



## South Carolina Commission on Higher Education

Mr. Kenneth B. Wingate, Chair  
Dr. Bettie Rose Horne, Vice Chair  
Douglas R. Forbes, D.M.D.  
Mr. Kenneth W. Jackson  
Dr. Raghu Korrapati  
Dr. Louis B. Lynn  
Ms. Cynthia C. Mosteller  
Mr. James R. Sanders  
Mr. Y. W. Scarborough, III  
Mr. Charles L. Talbert, III, CPA  
Mr. Hood Temple  
Mr. Neal J. Workman, Jr.  
Dr. Mitchell Zais

Dr. Garrison Walters, Executive Director

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

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

**SUBJECT:** Committee Meeting, March 5

**DATE:** February 25, 2009

A meeting of the Committee is scheduled to be held in the Commission's Main Conference Room at 9:00 a.m. on Thursday, March 5. 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 March 5.

*Enclosures*

**AGENDA**

COMMITTEE ON FINANCE & FACILITIES

MARCH 5, 2009

9:00 A.M.

MAIN CONFERENCE ROOM

SC COMMISSION ON HIGHER EDUCATION

1333 MAIN STREET, SUITE 200

COLUMBIA, SC 29201

1. Introductions
2. Minutes of February 5 Meeting
3. Lease
  - A. Medical University of South Carolina
    - i. Rutledge Tower Parking Garage  
*- lease renewal*
4. Approval of Criteria & Evaluation Method for scoring the FY 2009-10 CPIP Year-two CIB requests
5. Other Business
  - A. List of Capital Projects & Leases Processed by Staff for February 2009 (For Information)

**MINUTES**

SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION  
COMMITTEE ON FINANCE AND FACILITIES  
FEBRUARY 5, 2009  
9:00 A.M.  
MAIN CONFERENCE ROOM  
SC COMMISSION ON HIGHER EDUCATION  
1333 MAIN STREET, SUITE 200  
COLUMBIA, SC 29201

**Committee Members Present**

Mr. Jim Sanders (via telephone)  
Mr. Ken Jackson  
Dr. Louis Lynn  
Mr. Chuck Talbert  
Mr. Neal Workman

Mr. Craig Hess  
Mr. Mike Jara  
Ms. Mandy Kibler  
Mr. Jeff Lamberson  
Ms. Beth McInnis  
Ms. Diane Newton  
Mr. Steve Osborne  
Mr. Charles Shawver

**Committee Members Not Present**

Dr. Doug Forbes

**Staff Present**

**Guests Present**

Mr. Bob Connelly  
Dr. Anthony Coyne  
Ms. Jacqui DiMaggio

Mr. Gary Glenn  
Ms. Courtney Blake  
Ms. Stephanie Reynolds  
Dr. Garrison Walters

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 Sanders called the meeting to order at 9:10 a.m. Ms. Blake introduced the guests in attendance.

The following matters were considered:

**II. Approval of Minutes of Meeting on December 4, 2008**

Since there were no additions or corrections to the Minutes of the meeting on December 4, it was moved (Workman), seconded (Jackson), and voted to approve the Minutes as written.

**III. Interim Capital Projects**

The following projects were presented and discussed:

- A.) University of South Carolina Columbia
  - i. Cliff Apartments Kitchen Renovation

Mr. Glenn presented the project, noting that this request was to establish the construction budget for Phase II. Mr. Glenn noted that the committee first saw this project in February 2008. He explained that the Cliff Apartments were constructed in 1973 and are used to house graduate students. The facility consists of 105 apartment units, and this project will renovate apartment kitchens including new cabinets and countertops, appliances, sinks and faucets. Mr. Glenn added that the replacement of bathroom vanities will also be included in this project, and funding will be provided through the housing maintenance reserve fund.

Chairman Sanders asked if the bathrooms or kitchens had been renovated since construction in 1973. Mr. Glenn confirmed that the kitchens and bathroom have not been renovated since construction.

