



South Carolina Commission on Higher Education

Layton McCurdy, M.D., Chairman
Mr. Daniel Ravenel, Vice Chairman
Col. John T. Bowden, Jr.
Doug R. Forbes, D.M.D.
Dr. Bettie Rose Horne
Dr. Raghu Korrapati
Dr. Louis B. Lynn
Ms. Cynthia C. Mosteller
Mr. James Sanders
Mr. Hood Temple
Mr. Randy Thomas
Mr. Kenneth B. Wingate
Mr. Neal J. Workman, Jr.
Dr. Mitchell Zais

Dr. Garrison Walters, Executive Director

August 30, 2007

TO: Mr. Daniel Ravenel, Chair, and Members of the Committee on Finance & Facilities
FROM: Mr. Gary S. Glenn, Associate Director of Finance, Facilities, & MIS
SUBJECT: Committee Meeting, September 5

A meeting of the Committee is scheduled to be held in the Commission's Conference Room at 3:00 p.m. on Wednesday, September 5. Attached are an agenda and materials for the meeting.

If you have any questions about the materials, please contact me at (803) 737-2155. We look forward to meeting with you on September 5.

Attachments

AGENDA

COMMITTEE ON FINANCE & FACILITIES

SEPTEMBER 5, 2007

3:00 P.M.

CONFERENCE ROOM

SC COMMISSION ON HIGHER EDUCATION

1333 MAIN STREET, SUITE 200

COLUMBIA, SC 29201

1. Introductions
2. Minutes of August 2 Meeting
3. Interim Capital Projects
 - A.) Medical University of South Carolina
 - a. 2007 Energy Performance Contract
-establish project
 - b. Air Emissions Permit Compliance Project
-establish project
 - c. Campus Buildings Humidity Control Improvements
-establish project
 - d. Psychiatric Institute Third Floor Main Data Center System Upgrades
-establish project
 - e. Thurmond/Gazes Research Building Air Handler Unit Replacement
-establish project
4. Lease
 - A.) Medical University of South Carolina
 - a. Rutledge Tower 11th & 12th Floors
-lease renewal
5. Budget Requests for FY 2008-09
 - a. Higher Education Institutions Request
 - i. Below-the-Line Items
 - b. Agency Request
6. Other Business
 - a. Update on CHE Recommendations to Improve the Higher Education Facilities Approval Process -Neal Workman
 - b. Upcoming campus facilities tours
7. Information Items
 - a. List of Staff Approvals for July 2007

MINUTES

SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION
COMMITTEE ON FINANCE AND FACILITIES

AUGUST 2, 2007

2:00 P.M.

CHE CONFERENCE ROOM

Committee Members Present

Dr. Doug Forbes
Mr. Dan Ravenel
Mr. Neal Workman

Mr. Craig Hess
Mr. Scott Ludlow
Ms. Beth McInnis
Mr. Charles Shawver
Dr. Robert Sheehan
Ms. Beth Todd

Committee Members Absent

Dr. Louis Lynn
Mr. Jim Sanders

Staff Present

Ms. Camille Brown
Mr. Gary Glenn
Ms. Alyson Goff
Ms. Lynn Metcalf
Ms. Nicole Rowland
Dr. Garrison Walters

Guests Present

Ms. Kathy Coleman
Ms. Donna Collins
Dr. Dave DeCenzo
Mr. Edgar Dyer
Mr. Will Garland

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

Mr. Ravenel called the meeting to order at 2:00 p.m. Mr. Glenn introduced the guests in attendance.

The following matters were considered:

I. Approval of Minutes of Meeting on June 7, 2007

Since there were no additions or corrections to the Minutes of the meeting on June 7, the Minutes were approved as written.

II. Interim Capital Projects

The following projects were presented and discussed:

a. Clemson University

- 1) President's Park Rotunda Construction \$769,000 -increase budget, revise scope

It was moved (Workman), seconded (Forbes), and voted to approve the project.

b. Coastal Carolina University

- | | | |
|--------------------------------|-------------|--|
| 1) Science Building Renovation | \$1,200,000 | -increase budget, change source of funds |
|--------------------------------|-------------|--|

Mr. Ravenel asked if there was a plan for the current science facility if funding became available for a new building. Dr. Dave DeCenzo, President of Coastal Carolina University, answered that the current facility was salvageable but would require gutting and renovating the current space.

- | | | |
|--|-------------|---|
| 2) Student Center Deferred Maintenance | \$1,240,000 | -increase budget, revise scope, change project name |
|--|-------------|---|

It was moved (Forbes), seconded (Workman), and voted to approve the projects.

III. Other Business

Mr. Ravenel noted that Ms. Metcalf was retiring from the Commission. He thanked her for her many years of service at CHE.

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

Respectfully submitted,

Nicole J. Rowland
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

September 5, 2007

Medical University of South Carolina

2007 Energy Performance Contract \$20,000,000 -establish project

Source of Funds: \$20,000,000 -master lease program

Proposed Budget: \$20,000,000 -energy performance contract/savings

Description

The University requests approval to establish a project to implement an energy performance contract. The University advertised for Energy Service Company (ESCO) performance contract qualifications and subsequent proposals. Two companies were selected based on qualifications, each of which proposed an array of project elements and associated cost savings. The University is now ready to contract with one of the two companies to implement a negotiated scope of work which will not exceed \$20 million in total cost.

