION:

N/A – Land Acquisition

ANNUAL OPERATING COSTS/SAVINGS:

Greenville County taxes and storm water fee will require additional operating costs of \$3,279.38 in the first year following project completion.

RECOMMENDATION:

Staff recommends approval of this project as proposed.

**CONSIDERATION OF NEW POLICY FOR INCLUSION OF UPDATED BUILDING
CONDITION SURVEY WITH PROJECT CLOSE-OUTS**

February 7, 2013

BUILDING CONDITION SURVEY

Building condition surveys are performed every three years to determine the extent of maintenance needs at public colleges and universities in South Carolina. The purpose of this survey is to (1) define the cost of bringing campus buildings to a satisfactory physical condition and (2) define the cost of maintaining them in that state. The Building Condition Survey has been designed to identify buildings that require capital outlay expenditures for renovation and repair (renewal) and to create a baseline database to support fiscal policy recommendations to address upkeep.

REQUESTED ACTION

The Committee is asked to authorize staff to request an updated building condition survey when a project close-out is submitted. The intent is to create living documents that will better determine the extent of maintenance needs at public colleges and universities in South Carolina. Staff will continue to conduct the tri-annual building condition survey to capture non-PIP improvements and/or additional system degrading.

RECOMMENDATION:

Staff recommends approval of this action as proposed.

INFORMATION ITEM

Capital Projects & Leases Processed by Staff							
January 2013							
Date Approved	Project #	Institution	Project Name	Action Category	Budget Change	Revised Budget	Original Approval Date
Deferred Maintenance Projects Using Capital Reserve/Lottery Funds							
1/16/2013	New	Lander	Deferred Maintenance 2012 ¹	establish project	\$0	\$931,072	-
Routine Staff Approvals							
1/25/2013	9606	The Citadel	Deferred Maintenance ²	increase budget	\$317,365	\$1,128,804	10/27/2011
1/25/2013	New	Coastal Carolina	Road/Land Donation ³	establish project	\$0	\$20,000	-
Close-Outs							
1/10/2013	9659	MUSC	BSB Elevator Repairs	decrease budget, close project	(\$48,534)	\$126,466	6/12/1997
1/10/2013	9714	MUSC	Administration Library Building Fire Alarm Replacement	decrease budget, close project	(\$3,875)	\$146,125	12/10/1999
1/10/2013	9722	MUSC	Waste Disposal Structure Construction ⁴	decrease budget, close project	(\$245,000)	\$0	6/19/2000
1/10/2013	9799	MUSC	Harborview Office Tower Renovations ⁵	decrease budget, close project	(\$3,273,172)	\$26,829	8/18/2008
1/10/2013	6054	Central Carolina TC	Sumter Property Acquisition	decrease budget, close project	(\$73)	\$974,927	4/19/2012
1/16/2013	9567	College of Charleston	Physical Education & Athletics Center Complex Construction	decrease budget, close project	(\$121,006)	\$49,978,994	12/3/1999

¹See supporting narrative.
²Increase budget due to higher than anticipated bids.
³Approval for environmental assessment of approximately 8.16 acres of campus roads. Roads include Chanticleer Drive, Founders Drive, and an access road behind the University's Student Center. Roads are currently owned by the Coastal Educational Foundation who will donate the properties to the University. The University is planning a \$600,000 renovation to include milling asphalt, re-securing utility tops and covers, relocating crosswalks and speed bumps, re-asphalting the roads, and new lines and striping.
⁴Project was cancelled and executed by the Medical University Hospital Authority (MUHA).
⁵Project was cancelled as the College of Medicine re-evaluated the need due to funding issues.

LANDER UNIVERSITY

PROJECT NAME: Deferred Maintenance 2012
REQUESTED ACTION: Establish Project
REQUESTED ACTION AMOUNT: \$931,072
INITIAL CHE APPROVAL DATE: N/A

<u>Project Budget</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Professional Services Fees	\$0	\$135,450	\$135,450
Building Utilities Renovations	\$0	\$283,000	\$283,000
Roofing	\$0	\$512,622	\$512,622
<i>Total</i>	<i>\$0</i>	<i>\$931,072</i>	<i>\$931,072</i>

<u>Source of Funds</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Capital Reserve Fund 2012-13*	\$0	\$646,417	\$646,417
Lottery Appropriation 2012*	\$0	\$284,655	\$284,655
<i>Total</i>	<i>\$0</i>	<i>\$931,072</i>	<i>\$931,072</i>

**Institutions of higher learning received funds for capital projects from the Capital Reserve Fund (CRF) Act and the South Carolina Education Lottery passed by the General Assembly this past legislative session. Because of the permanent improvement project definition, when funds have been authorized or appropriated from Capital Reserve Funds or State Appropriated Funds, a project must be established and processed regardless of the amount. Therefore, all allocations from the Capital Reserve Fund Act and South Carolina Education Lottery will result in a permanent improvement project. In addition, under the PIP definition, these projects will be considered legislatively authorized, not requiring further approval by JBRC and B&CB, if the projects are set up to conform to the act.*

DESCRIPTION:

The University requests approval to establish a project to address maintenance in multiple facilities. Scope of work will include replacement of approximately 17,250 SF of roofing and the skylight in the Science Building; architectural store-front skylights of the Carnell Learning Center; boiler system and associated controls of the Barrett Hall heating system; cooling tower and associated controls of the HVAC system in the Grier Student Center; HVAC chiller and associated controls in the Jackson Library; roofing maintenance in Barrett Hall and Genesis Hall; and restroom utility repairs and enhancements campus-wide.

E&G MAINTENANCE NEEDS REDUCTION:

The project is projected to increase the condition codes in the buildings included in the project by two to four points, and will alleviate approximately 16% of the combined existing maintenance needs.

ANNUAL OPERATING COSTS/SAVINGS:

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