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

B.) Greenville Technical College

- i. Student Center Renovation
- ii. University Transfer Building Auditorium Renovation
- iii. Industrial Complex "B" Renovation

Mr. Glenn presented the first of three projects for Greenville Technical College, Student Center Renovation. He noted that this request was to establish the construction budget for Phase II. Mr. Glenn explained that the purpose of this project is to convert the Student Center back to its original intent. It will move most administrative offices and the Charter High School cafeteria out of the building allowing room for new dining and lounge spaces where students can interact. Mr. Glenn noted that this project will alleviate a portion of the existing maintenance needs for this building, and funding will be provided through local funds.

Mr. Glenn presented the second project for Greenville Technical College, University Transfer Building Auditorium Renovation. He noted that this request was to establish the construction budget for Phase II as well. He noted that the committee first saw this project in September of 2008. Mr. Glenn stated that the purpose of this project is to renovate a thirty-eight year old auditorium located in the University Transfer Building on the College's Barton Campus. He noted that the auditorium has not been updated since construction. This project will include HVAC work to make the building more efficient. Mr. Glenn stated that the project will alleviate a portion of the maintenance needs for the building, and funding will be provided through local funds.

Mr. Glenn presented the final project for Greenville Technical College, Industrial Complex "B" Renovation. As with the other two projects, Mr. Glenn noted that the request was to establish the construction budget for Phase II. He noted that this project was first brought before the committee in November of 2008. Mr. Glenn explained that the purpose of this project is to expand the College's welding program based on the needs of community. It will consist of an additional 40 welding stations. He noted that the project will alleviate a portion of the maintenance needs for the building, and funding will be provided through local funds.

Chairman Sanders asked if these projects were part of the moratorium. Mr. Glenn replied that they were. Chairman Sanders asked for clarification of local funding for each of the projects. Jacqui DiMaggio, from Greenville Technical College, explained that Greenville County issued bonds on behalf of the College. The County gives the College money for capital and money for operating. She explained that these particular bonds will be paid for out of the capital funds the College receives from the County each year. Ms. DiMaggio reiterated that Greenville County will borrow the money on behalf of the College and then give enough of the money to the College each year to finance projects.

Chairman Sanders asked how these three projects rank on the College's priority list. Ms. DiMaggio stated that for renovation projects, these three projects are at the top of the list. Dr. Lynn asked why the professional service fees have gone up substantially on all three projects. Ms. DiMaggio answered that when the College received the bond funding, they were going to build a new building for the welding program. She noted that this would have used up a majority of the funds. Ms. DiMaggio stated that along with the bond funds, a local company was going to donate money

towards the new welding program but because of the economy they pulled their funds. She explained that, with a new President on board, they looked at the College's priorities and decided to renovate the industrial building for welding instead of building a new one. This shift in priorities allowed the College to also renovate the Student Center and the University Transfer Building Auditorium.

With no further questions, it was moved (Workman), seconded (Jackson), and voted to approve all three projects for Greenville Technical College as proposed.

- C.) Tri-County Technical College
  - i. Occupational Center Building Replacement

Mr. Glenn presented the project, noting that this request was to increase the budget in local funding for infrastructure work. He stated that the project originally came to the committee in October 2007 just before the JBRC phased approval process was put into place. Mr. Glenn explained that the increase to the project is a result from the decision to build the building on a different campus that is more conducive to construction. He noted that even though this project requests an increase of \$2,500,000, there is a corresponding decrease of \$2,500,000 to the Easley Classroom Building project, so the result is zero in terms of increased cost to the College.

With no further questions, it was moved (Jackson), seconded (Talbert), and voted to approve the Tri-County Technical College project as proposed.

#### **IV. Approval of FY2009-10 Capital Budget Proposal**

Mr. Glenn presented the FY 2009-10 Capital Budget Proposal. He briefly reviewed the three part proposal noting that this proposal is specifically designed for state bond distribution. Mr. Glenn explained that the proposal looks at the State's needs and the priority in which they should be funded.

