



South Carolina Commission on Higher Education

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Mr. Hood Temple
Mr. Randy Thomas
Mr. Kenneth B. Wingate
Mr. Neal J. Workman, Jr.
Dr. Mitchell Zais

Dr. Garrison Walters, Executive Director

TO: Mr. Daniel Ravenel, Chair, and Members of the Committee on Finance & Facilities

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

SUBJECT: Committee Meetings, June 5

DATE: May 28, 2008

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

Enclosures

AGENDA

COMMITTEE ON FINANCE & FACILITIES

JUNE 5, 2008

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 May 1 Meetings
3. Clarifying Staff Authority for Interim Capital Projects
4. Other Business
 - A. List of Staff Approvals for May 2008 (For Information)

MINUTES

SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION
COMMITTEE ON FINANCE AND FACILITIES

MAY 1, 2008

9:00 A.M.

CHE MAIN CONFERENCE ROOM

Committee Members

Mr. Daniel Ravenel, *Chairman*
Dr. Doug Forbes
Mr. Jim Sanders
Mr. Ken Wingate

Committee Members Absent

Dr. Louis Lynn
Mr. Neal Workman

Guests Present

Ms. Donna Collins
Dr. Anthony Coyne
Dr. David DeCenzo
Mr. Henry Giles
Col. Curt Holland
Ms. Betty Jenkins

Ms. Angie Leidinger

Mr. Scott Ludlow

Dr. Gene Luna

Mr. John Malmrose

Ms. Beth McInnis

Mr. Steve Osborne

Ms. Jennifer Pearce

Mr. Tom Quasney

Mr. Charles Shawver

Ms. Sandy Williams

Dr. Dewey Yeatts

Staff Present

Ms. Julie Carullo

Mr. Gary Glenn

Ms. Alyson Goff

Ms. Courtney Walker

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

The following matters were considered:

II. Approval of Minutes of Meeting on April 3, 2008

Since there were no additions or corrections to the Minutes of the meeting on April 3, it was moved (Sanders), seconded (Wingate), and voted to approve the Minutes as written.

III. Interim Capital Projects

The following projects were presented and discussed:

A.) Clemson University

1. Doug Kingsmore Stadium Addition

Mr. Glenn presented the project, and Mr. Sanders asked if the project was entirely auxiliary, which Mr. Glenn confirmed.

It was moved (Sanders), seconded (Wingate), and voted to approve the project as proposed.

B.) University of South Carolina Columbia

1. Preston College HVAC Renovation

Mr. Glenn presented the project, and Mr. Sanders asked about the age of the building's systems. Ms. Donna Collins, from the University of South Carolina Columbia, answered the last major renovation was completed around 1976. She stated the project would allow the systems to bring fresh air into the building. Mr. Glenn noted the building was a historic facility. Mr. Sanders asked if the current budget reflected the total project costs. Mr. Glenn affirmed that it did.

Dr. Forbes asked if the high cost was normal for older buildings. Mr. Quasney, from the University of South Carolina Columbia, answered the estimate was provided from an external contractor. He stated the project would provide for the conversion from a two-pipe to a four-pipe system while providing historic preservation. Chairman Ravenel asked if any finishing work would be necessary after the installation of the new HVAC system. Mr. Quasney responded it would be very minor. Dr. Forbes asked what the expected service life of the system was, and Mr. Quasney responded approximately 20 years.

2. Health Sciences Renovation

Mr. Glenn presented the project, and he noted there was a typographical error in the maintenance needs portion of the project summary. The line should have stated: "TBD – The extent to which the project will reduce the building's maintenance needs as calculated in fall 2007 will be identified in the design phase of the project."

Mr. Sanders asked what percentage was included for professional services fees. Mr. Quasney responded that the institution typically included 10 percent of the expected total project budget. Dr. Forbes asked if this was typical for all institutions, and Mr. Glenn affirmed that it was. Mr. Sanders asked if the two-phase approval policy established by the Joint Bond Review Committee (JBRC) would provide better costs estimates. Mr. Quasney stated he expected it would but noted the costs of time.

Dr. Forbes asked for clarification on the statement that the project would not require an increase in tuition and fees. Mr. Glenn responded that each institution could include a capital fee in their tuition and fee structures, which would provide the capacity to fund such projects. He stated, in this

project, the fee remained constant. Dr. Forbes stated his concern that if there was no funding available for new academic programs, the capital fees could be diverted. Mr. Glenn stated the capital fees were earmarked to only be used for capital projects.