The project will be funded through a master lease program with the State Treasurer's Office (STO) in which the STO secures the line of credit that will be repaid by the ESCO guaranteed cost savings that result from installation of building system improvements. The University anticipates an eight-year payback timeframe.

E&G Deferred Maintenance Reduction:

N/A

Annual Operating Costs/Savings:

Additional operating costs will be offset by energy savings over the contract period.

Recommendation

Staff recommends approval of this project as proposed.

Medical University of South Carolina

Air Emissions Permit Compliance Project \$1,000,000 -establish project

Source of Funds: \$1,000,000 -institutional capital project fund

Proposed Budget:	\$ 800,000	-utilities renovations/replacement
	100,000	-professional services fees
	90,000	-contingency
	<u>10,000</u>	-project management fees

Total: \$1,000,000

Description

The University requests approval to establish a project to ensure compliance with air emissions regulation changes. Emissions compliance is required before the institution can perform any new construction or renew the existing permit which expires in September 2008.

The initial focus of the project will be along Sabin Street as emissions from Hospital boilers are addressed by installing low NOx burners. If the installation is not successful in reaching compliance, other alternatives will be investigated including air scrubbers.

E&G Deferred Maintenance Reduction:

N/A

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.

Medical University of South Carolina

Campus Buildings Humidity Control Improvements \$1,000,000 -establish project

Source of Funds: \$1,000,000 -institutional capital project fund

Proposed Budget:	\$ 800,000	-utilities renovations/replacement
	100,000	-professional services fees
	90,000	-contingency
	<u>10,000</u>	-equipment and fixtures fees

Total: \$1,000,000

Description

The University requests approval to establish a project to address the American for Assessment and Accreditation of Laboratory Animal Care (AAALAC) requirements for humidity control when extremely low-air temperatures exist outside.

Supplemental humidity systems will be added to the animal facilities in the Thurmond/Gazes Research Building, Basic Science Building, Children’s Research Institute, and the Hollings Cancer Center. New humidification systems will be installed in the Psychiatric Hospital and the “E” Building animal facilities because the existing systems for these two buildings are beyond their useful life.

E&G Deferred Maintenance Reduction:

The project will correct humidification. Each modification will be an improvement but not necessarily reduce current deferred maintenance.

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.

Medical University of South Carolina

Psychiatric Institute Third Floor Main \$2,000,000 -establish project
Data Center System Upgrades

Source of Funds: \$1,000,000 -institutional capital project fund
 \$1,000,000 -Hospital revenue

Proposed Budget: \$1,560,000 -utilities renovations/replacement
 240,000 -professional services fees
 200,000 -contingency

Total: \$2,000,000

Description

The University requests approval to establish a project to make necessary upgrades to the institution’s main data center located on the third floor of the Psychiatric Institute. The existing HVAC, electrical, and generator systems are not adequate to support the expected growth and equipment additions planned for the data center.

The HVAC and generator systems will be upgraded to provide 150 nominal tons of computer room air conditioning (CRAC). Eight existing CRAC units that provide 64 tons of cooling will remain in service. Additional CRAC equipment totaling 86 tons will be added. Three existing air-cooled chillers will be replaced by one 150-ton air-cooled chiller. The existing uninterruptible power supply (UPS) system capacity will be increased from 450KVA to 600KVA by adding additional battery capacity. The existing generator system that provides 700 kilowatts will be replaced with four 350 kilowatt generators. Three generators will support the load with one serving as a back up. A new 2,000 amp emergency switchboard will be installed to power the existing automatic transfer switches.

E&G Deferred Maintenance Reduction:

The project will not reduce the building’s current deferred maintenance as the systems are being upgraded to support the expected growth and equipment additions of the data center.

Annual Operating Costs/Savings:

Utilities will require additional operating costs of \$18,000 in the three years following project completion. The costs will be absorbed into the existing budget.

Recommendation

Staff recommends approval of this project as proposed.

Medical University of South Carolina

Thurmond/Gazes Research Building \$2,500,000 -establish project
Air Handler Unit Replacement

Source of Funds: \$1,000,000 -indirect cost fund

Proposed Budget: \$2,000,000 -utilities renovations/replacement
 300,000 -professional services fees
 200,000 -contingency

Total: \$2,500,000

Description

The University requests approval to establish a project to replace four air handlers in the Thurmond/Gazes Research Building which serves floors one through six. The existing air handling unit in the 1996 value-engineered building is unreliable and severely corroded. The project will complete replacement of the building's air handlers.

E&G Deferred Maintenance Reduction:

The project will alleviate a portion of the existing deferred maintenance.

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.

DESCRIPTION OF LEASE FOR CONSIDERATION

September 5, 2007

Medical University of South Carolina

Rutledge Tower 11th & 12th Floors -lease renewal \$624,750

Description

The University requests approval to renew its lease for 33,851 SF of clinical and office space located on the 11th and 12th floors of Rutledge Tower. The purpose of the renewal is to continue to provide office space for various College of Medicine departments. The property is owned by the MUSC Foundation which leases it to the University Medical Associates (UMA) in its entirety. UMA subleases the facility to the University.

The monthly rental rate will be \$54,250, resulting in an annual cost of \$651,000. The requested lease term is for 11 months, 16 days with a total lease cost of \$624,750. The per square foot rate is \$19.23.