Part one of the proposal addresses education and general (E&G) maintenance needs. Mr. Glenn noted that the Commission is seeking bond funding on a routine basis. With the proposed plan, 10% of the total maintenance needs of those colleges and universities for which the State shares responsibility for maintenance would be funded every two years. Mr. Glenn clarified that the enabling legislation for technical colleges makes maintenance a local issue. The local communities are responsible for maintaining campuses while the state shares the responsibility to provide for renovation and new construction. Therefore, with the exception of Denmark Technical College and Technical College of the Lowcountry, the technical colleges are not included for funding of maintenance needs in the Bond Bill Proposal.

Mr. Glenn explained that part two of the capital budget proposal is intended to provide funding for pre-design for those projects which scored 70% (143 points) or better on the CPIP Year two scoring process. He noted that by adding this step, when the next CPIP comes, the pre-design number will already be identified and requests for construction would be based on the standards set by JBRC and B&CB. Mr. Glenn reiterated that any project on CPIP year two that scores 143 points or more would receive 1.5% of the projects cost for pre-design.

Mr. Glenn explained part three (Construction Funding) to the Committee noting that funding would be provided for the construction phase of projects deemed most important to the State as determined by the CHE CPIP Year 2 scoring process.

Chairman Sanders asked if the institutions presidents had seen this information. Mr. Glenn confirmed that the Bond Bill Proposal had been sent to each institution's president as well as discussed with facilities officers. Chairman Sanders stressed that it is important for the

Commission to have a formula for distribution in place when money becomes available so they are able to put money in institutions hands as quickly as possible. Mr. Workman added that it is imperative to do whatever they can to encourage the legislature to use this proposal.

With no further questions, it was moved (Workman), seconded (Talbert), and voted to approve the FY2009-10 Capital Budget Proposal.

## **V. Other Business**

Mr. Glenn discussed the Project 17 report with the Committee. He noted that this is an information paper to assist in conversations regarding the amount of funding higher education receives from the state. He noted that the Governor and other state leaders often say that higher education receives 17% of the state's budget.

Mr. Glenn stated that this paper was drafted to educate those who use that number. It is not appropriate because the 17% includes funding which is not state support. He explained that the 17% includes general funds but it also includes revenue from student tuition and fees which include lottery scholarship money. The 17% also includes revenue from federal grants, benefactors and auxiliaries. Mr. Glenn stressed that representing all of those revenue sources when talking about funding for higher education is not appropriate. He explained that the percentage should only include general fund support which would be 13.29%. He went further to say that even the 13.29% is overstated because it includes scholarship funds that are double counted as they are also included in tuition and fees.

Mr. Jackson asked if there was a reader friendly version of this paper for public distribution. Mr. Glenn replied that this draft was intended to be more of a conversation document. Chairman Sanders agreed that a simplistic form would be beneficial at the Commissioners retreat. Mr. Glenn and Dr. Walters replied that they would supply the Commissioners with a more reader friendly version.

Mr. Workman discussed the Alternative Delivery Seminar that is in the first phases of being planned. It will be an educational tutorial to educate agencies about alternative delivery options.

Additional information for Technical College of the Lowcountry - Beaufort Bluff Stabilization Project #9987 was presented for information.

The list of Capital Projects & Leases processed by staff for December 2008 & January 2009 was presented for information.

With no further business, Chairman Sanders 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 LEASE FOR CONSIDERATION**

March 5, 2009

**MEDICAL UNIVERSITY OF SOUTH CAROLINA**

**LEASE NAME:** Rutledge Tower Parking Garage  
**REQUESTED ACTION:** Lease Renewal  
**REQUESTED ACTION AMOUNT:** \$980,000

**DESCRIPTION:**

The University requests approval of a lease renewal for the Rutledge Tower Parking Garage consisting of 772 parking spaces. The purpose of the renewal is to continue to provide parking for the University's employees.