3. Patterson Hall Renovation

Mr. Glenn presented the project, noting the history of the project. Dr. Forbes stated he still did not understand the cost savings of renovating the current facility as compared to constructing a new facility. Dr. Gene Luna, from the University of South Carolina Columbia, stated the institution would lose three to four years of occupancy with new construction at an estimated \$60-65 million. The proposed project to renovate the current facility could be completed in two summers at half of the new construction costs. He also noted Patterson Hall was a legacy residential facility with students desiring to live in the same facility their mothers and grandmothers lived in when attending the institution. Dr. Luna stated the institution was comfortable with the current estimate and projected timetable.

4. Athletic Village Garage & Maintenance Facility Construction

Mr. Glenn presented the project with no questions posed by the members.

5. Athletic Venues Construction

Mr. Glenn presented the project, and he noted the institution had several projects on the agenda related to its Athletic Master Plan. Mr. Wingate asked what the expected total cost was to complete the plan. Mr. Quasney answered the plan includes several projects at an estimated total cost of \$120-200 million. The plan centers on the redevelopment of the area currently known as “The Roost.”

Mr. Wingate asked if the plan would be implemented completely with athletic revenue bonds. Mr. Quasney answered the projects were primarily predicated on the bonds but some funding would be provided through gifts to the institution. Chairman Ravenel asked if there were plans for a capital campaign. Mr. Glenn answered that the institution planned to begin such a drive when a new president was hired.

Dr. Forbes noted that the institution was establishing several projects for architectural and engineering services (A&E), which totaled approximately \$10 million. He questioned the ability of the institution to utilize students in engineering programs. Mr. Quasney stated there were certification requirements established by the Office of State Engineer (OSE) which limited this option. However, he did note the institution had worked with students before to complete some projects.

6. Athletic Village Infrastructure Development Construction

Mr. Glenn presented the project with no questions posed by the members.

7. Athletic Coaches Support Building Construction

Mr. Glenn presented the project, and Mr. Sanders asked if all the projects were for the pre-design phase only, which Mr. Glenn confirmed. Mr. Wingate asked why the projects were presented separately. Mr. Glenn responded the State Procurement Code required that each project be established separately. Mr. Quasney also noted the infrastructure project would determine the specific scope requirements for the other athletic-related projects.

C.) Medical University of South Carolina

1. Renovations for Expanded Adult Emergency Department

Mr. Glenn presented the project, and he explained the unique nature of the University's request. Dr. Forbes asked if the renovations were being completed only on the first floor of the Clinical Sciences Building. Mr. John Malmrose, from the Medical University of South Carolina, answered in the affirmative.

D.) Coastal Carolina University

1. Athletic Training Facility Construction

Mr. Glenn presented the project, and Mr. Sanders asked if the project had been completed beyond the pre-design phase. Dr. David DeCenzo, from Coastal Carolina University, answered that the institution had all plans ready to go to OSE. He stated the institution had delayed starting the project until all funding had been received.

Dr. Forbes asked if funding was included to complete renovations to the facility for the Fine Arts faculty. Dr. DeCenzo responded no renovations were expected as the current facility was used as office space. Chairman Ravenel asked what percentage of the student body attended football games. Dr. DeCenzo answered the rate was approximately 10 to 15 percent, but he stated many students used to sit on a hill in the stadium, which is no longer there. Therefore, students have fewer seats, which will be corrected through the completion of the proposed project.

E.) College of Charleston

1. AT&T (Bell) Building Electrical Improvements

Mr. Glenn presented the project, and Mr. Sanders asked what phase the project was in. Mr. Steve Osborne, from the College of Charleston, answered the project was in Phase II (or the construction phase). Mr. Glenn stated the proposed project was an example of how the two-step JBRC policy was intended to work. Mr. Sanders asked if the new policy resulted in a loss of time. Mr. Osborne responded in the affirmative that for this project, the College lost one month.

Chairman Ravenel asked how many floors the institution currently occupied in the facility and how the space was being used. Mr. Osborne responded that the College had information technology services, physical education classrooms, and a copy center and used four of the five floors in the building. Chairman Ravenel asked what the plan was for the space if AT&T vacated the first floor. Mr. Osborne responded the College would probably use the space for classrooms.

F.) Spartanburg Community College

1. Gaines & East Building Continuing Education Renovation

Mr. Glenn presented the project, and he noted there was a typographical error in the “requested action amount,” which should have stated \$930,343. Mr. Sanders asked where the College was in the planning process. Mr. Henry Giles, from Spartanburg Community College, answered that the institution had completed A&E work. He stated the original intent was to complete several minor projects, but the current scope required the institution to establish a project with the state.