Recommendation

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



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MEMORANDUM

TO: Mr. Daniel Ravenel, Chairman, Finance and Facilities Committee
FROM: Mr. Gary Glenn, Associate Director of Finance, Facilities, & MIS
DATE: August 30, 2007
RE: FY 2008-09 Agency and Higher Education Budget Requests

Please find attached the recommended budget requests for FY 2008-09 for consideration by the Committee on Finance and Facilities. As part of the state's budget process, South Carolina state agencies are required to submit their budget plans to the Budget and Control Board Office of State Budget on August 31, 2007. The submitted budget plans reflect requested increases to FY 2007-08 funding for FY 2008-09. The budget plans are used to inform the Governor's Executive Budget, which is released in January, and also to inform the General Assembly as recommendations are considered for FY 2008-09 appropriations during the 2008 Legislative Session. As part of this process, CHE makes recommendations for the agency and on behalf of higher education. To meet the established deadline, CHE staff has submitted the attached recommendations in the requisite format contingent on consideration and approval by the Committee and Commission at their September 5 and 6 meetings.

Staff recognizes that it is a desire of the Commission to develop with the higher education community a unified budget approach for higher education complete with a consistent and coherent description of the benefits that higher education brings to the state. However, in part due to timing of the appointment of CHE's new Executive Director and the required budget submission deadlines, there is insufficient time for true consultation. Since it is the goal of the Commission to achieve this unity, making as much progress as practicable in this upcoming budget, the requests herein for higher education are broadly defined and changes to structure and content of the budget recommendations are likely as the process unfolds.

Through the requests for higher education, the Commission supports: increased institutional funding; increased student aid, particularly need-based aid; and increased, continued and/or new funding for a variety of collaborative statewide projects that enhance the effectiveness of higher education delivery in South Carolina. Additionally, the Commission finds it critical to continue to advocate for state support for institutional capital needs. In developing the enclosed recommendations, staff has taken into account statewide planning initiatives that are underway and the Commission's August hearings which provided the opportunity for presidents of the state's public colleges and universities to inform the Commission of recent activities and discuss institutional needs. The enclosed requests were forwarded to the presidents of our public colleges and universities for review and comment on August 29. Their comments will be summarized for Committee and Commission consideration.

Additionally, the Commission will seek to maintain current agency funding levels and to achieve funding increases for FY 2008-09 for specified agency needs and programs. The continued and additional funds requested will provide support for mission critical agency functions that will lead to increased effectiveness of the state's higher education capacity.

S.C. COMMISSION ON HIGHER EDUCATION – HIGHER EDUCATION BUDGET REQUESTS FOR FY 2008-09

The following FY 2008-09 budget requests are made on behalf of higher education. The requests include increased funding along with requests for continued support of items funded in FY 2007-08 with one-time or non-recurring funding. CHE's highest priorities in advocating for funding for higher education continue to include: (1) adequate state support for core educational and general operating costs for our state's public higher education institutions which assists our public colleges and universities in their efforts to continually improve and increase the quality and effectiveness with which services are delivered and mitigate the need for increased tuition and fees; (2) increased need-based grant funding to assist the state's neediest students in enrolling and succeeding in higher education; and (3) support for collaborative statewide programs that enhance institutional effectiveness such as the statewide higher education electronic library, a tremendous resource for the state. A fourth priority is funding to meet urgent capital needs of higher education. The requests and needs for higher education are elaborated below.

Investing in Quality Higher Education Outcomes

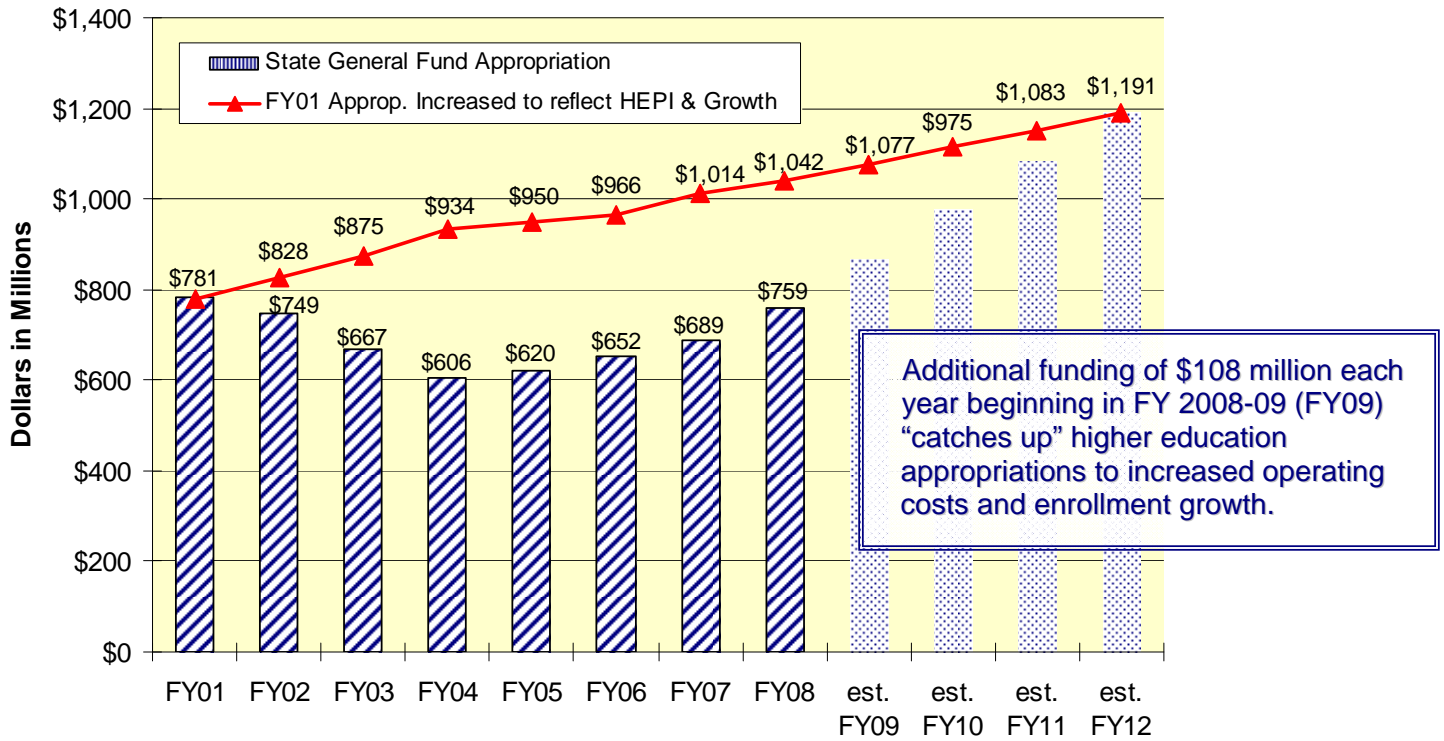
Institutional Core Operating Needs \$108,000,000 recurring increase