The monthly rental rate will be \$40,833, resulting in an annual cost of \$490,000. The requested lease term is 2 years, with extended terms to be negotiated. The total lease cost is \$980,000 with a rate of \$52.89 per space, per month. Operating expenses are not included in the lease, and the University estimates those costs to be approximately \$110,558 per year, in addition to the lease. Operating expenses include housekeeping, general maintenance, and utilities.

**RECOMMENDATION:**

Staff recommends approval of this lease provided the rates and terms are approved by the Budget and Control Board.

**SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION  
CAPITAL FUNDING GOALS FOR  
PUBLIC HIGHER EDUCATION INSTITUTIONS**

The following goals have been formulated to guide the Commission on Higher Education in making capital funding recommendations to the Governor and the General Assembly.

**STATEWIDE GOALS**

- To ensure campus health and safety by supporting projects designed to remedy existing issues that adversely affect human well being
- To address critical maintenance needs of the institutions, thereby protecting the State's capital investment in higher education
- To alleviate problems resulting from critical enrollment and/or programmatic growth, including needs for state-of-the-art academic space
- To support needs that are significant to continuing economic development in the state or service area

Points will be assigned to Related Standards, Rating Criteria, and Other Considerations. A maximum of 80 points may be generated through Related Standards and a maximum of 120 points may be generated through Rating Criteria. Projects will be rated according to the total combined number of points generated up to a maximum of 200 points. An additional 5 points may be generated based on Other Considerations.

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(REVISED FEBRUARY 2009)

**SECTION I – RELATED STANDARDS**

Each proposed project will be reviewed and rated for consistency and compatibility with the following related standards:

❖ **STANDARD 1. The proposed project is consistent with the institutions master plan and is critical and central to the institution's approved mission. (If project does not meet these criteria, request will not be scored, prioritized, or recommended for state bond funding.)**

➤ **EVALUATION**

- a. Evaluated against approved mission statement augmented by institution data which can include the project's consistency with the institution's Master Plan and Strategic Plan.

❖ **STANDARD 2. The degree to which the proposed project's ultimate outputs (e.g., degrees awarded by discipline, number of graduates, type and volume of research, etc.) are adding critical capacity and functionality to address defined state needs. (up to 24 points)**

➤ **EVALUATION**

- a. Academic space per FTE and/or Sq Ft of research space per research \$ expended, augmented by institutional data if available.
  - i. Equal to or under standard = 24
  - ii. Over standard plus confirming documentation = 20
  - iii. Over standard but no documentation or documentation N/A = 0

- ❖ **STANDARD 3. The degree to which the need for the quantity and type of space can be defended through the application of objective space analysis, including space guidelines and appropriateness of offerings. (up to 20 points)**

- 1. **EVALUATION**

- a. Measured against fall 2008 space factor for classroom utilization, augmented by institutional data if available (studies showing that additional space or different space is needed)
      - i. Under standard = 20
      - ii. External documentation of accreditation deficiencies = 20
      - iii. Over standard plus confirming documentation = 16
      - iv. Over standard but no documentation or documentation N/A = 0

- ❖ **STANDARD 4. The degree of non-capital improvement bond funding beyond the required local support included in the project. (up to 20 points)**

- 1. **EVALUATION**

- a. Information from CPIP, augmented by data provided by institution if available
      - i. Documented external funding of 20% or more of total project= 20
      - ii. Documented external funding <20% of total project = 15
      - iii. Documented external funding < or = 15% of total project = 10
      - iv. Documented external funding <or = 10% of total project = 5
      - v. Documented external funding < 5% of total project = 0

- ❖ **STANDARD 5. Documented Operational Savings or Documented Reduction in Maintenance Needs. (up to 10 points)**

- 1. **EVALUATION**

- a. Verification that project has operational savings, or reduction in maintenance needs
      - i. Both verifications = 10
      - ii. One of the above = 7

- ❖ **STANDARD 6. Documentation that all alternatives have been explored and that the proposed remedy is the best option available. (up to 6 points)**