It was moved (Forbes), seconded (Wingate), and voted to approve the projects (B-F) as proposed.

IV. Other Business

The list of staff approvals for April 2008 was presented for information. Chairman Ravenel reminded the Committee members and guests in attendance that the Commission meeting would be conducted in the new format. The meeting will include a forum with invited speakers discussing the Higher Education Study Committee’s Action Plan’s relation to economic development in the state.

With no further business, Chairman Ravenel adjourned the meeting at 10:00 a.m.

Clerical Note: Typographical errors identified after the initial mailing of materials are corrected in the permanent record of this meeting in hard and electronic copy.

Respectfully submitted,

Alyson M. Goff
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

SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION COMMITTEE ON FINANCE AND FACILITIES

MAY 1, 2008

1:00 P.M.

CHE MAIN CONFERENCE ROOM

Committee Members

Mr. Daniel Ravenel, *Chairman*
Dr. Doug Forbes
Mr. Jim Sanders
Mr. Ken Wingate

Committee Members Absent

Dr. Louis Lynn
Mr. Neal Workman

Guests Present

Mr. Tony Ateca
Ms. Terry Booth
Ms. Donna Collins
Dr. Anthony Coyne
Dr. David DeCenzo
Dr. Tim Hardee
Col. Curt Holland

Ms. Betty Jenkins
Mr. Scott Ludlow
Mr. John Malmrose
Ms. Beth McInnis
Mr. Gerald Vander Mey
Mr. Steve Osborne
Ms. Jennifer Pearce
Mr. Tom Quasney
Mr. Charles Shawver
Mr. John Smalls
Ms. Sandy Williams
Dr. Dewey Yeatts

Staff Present

Dr. Garrison Walters, *Executive Director*
Mr. Gary Glenn
Ms. Alyson Goff
Ms. Courtney Walker

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 Ravenel called the meeting to order at 12:55 p.m. Ms. Goff introduced the guests in attendance.

The following matters were considered:

II. Comprehensive Permanent Improvement Plans (CPIPs)

Mr. Glenn provided a summary of the CPIP components stating the purpose of each year. He stated the traditional prioritized list for capital improvement bonds had been deferred as Dr. Walters and a small group worked to develop a strategy for garnering support for a bond bill in FY2009-10. Therefore, Year 1 required action by the Committee, and Years 2-5 were provided for information.

Mr. Glenn presented the following Year 1 projects (with questions and discussions included):

A.) Clemson University

- a. Information Technology Facility
- b. Lee Hall Complex Expansion/Renovation

Mr. Sanders asked at which point in the project the institution would have to establish the pre-design and construction phases. Mr. Glenn responded that institutions were instructed by the Budget & Control Board to present Year 1 projects in the usual method (i.e. with pre-design and construction estimates). However, he stated the institutions would have to establish the projects in accordance with the new two-phase approval policy. Therefore, these two phases could be approved by staff provided the Committee approves the project today.

Mr. Sanders questioned what the Committee was actually approving at today's meeting, and Chairman Ravenel responded the members were to review the proposed project's value and need at the institution. Mr. Glenn reminded the members that the projects could be considered individually if necessary.

- c. Information Technology Center Office Space Expansion

Mr. Glenn presented projects 3-6 with no questions posed by the members.

- d. Cooper Café Renovation
- e. Low-Rise HVAC Upgrade
- f. Redfern Renovation/Expansion

B.) Medical University of South Carolina

- a. 2008-09 Capital Projects

Mr. Glenn presented the project with no questions posed by the members.

C.) The Citadel

- a. Daniel Library Renovation – Phase I

Chairman Ravenel asked how much more was needed to completely renovate the library. Col. Curt Holland, from The Citadel, responded the institution had requested the majority of the funds needed to renovate the facility in Year 2 of the CPIP. He stated the current project was funded through gift funds. Chairman Ravenel noted the institution faced accreditation issues. Col. Holland confirmed that the institution was put on notice 10 years ago during its last accreditation visit. He stated the implementation of the electronic library (PASCAL) had provided the institution with access to library resources and temporary reprieve from the accreditation agency.