Higher Education in South Carolina plays an increasingly critical role as the state competes in the new knowledge-based economy. It is clear that our state must enroll and graduate greater numbers of its population if we are to improve our competitiveness. Doing so requires accessible, affordable and accountable public institutions. To maximize our ability to compete effectively in the knowledge economy, the state must move its overall investment in higher education to a level that allows our institutions to meet the increasing statewide demand for greater levels of intellectual capital. Adequate funding of core operating costs not only enhances the effectiveness and quality with which our colleges and universities deliver on these demands but also mitigates the need for increased tuition and fees. In turn, our institutions will continue to remain affordable and accessible for all qualified South Carolinians.

Public colleges and universities have two primary sources of revenue available to fund core operating expenses: state general funds and student tuition and fees. A balance is critically important in assuring continued access to higher education. Our institutions have kept pace in the face of diminishing state revenues by implementing efficiencies across institutional operations, eliminating unnecessary expenditures, reducing programs, and unfortunately, by increasing tuition and fees and relying more on part-time faculty. To ensure adequate state funding of core operating expenses, several factors are vitally important for consideration. First, inflation must be taken into account. Higher education must compete in a very different market than the average employer. A majority of institutional costs, for example, are associated with recruiting and competing for well-qualified faculty, and the most knowledgeable people are commanding higher salaries in a knowledge-based economy. Considering inflationary increases in line with this market on an on-going basis is critical. Second, growth must be a factor. Our institutions must serve more students each year – a demand that will continue as we become more successful in graduating greater numbers of our students from high school. Additionally, there are constantly increasing demands for educational services such as research and training that must be taken into account.

Figure 1 below illustrates what has happened since FY 2000-01 in overall state higher education operating appropriations compared to growth and inflation. Public higher education funding for core operating needs today is \$22 million below funding in FY 2000-01 in actual dollars. Had growth in core operating needs kept pace with higher education price inflation (HEPI) and student enrollment growth during that time, higher education appropriations would be substantially higher. The Commission and college and university leaders recognize the increasing demands on the state to fund not only higher education but other vital state services. However, in the long run, an increased investment in higher education will maximize more rapidly the state's potential to compete.

Figure 1. State Operating Appropriations compared to Appropriations Adjusted for Increased Operating Costs and Enrollment Growth. The Higher Education Price Index (HEPI) is used to adjust costs and the annual percent change in full-time equivalent enrollment (FTE) is used to adjust for enrollment growth. State Appropriations FY 2000-01 to FY 2007-08 are actual dollars. The trend line shows the actual state appropriations from FY 2000-01 to F 2007-08 projected through FY 2011-12 to reflect increased costs and enrollment growth. The latest HEPI value of 3.4% and the latest enrollment change of 0.9% are used to carry out the trend line from FY 2008-09 through FY 2011-12.



If the state appropriations for higher education operating expenses were caught up to the rising needs due to increased costs and enrollment, it would take approximately \$318 million more than the current funding level. Obviously, this is not possible in one year alone. If \$108 million were provided over the next four years, state funding for higher education would catch up with increasing costs and growth needs by FY 2011-12 (assuming HEPI stabilizes at 3.4% and growth at 0.9%) and would greatly reduce the need and dependence on increased student tuition and fees to meet those needs. As a result, the Commission requests consideration of increased funding of \$108 million in FY 2008-09 and over the next three years in order to keep pace with inflation and growth that higher education will experience next year and in upcoming years.

In regard to allocation of the requested funds across the 33 institutions, the Commission staff is not yet recommending how the funds are to be allocated. It is a priority of the Commission to achieve a stable and reliable funding mechanism for higher education operating budgets that will most effectively address the needs of the state from higher education. Staff will continue to work in consultation with our 33 colleges and universities in the upcoming months to develop a unified approach for allocation of the needed increase in operating funding.