- 1. **EVALUATION**

- a. Documentation included in CPIP – 6

**Maximum Points for Related Standards = 80**

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**SECTION II – RATING CRITERIA**

**1) HEALTH & SAFETY (up to 30 points)**

**a. The degree to which an existing condition can be documented to be unsafe and/or unhealthy for human well being. (up to 15 points)**

➤ **EVALUATION**

❖ Verified by professional study or institutional evaluation:

- i. Air quality, code issues, or life safety issues (professional study) = 15
- ii. Air quality, code issues, or life safety issues (institutional justification) = 7

**b. The appropriateness of the proposed solution to the defined health or safety issue.**

➤ **EVALUATION**

❖ Institutional documentation = 7.5

**c. The degree that the institution's and the State's well being would be adversely impacted through discontinuance of activities if the defined health and safety issue(s) are not addressed.**

➤ **EVALUATION**

❖ Information from CPIP, studies on file at CHE, and institutional documentation if provided

- i. Institutional verification that activities could not be conducted in alternate facilities so as to require discontinuance = 7.5

**2) MAINTENANCE NEEDS (MN) (up to 30 points)**

**a. The degree to which the proposed project addresses maintenance needs as reported in the institution's CHEMIS submission using a rolling average over the most recent three-year period.**

➤ **EVALUATION**

❖ Information will be obtained from Building Data Summary, generated by CHEMIS. Points assigned based on range of building condition codes (below):

<u>Building or Infrastructure Condition Code</u>	<u>Points</u>
<u>Assigned</u>	
New Construction or N/A	0
90-100	0
80-89	7.5
70-79	12.5
0-69	15

**b. The degree to which the institution's expenditures for building maintenance compare with the amount generated for building maintenance<sup>1</sup> in the MRR (according to the percent funded to the institution) using a rolling average for the most recent three-year period.**

➤ **EVALUATION**

❖ Institutions report amount expended for routine maintenance (from any source) for E&G Buildings. Data will be compared with the amounts

generated by MRR (at the percent funded to the institution) and averaged for the most recent three-year period.

- i. Expenditure for E&G maintenance equal to or greater than MRR estimates = 15
- ii. Expenditure not reported but data for estimate available to CHE = 15
- iii. Expenditure less than MRR estimate or not reported and estimate not available = 0

**3) ENROLLMENT & PROGRAMMATIC GROWTH (up to 30 points)**

**a. The degree to which a space shortage can be objectively supported through space analysis – both on an institutional macro level as well as the micro level of a particular program.**

➤ **EVALUATION**

❖ Data to be supplied by institution

- i. External confirming documentation/data = 15
- ii. Internal confirming documentation/data = 12.5
- iii. None Reported or N/A = 0

**b. The degree to which the need for the outputs of the additional proposed space cannot be met through alternative delivery systems (e.g., distance learning technologies, etc.).**

➤ **EVALUATION**

❖ Data to be supplied by institution, if applicable.

- i. If none can be met based on program of study = 15
- ii. If all dedicated to distance learning = 15
- iii. If can be partially met = 11
- iv. No documentation or N/A = 0

**4) ECONOMIC DEVELOPMENT (up to 30 points)**

**a. The proposed project is consistent with the State's and/or service area's priorities for continuing economic development as supported by appropriate economic development entities (e.g., State, Local, or Regional Departments of Commerce).**

➤ **EVALUATION**

❖ Documented evidence – 10

**b. The proposed project is a critical component of an articulated State, regional, or community comprehensive economic development plan.**

➤ **EVALUATION**

❖ Documented evidence – 10

**c. Funding critical to the overall success of the economic development initiative was provided by external parties (e.g. Local funding).**

➤ **EVALUATION**

❖ Documented evidence of funding amounts – 10

**Maximum Points for Rating Criteria = 120**

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**SECTION III – OTHER CONSIDERATIONS**

**1. Previously Approved Capital Improvement Bonds (CIBs) & State Funding**

Projects that have previously received CIBs and/or State funding (documentation to be provided by the institution) will be scored in the following manner:

- If percentage of previous amount funded is greater than 25% of the current project = 4 points
- If percentage of previous amount funded is less than 25% of the current project = 2 points

**2. Longevity of Request for CIB Funding**

- If institution has previously requested state bond funding (in year two of the CPIP) for this project continuously for five or more years = 1 point  
*(Institutions must provide appropriate documentation.)*

**3. Essential Sequencing of Multiple Projects**

Projects that require a phasing sequence with other projects in the ranking list will be listed in the order required. An example of a phasing requirement would be a utility plant expansion request that would need to be completed before a new building request could come online due to insufficient existing utilities capacities. If the rankings established by the process outlined in this document do not place projects in the appropriate phasing sequence, then the project rankings will be revised accordingly. This would be accomplished by ranking all other projects involved in the phasing sequence behind the initial project. If the second project has a higher percentage point total, then it will be moved to immediately after the first project. The rationale would continue for the third and subsequent projects as necessary. *(This may be used for projects that have received partial funding and for which the institution can document a continuing critical need and/or to differentiate between projects that have the same scores.)*

**Maximum Points for Other Considerations = 5 points**

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<sup>1</sup> **Building Maintenance** is defined as the work necessary to keep a building in good appearance and usable condition and prevent the building from deterioration once it has been placed in first class condition for that type and age of building. Building maintenance includes minor repairs and alterations, costs of materials, hire of personnel, and other necessary expenses for the repair and/or painting of the following: roofs, exterior walls, foundations, flooring, ceilings, partitions, doors, windows, plaster, structural ironworks, screens, windows shades, blinds, plumbing, heating and air conditioning equipment within or a part of the building, electric wiring, light fixtures (including the replacement of lamps), washing of all outside window surfaces, built-in shelving, and other related items.

**INFORMATION ITEM**

**Capital Projects & Leases Processed by Staff  
February 2009**

Date Approved	Project #	Institution	Project Name	Action Category	Budget Change	Revised Budget
2/2/2009	9559	Coastal Carolina	Student Center Grill Expansion Land Donation <sup>1</sup>	decrease budget, close project	(\$550)	\$1,950
2/2/2009	9560	Coastal Carolina	Athletic Training Facility Land Donation <sup>1</sup>	decrease budget, close project	(\$550)	\$1,950
2/2/2009	9561	Coastal Carolina	Athletic Equipment Storage Facility Land Acquisition <sup>1</sup>	decrease budget, close project	(\$550)	\$1,950
2/9/2009	9916	Central Carolina TC	Campus-Wide Deferred Maintenance	close project	\$0	\$560,047
2/9/2009	9964	Central Carolina TC	Deferred Maintenance	decrease budget, close project	(\$28,911)	\$171,089
2/9/2009	9894	Horry-Georgetown TC	Grand Strand Campus Former Base Hospital Building Renovation	increase budget	\$138,000	\$9,739,000
2/12/2009	9880	Clemson	Clemson Apparel Research (CAR) Building Acquisition	decrease budget, close project	(\$2,001)	\$2,000
2/12/2009	9881	Clemson	Clemson Institute of Environmental Toxicology (CIET) Acquisition	decrease budget, close project	(\$1,501)	\$0
2/12/2009	9882	Clemson	Clemson Computing & Information Technology Acquisition	decrease budget, close project	(\$1,501)	\$0

<sup>1</sup>Approval revises previous documentation processed on November 18, 2008 and December 16, 2008 to include reductions to final budgets.

**Leases Processed by Staff  
February 2009**

Date Approved	Action	Institution	Project Name	Purpose/Additional Info	Rates	Term
2/12/2009	renew	MUSC	Cannon Park Place, 3rd Floor	Purpose is to continue to provide space for Senator Hollings and the Office of Development and Alumni Affairs.	Annual Rate - \$82,809.41; Monthly Rate - \$6,900.78; Cost per SF \$18.90	1 year