- b. Campus-wide Energy Performance Contract

Mr. Sanders asked if the institution had received proposals for the contract. Col. Holland responded in the affirmative. Mr. Sanders asked about the length of the contract. Col. Holland responded the

term was 10 years which was guaranteed by the contractor. Chairman Ravenel asked if such programs were still viable given the escalating costs of utilities. Col. Holland introduced Dr. Dewey Yeatts, the new Vice President for Facilities & Engineering, who responded that there were international protocols in place to assess the continued viability of these costs savings programs. He stated that overall the program was worthwhile because it allowed the institution's workforce to focus on preventative maintenance rather than continually responding to crises.

D.) Coastal Carolina University

- a. Kimbel Library Expansion/Information Commons & Renovation
- b. Science Building Lab/Office Annex Construction

Chairman Ravenel stated the institution had requested capital improvement bond funding to construct a new science facility for several years. He questioned what would happen to the vacated lab space if such funding were to become available. Dr. David DeCenzo, president of Coastal Carolina University, responded that the institution did not believe such funding would be provided by the state. He stated it was necessary for the institution to handle the capital needs itself, which sets the context for the institution's proposed Year 1 projects. Dr. DeCenzo said the student body stated its desire for better facilities recognizing the additional fee they would have to pay in order to accomplish this. He stated all the projects were centered on student needs and desires. Dr. DeCenzo identified a three-phase approach for addressing the needs of the science building, which included: Phase 1 – the addition of 15,000 SF; Phase 2 – gutting and replacing the current space; and Phase 3 – adding additional space as needed.

Mr. Sanders asked about the institution's bonding capacity, and Dr. DeCenzo responded that it was between \$55 and \$64 million. He also noted a bill was in the legislative process to allow Horry County to provide a one cent sales tax to be allocated to the postsecondary institutions in the area.

- c. Williams Brice Building/Kimbel Arena – Addition/Renovation

Mr. Glenn presented projects 3-6 with no questions posed by the members.

- d. Atheneum Hall Renovation
- e. Kingston Hall Annex – One Stop Shop
- f. Campus Development/Infrastructure

E.) College of Charleston

- a. 72 George Street Renovation
- b. 74 George Street Renovation

Chairman Ravenel asked if these two facilities were the single houses west of old College Street. Mr. Steve Osborne, from the College of Charleston, answered in the affirmative. Chairman Ravenel noted the high cost per square foot. Mr. Osborne stated the project would include rewiring the building as well as extensive exterior work.

- F.) South Carolina State University
 - a. Wilkinson Hall Repair/Renovation

Chairman Ravenel asked where the facility was located on the institution's campus. Mr. John Smalls, from South Carolina State University, responded the facility was next to Lowman Hall. Mr. Smalls stated the project was primarily to address life-safety issues. He also noted the funding source was changed from renovation reserve to institution bonds, which was approved by the institution's board of trustees the prior week.

- G.) University of South Carolina Aiken
 - a. Energy Projects

Mr. Glenn presented the project with no questions posed by the members.

- H.) Central Carolina Technical College
 - a. Health Science Renovations – Phase I

Mr. Glenn presented the project with no questions posed by the members.

- I.) Spartanburg Community College
 - a. Tyger River Building 2 Renovation – Phase II

Mr. Glenn presented the project with no questions posed by the members.

- J.) Tri-County Technical College
 - a. Campus-wide Maintenance Needs

Mr. Glenn presented the project with no questions posed by the members.

It was moved (Wingate), seconded (Sanders), and voted to approve the Year 1 CPIP projects as proposed.

Mr. Glenn presented the Year 2 projects as information. Chairman Ravenel asked how the Medical University of South Carolina was able to continue with the construction of the new dental school. Mr. John Malmrose, from the Medical University of South Carolina, responded the institution had \$30 million authorized in bond anticipation notes.

Mr. Glenn presented Year 3-5 projects as information and noted these projects illustrate the institutions long-range planning. Mr. Sanders asked if it was possible for an institution to complete a project listed in these years in Year 1 of the CPIP. Mr. Glenn responded in the affirmative. Col. Holland noted that The Citadel was preparing to submit a request to establish a project for Jenkins Hall as the institution had received federal funding for the project.

III. Other Business

Mr. Glenn provided a draft timetable which explained how today's materials would be prepared for a consent agenda at the Commission's June 5 meeting. Mr. Glenn also acknowledged the efforts of Ms. Goff in preparing the materials for both meetings.

With no further business, Chairman Ravenel adjourned the meeting at 2:10 p.m.

Respectfully submitted,

Alyson M. Goff
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.*

CLARIFYING STAFF AUTHORITY FOR INTERIM CAPITAL PROJECTS

The Finance & Facilities Committee has delegated authority to the staff to approve interim capital projects of \$500,000; or increases up to \$500,000 or 10 percent of the total budget, whichever is greater, where the change does not have a material effect on scope, funding source, etc.