Investing in Student Support for Improved Accessibility

Need-based Grant Program **\$12,000,000 increase**

Sufficient support for need-based grants is critical to success in improving the number of South Carolinians who enter college and graduate. In recent years, funding for merit-based scholarships has grown to keep pace with increased numbers of eligible students, but funding for need-based grants has not. As a result, a significant imbalance exists between merit-based and need-based student aid. The state's merit programs (Palmetto Fellows, LIFE and HOPE) represented 63% of approximately \$273 million in dollars awarded in FY 2006-07, whereas state need-based aid programs (CHE Need-based and Tuition Grants) represented 19%, and Lottery Tuition Assistance at two-year institutions represented 18%. The most recent survey (AY 2005-06) by the National Association of State Student Grant Aid Programs shows that South Carolina is far below the national average in need-based aid, and recent CHE surveys of our institutions demonstrate that despite overall increased student aid, a sizable affordability gap remains for our state's neediest students. The Commission and higher education community support a substantial increase to need-based funding to ensure affordable and accessible education for our state's neediest students. CHE recommends that movement toward closing this affordability gap over the next several years be a core state priority. To begin addressing the gap, \$12 million for our Need-Based Grant Program at public institutions is requested.

Lottery Tuition Assistance **\$11,000,000 increase**

To maintain high access at the state's two-year institutions, CHE supports an increase to the Lottery Tuition Assistance Program to ensure sufficient funds to stabilize the available per student grant funds. The Lottery Tuition Assistance program funds are made available to degree-seeking students who are enrolled at two-year public and independent colleges and who are taking at least six credit hours. The program is funded with lottery funds with awards limited to the extent funding is appropriated. In FY 2007-08, there are \$47.6 million in appropriated lottery funds. The award level per full-time student has been set at \$864, for fall 2007, a reduced amount from spring 2007 due to program growth. As has been the case since the inception of the program in FY 2002-03, the award level must be revisited each semester. The number of students provided awards has increased by 37% since FY 2002-03. Increased funds are needed to ensure the current grant level may be maintained and increased to the targeted goal of \$996 stipulated in the lottery appropriation proviso. The requested increase brings the program total to \$58 million.

National Guard Tuition Assistance **\$1,300,000 to continue FY 2007-08 non-recurring as recurring**

During the 2007 legislative session, the General Assembly passed legislation ending the National Guard Loan repayment program and substituting a tuition assistance program for National Guard members. The National Guard Tuition Assistance Program is intended to assist the National Guard in its recruiting efforts. Based on fiscal impact estimates for the change in the program from a loan repayment program to a tuition assistance program, the General Assembly provided an additional \$1.3 million. However, the funds appropriated were non-recurring funds. CHE recommends that this funding be continued as recurring state funds so that full program funding is maintained at \$3 million.

Other: In addition to the requests outlined for student aid programs, CHE continues to support fully funding merit-based aid programs including Palmetto Fellows, LIFE and HOPE at levels sufficient to provide for general increases in program participation. For additional information, see Attachment 1a.

Investing in Collaborative Statewide Programs

Higher Education Electronic Library **\$2,500,000 recurring**

The CHE, along with public and private institutions, supports the continued funding of the Statewide Higher Education Electronic Library – a cooperative and collaborative effort among our public and private higher education libraries that is transforming how the state's citizens access vital academic information. The higher education library significantly enhances the quality of undergraduate education and eliminates duplicated

expenditures by enabling a mechanism for group purchases at better prices of essential sophisticated electronic academic databases that will be available to all of South Carolina's higher education libraries. The project is now in its fourth year of funding. Each year \$2,000,000 has been provided in non-recurring funding. CHE seeks to establish this project in recurring funds at \$2,500,000. The request provides continued funding of \$2,000,000 and increased funding of \$500,000. The increase is needed to provide access to additional scientific databases that will greatly enhance graduate study and research. Recurring funds are needed so that project staff is better able to predict funding which will lead to an improved ability to negotiate the best contracts for the state.

SC LightRail continuation of \$4,500,000 non-recurring appropriated for FY 2007-08

The SC LightRail is a collaborative project by Clemson University, the Medical University of South Carolina, the University of South Carolina and the Health Sciences S.C. (HSSC) partners (Palmetto Health, Greenville Hospital System, and Spartanburg Regional Healthcare System), and the S.C. Research Authority (SCRA). In addition, industry research entities and additional universities and technical colleges and research institutes will be encouraged to join. The project will provide an ultra-high-speed, ultra-high-bandwidth network and applications service which will unite universities, hospitals, and research-based institutions. The project will allow the state to connect to the National Lambda Rail Network and thereby provide access to nationwide supercomputing and research application resources across the United States. State appropriations totaling \$4.5 million dollars in non-recurring funds were appropriated for FY 2007-08. CHE supports continuation of these funds in FY 2008-09 as the establishment of the project continues.

Research Initiative – EPSCoR \$982,464 recurring increase

The Experimental Program to Stimulate Competitive Research (EPSCoR) is a merit-based federal/state/institutional partnership designed to decrease the undue geographic concentration of federal research investments. EPSCoR is based on the premise that university faculty and students are valuable resources which can be used to build a competitive science and technology enterprise. The EPSCoR partnership paradigm requires state commitment which must be in place for future response to larger and more prestigious federal research opportunities. CHE supports the requested increase in program funds by \$982,464. FY 2007-08 funding is \$2,017,536 and the requested increase will bring funding to \$3,000,000. EPSCoR finds that the increased funding will provide an 8:1 return on the state's additional investment of \$982,464.