This authority was established prior to the two-phase approval process adopted by the Joint Bond Review Committee (JBRC) in November 2007. The two-phase process requires institutions to establish projects so that Phase 1 is for pre-design services and Phase 2 is for construction/project completion. In several cases, Phase 1 approvals have not exceeded \$500,000, and, as such, have been approved by staff under the aforementioned authority and have been transmitted to the Committee and Commission as information through inclusion on the monthly staff approvals list.

Over the past year, the Committee has taken several steps and supported several initiatives focused on expediting capital project approvals, and staff actions have followed this agenda by processing Phase 1 requests that have budgets of less than \$500,000. Each Phase 2 request has been brought before the Committee and Commission where the decision to allow the institution to proceed to Phase 2 has received full consideration.

REQUESTED ACTION

The Committee is asked to formally authorize staff to continue to approve Phase 1 requests where the cost does not exceed \$500,000 so long as the approval is fully documented in the form and format used to support Year 1 CPIP approvals, with such documentation provided as information on the monthly agenda of the Committee. This authorization shall be effective upon action of the Committee and shall remain in effect until specifically revoked.

INFORMATION ITEM

PERMANENT IMPROVEMENT PROJECTS APPROVED BY STAFF						
May 2008						
Date Approved	Project #	Institution	Project Name	Action Category	Budget Change	Revised Budget
5/1/2008	9518	Winthrop	American Legion Property Acquisition	decrease budget, close project	(\$16,858)	\$2,383,142
5/1/2008	9524	Winthrop	Lois Rhame PE & Wellness Center	change source of funds (from institution bonds to ICPF)	\$0	\$27,390,000
5/1/2008	9536	Winthrop	520 Cherry Road	decrease budget, close project	(\$439)	\$999,561
5/1/2008	9542	Winthrop	Track and Field Building	decrease budget, close project	(\$12,581)	\$3,037,419
5/1/2008	9544	Winthrop	Stone House Renovation	decrease budget, close project	(\$1,439)	\$548,561
5/1/2008	9548	Winthrop	Re-Roof Thomson Cafeteria	decrease budget, close project	(\$5,623)	\$428,929
5/6/2008	9546	Winthrop	Phelps Hall Renovation	close project	\$0	\$1,590,000
5/6/2008	9552	Winthrop	Kinard Annex Roof Replacement	close project	\$0	\$430,000
5/6/2008	9555	Winthrop	Academic Computer Center Roof Replacement	close project	\$0	\$50,000
5/12/2008	9961	USC Columbia	Cliff Apartments Kitchen Upgrade - Phase I	cancel project	(\$175,000)	\$0
5/12/2008	9521	USC Upstate	Administration Building Deferred Maintenance	decrease budget, close project	(\$66,850)	\$812,150
5/12/2008	New	SC State	Wilkinson Hall Repair Renovation (Pre-design) ¹	establish project	\$250,000	\$250,000
5/12/2008	9495	MUSC	Psychiatric Institute Second Floor Renovation	decrease budget	(\$100,000)	\$800,000
5/13/2008	9532	Winthrop	Window Replacement	close project	\$0	\$1,540,000
5/19/2008	9786	MUSC	CHP Building C HVAC Replacement	increase budget	\$100,000	\$600,000
5/19/2008	9982	Denmark TC	Roof Repair/Replacement	revised budget	\$0	\$469,138
5/19/2008	9841	Piedmont TC	Multipurpose Addition/Renovation (Stoddard Building)	decrease budget, close project	(\$223,577)	\$5,423
5/19/2008	9902	Piedmont TC	Student Parking Facilities	decrease budget, close project	(\$59,835)	\$218,065
5/19/2008	9783	Trident TC	Complex for Industrial & Economic Development Phase II Renovation	change source of funds (from local to federal), decrease budget, close project	(\$276,596)	\$24,523,404
5/21/2008	New	Winthrop	304/308 Steward Avenue Property Acquisition ²	establish project	\$20,000	\$20,000
5/21/2008	New	Winthrop	Culp & Ivey Street Property Acquisition ²	establish project	\$20,000	\$20,000
5/21/2008	New	Winthrop	507 Park Avenue Property Acquisition ²	establish project	\$20,000	\$20,000

¹The Committee approved the project as part of Year 1 CPIP.
²Funds appropriated by General Assembly which supersedes CHE authority.