Collaborative Educational Programs:

University Center of Greenville (UCG), Operating **\$1,281,301 recurring increase,
includes continuing \$1,112,229 in nonrecurring**
Greenville Technical College – UCG Debt Service
& Maintenance - **continue \$635,919 nonrecurring as recurring**

CHE continues to support state programs that provide innovative delivery methods of undergraduate and graduate education such as the Lowcountry Graduate Center and University Center of Greenville. For FY 2008-09, the University Center of Greenville has requested increased funding and the continuation of non-recurring FY 2007-08 funds as recurring funding. The requested increase for program operations is to continue \$1,112,229 and increase the amount by \$169,072, bringing total funding to \$1,708,402. The University Center is the primary source for baccalaureate and graduate degree programs serving a nontraditional student population in the Greater Greenville Region. The Center houses 78 undergraduate and graduate programs from seven South Carolina universities (Clemson, Furman, Lander, MUSC, SC State, USC Columbia, and USC Upstate.) Also in support of University Center, Greenville Technical College requests continuation of nonrecurring funding provided in FY 2007-08 for payment of debt service and maintenance needs for McAlister Square Mall, which houses the University Center of Greenville. The request continues \$635,919 in recurring of the \$1,123,000 in FY 2007-08 nonrecurring funds. The request brings the total funding for Greenville Technical College for debt service and maintenance to \$1,723,710.

SC Manufacturing Extension Partnership (SCMEP) continue \$1,200,000 non-recurring as recurring

SCMEP is a private, non-profit 501(c)(3) organization funded through a cooperative agreement with the United States Department of Commerce's National Institute of Standards and Technology (NIST), matching state funds, and revenue from private and other grant sources. SCMEP, part of the nation's manufacturing

extension partnership system, is governed by a fiduciary board of directors and is committed to serving small- to mid-sized manufacturers with resources and services to help them become more competitive and productive. SCMEP's delivery of services is dependent upon relationships with partners, public agencies, non-profits and numerous private consultants. The program enables new technology, theories and innovation to transfer from the university and continuing education programs onto the manufacturing floors of the state's small companies. The organization has formal, contracted relationships with the University of South Carolina, Clemson University and the South Carolina Technical College System. State funds allow SCMEP to contract with institutions of higher education in the state to provide some services they are uniquely suited to offer manufacturers. SCMEP receives \$1,227,921 in state recurring funds and for the past several year has additionally received state matching funds of \$1,200,000 in non-recurring funds. The request is to continue the non-recurring funds of \$1,200,000 in recurring funds.

Other Higher Education Lottery Programs

See Attachment 1a

CHE also supports the continued funding of other higher education programs, including the Centers of Economic Excellence and Higher Education Technology, that are funded through the South Carolina's Education Lottery. The lottery funding and FY 2008-09 requests for higher education are outlined in Attachment 1a.

Investing in Capital Needs

Higher Education Capital Projects

\$787,024,781 ranked Statewide Capital Projects

See Attachment 1b for additional details.

Total CHE Higher Education Request: Recurring increase of \$127,899,684 including \$122,594,693 in new increases for higher education operating and other programs including need-based aid and \$5,304,991 in non-recurring FY 2007-08 funds continued as recurring in FY 2008-09. Finally, the request also includes non-recurring funding of \$4,500,000 for SC LightRail and continued funding of higher education lottery-funded programs with an increase of \$11,000,000.

Recommendation

Staff recommends approval of the higher education budget request for FY 2008-09 as broadly defined above with the understanding that as the budget process unfolds, changes to structure and content are likely.

FY 2007-08 Higher Education Lottery Appropriations and FY 2008-09 Requests

Summary of FY 2007-08 Higher Education Lottery Appropriations and FY 2008-09 Requests

The table outlines the higher education lottery projects funded in FY 2007-08 (FY08) and FY 2008-09 (FY09) requests. CHE seeks continued funding of all higher education lottery projects with increases as indicated herein.

Higher Education Lottery Funded Program in FY08	FY 2007-08 Lottery Funding	FY 2008-09 Request	
<i>Scholarship and Loan Programs</i> *Palmetto Fellows	\$28,915,490	Continue full funding	The anticipated increases for growth in FY09 are not estimated here.
*LIFE Scholarship	\$62,604,207	Continue full funding	These programs also receive state general funds in addition to lottery funds and are "open-ended" programs in that state funds are guaranteed for qualified students. Palmetto Fellows appropriations for FY08 totals \$40,915,490 LIFE FY08 totals \$147,727,542.
SC HOPE	\$7,767,606	Continue full funding	The anticipated increase for growth in FY09 is not estimated here. The program is funded solely with lottery funds.
*Need Based Grants	\$11,631,566	\$35,631,566 total program funding – <u>an increase of \$12,000,000</u>	Additional funds are requested to provide college affordability for the state's neediest students. This program additionally receives general funds. Total FY08 funding is \$23,631,566 which represents 8% of the state's undergraduate student aid programs. The requested increase brings the program appropriations to \$35,631,566.
Tuition Assistance, Technical Colleges and 2-Year	\$47,000,000	\$58,000,000 – <u>an increase of \$11,000,000</u>	Additional funding is needed to stabilize the amount that may be awarded per student in light of increased program growth.
*Tuition Grants	\$7,766,604	S.C. Tuition Grants makes rec.	Program also receives general funds and total FY08 funding is \$29,568,851
National Guard Loan Repayment Program/ Tuition Assistance Program	\$1,700,000	\$3,000,000 to continue current program total funding	Continues funding at FY08 level for the tuition assistance program. Program received \$1,700,000 in lottery and \$1,300,000 in supplemental funds to account for legislated changes made in 2007. (see Attachment 1)
Research Centers for Economic Excellence (Endowed Chairs)	\$30,000,000	\$30,000,000	
Technology: SC Public 4- & 2-year	\$12,000,000	\$12,000,000	
*SC State University	\$2,500,000	\$2,500,000	
Higher Ed. Enhancement Program	\$4,700,000	\$4,700,000	
TOTAL	\$216,585,473	Continued funding of higher education programs with increases as reflected above	

* These programs also receive general funds.

South Carolina Commission on Higher Education – Rankings of Higher Education Capital Project Requests

At its June 2007 meeting, the Commission approved the statewide prioritized list for Capital Improvement Bond (CIB) funding in FY2008-09. The listing follows. There are 69 requests for bonds in Year 2 (2008-09) of the Comprehensive Permanent Improvement Plan (CPIP). All projects included met the approval criteria for capital funding requests. The projects are scored and prioritized in accordance with the CHE adopted guidelines for scoring and ranking higher education capital projects for which state capital bond funds are being requested. Tied ranks are shown.

South Carolina Commission on Higher Education
Statewide Ranking of Higher Education Projects for Requests for FY 2008-09 Capital Improvement Bonds

Commission Approved June 7, 2007 to be included as part of FY2008-09 Budget Request

Rank	Institution	Project Name (* denotes first priority of institution)	Project Type	CIB Funds Requested	Total Points
1	Medical University of S.C.	*College of Dental Medicine Building Construction (1)	New Construction	\$20,200,000	203.00
1	USC Columbia	*School of Law New Building Construction	New Construction	\$20,000,000	203.00
3	College of Charleston	*Expansion & Renovation of Science Facilities	New Construction/Renovation	\$53,499,001	190.50
4	Midlands Tech College	*Northeast Classroom/Engineering Facility	New Construction	\$20,000,000	187.50
5	Medical University of S.C.	College of Pharmacy Building Construction	New Construction	\$33,000,000	179.67
6	Piedmont Tech College	*Nursing/Health Science Building Renovations (Health [Bldg. H], Science [S], Utility [J])	New Construction/Renovation	\$11,904,800	179.00
7	USC Columbia	Gibbes Green Historic Facilities Renovations (LeConte/Petigru Infrastructure)	Renovation	\$20,000,000	178.67
8	USC Upstate	*Information Resource Center Construction	New Construction/Renovation	\$17,800,000	178.17
9	The Citadel	Daniel Library Improvements	New Construction/Renovation	\$17,200,000	175.34
10	Piedmont Tech College	Saluda County Extension Center	New Construction	\$1,500,000	175.16
11	Aiken Tech College	*Industrial Technology Building	New Construction	\$9,489,367	174.50
12	USC Upstate	Classroom & Student Support Building Repairs & Renovations	Renovation	\$5,300,000	171.34
13	Winthrop University	*Library Replacement	New Construction	\$35,000,000	169.67
14	USC Sumter	*Instructional Laboratories Building	New Construction	\$13,825,000	167.68
15	USC Beaufort	Performing Arts Center Renovation	Renovation	\$3,876,434	165.33
16	The Citadel	*Capers Hall Replacement	Replacement	\$30,400,000	162.84
17	Piedmont Tech College	Business/Industrial Technology Center Renovations	New Construction/Renovation	\$8,917,440	161.50
18	York Tech College	*Allied Health Classroom & Laboratory Building	New Construction	\$11,520,000	160.67
19	College of Charleston	Psychology Classroom/Laboratory Building	New Construction	\$8,000,000	160.50
19	Trident Tech College	*Nursing, Science, & Math Building	New Construction	\$20,880,000	160.50
21	Lander University	Critical Maintenance, Infrastructure, & Accessibility	Deferred Maintenance	\$6,037,000	159.34
22	Tech College of the Lowcountry	*Building 6 & 8 Renovations	Renovation	\$2,350,000	159.17
23	SC State University	*Whittaker Library Expansions & Renovations	New Construction/Renovation	\$23,547,744	158.84
24	Medical University of S.C.	Deferred Maintenance for 2008-09	Deferred Maintenance	\$18,963,000	155.84
25	Coastal Carolina University	*R. Cathcart Smith Science Center Addition & Renovation	New Construction	\$47,000,000	154.17
26	Clemson University	Air Quality & Critical Deferred Maintenance	Deferred Maintenance	\$10,000,000	154.00
27	Clemson University	Chemistry - Hunter Hall Addition Design & Construction	New Construction	\$30,000,000	152.34
28	USC Salkehatchie	Allendale Facilities Upgrades	Renovation	\$1,700,000	152.17
29	Tech College of the Lowcountry	Buildings 15 & 16 Renovations	Renovation	\$2,751,300	151.67
30	USC Lancaster	*Campus Renovations	Renovation	\$4,110,000	149.34
31	Orangeburg-Calhoun Tech College	*Automotive Training & Transportation Center	New Construction	\$2,800,000	146.50
32	Greenville Tech College	Greer (G3) Classroom Building Construction	New Construction	\$4,396,000	144.50
33	Clemson University	*Information Technology Facility Construction	New Construction	\$20,000,000	142.17
33	Williamsburg Tech College	*Technology Building	New Construction	\$7,500,000	142.17

Note: First priorities indicated with an asterisk ().*

(1) CIB request reduced to reflect FY2007-08 appropriations by \$7.5 million.

(2) CIB request reduced to reflect FY2007-08 appropriations by \$2 million.

Continued, Statewide Ranking of Higher Education Projects for Requests for FY 2008-09 Capital Improvement Bonds

Rank	Institution	Project Name (* denotes first priority of institution)	Project Type	CIB Funds Requested	Total Points
35	Central Carolina Tech College	*Health Sciences Building (2)	Renovation	\$7,557,460	141.00
36	USC Salkehatchie	*Walterboro Classroom Building Renovation & New Science Labs	New Construction/Renovation	\$2,540,676	139.34
37	USC Salkehatchie	Technology Center Construction	New Construction	\$11,720,334	135.67
38	Lander University	*New University Center Construction	New Construction	\$20,000,000	135.34
39	Florence-Darlington Tech College	Manufacturing Incubator Center*	New Construction	\$4,144,800	133.67
40	Francis Marion University	School of Education/School of Business Building Construction*	New Construction	\$15,250,000	132.34
41	Lander University	Jackson Library Renovation	Renovation	\$7,250,000	130.00
42	Horry-Georgetown Tech College	*Renovation/Expansion of Building 300	Renovation	\$6,000,000	129.33
42	Horry-Georgetown Tech College	Renovation/Expansion of Building 400	Renovation	\$6,000,000	129.33
44	Tech College of the Lowcountry	New River Technology Building	New Construction	\$12,720,000	127.67
45	Tri-County Tech College	Classroom Building	New Construction	\$9,040,000	127.33
46	USC Union	Facility Upgrades	Renovation	\$700,000	126.34
47	USC Aiken	*New Academic Center	New Construction	\$13,700,000	125.84
48	USC Beaufort	South Campus Classroom Building Construction	New Construction	\$10,853,904	121.84
49	USC Beaufort	*Science & Technology Second Floor Upfit	Renovation	\$3,886,022	121.83
50	The Citadel	Deferred Maintenance	Deferred Maintenance	\$2,530,000	120.50
51	Florence-Darlington Tech College	Automotive/Auto Body Program Expansion (Building 600)	New Construction/Renovation	\$2,880,000	119.83
52	Greenville Tech College	*Renovate Second Floor ARC for Classrooms	Renovation	\$6,813,119	119.34
53	Spartanburg Community College	*Academic/Library Building Construction - Phase II	New Construction	\$9,900,000	117.84
54	Northeastern Tech College	*Campus Expansions/Renovations	New Construction	\$1,000,000	116.83
55	USC Sumter	Deferred Maintenance Items	Deferred Maintenance	\$1,450,000	116.50
55	USC Upstate	Deferred Maintenance	Deferred Maintenance	\$3,200,000	116.50
57	Spartanburg Community College	West Building Renovation (including HVAC System)	Renovation	\$6,200,000	113.00
58	SC State University	Turner Hall D-Wing Demolition & New Construction	New Construction	\$14,350,000	101.00
59	Aiken Tech College	Nursing Building	New Construction	\$5,859,600	94.83
59	Central Carolina Tech College	Kershaw-Lee Campus Construction	New Construction	\$14,892,629	94.83
61	USC Upstate	Media Building & Nursing Building Renovation	Renovation	\$3,200,000	92.50
62	USC Aiken	Etherredge Center Classroom Additions	New Construction	\$6,800,000	79.00
62	USC Beaufort	Library Second Floor Upfit	Renovation	\$3,525,160	79.00
62	USC Union	Campus Site Redevelopment	Site Development	\$1,000,000	79.00
65	College of Charleston	Dixie Development - Phase II	Renovation	\$15,000,000	78.50
66	Florence-Darlington Tech College	Math Hub Renovation (Building 7000)	Renovation	\$2,253,991	71.00
67	USC Lancaster	Classroom Building Construction	New Construction	\$5,040,000	68.50
68	Denmark Tech College	*Academic Support Center	New Construction	\$4,800,000	46.50
69	USC Aiken	Building B&E Renovations	Renovation	\$1,500,000	46.50
GRAND TOTAL				\$787,024,781	

Note: First priorities indicated with an asterisk (*).

(1) CIB request reduced to reflect FY2007-08 appropriations by \$7.5 million.

(2) CIB request reduced to reflect FY2007-08 appropriations by \$2 million.

S.C. COMMISSION ON HIGHER EDUCATION – AGENCY BUDGET REQUESTS FOR 2008-09

Priority – Enhancing Statewide Higher Education Capacity

Agency Technology **\$130,000 to continue FY 2007-08 non-recurring as recurring**

One of CHE's mission critical functions is the maintenance and support of a centralized statewide higher education data system necessary for state policy research, state and federal data requirements, and other data sharing needs of institutions and the public. These data are also critical for statewide planning for higher education. Last year, CHE requested recurring technology funding and received one-time funds totaling \$130,000. In order to keep pace with changing technology and ensure continued quality data delivery, CHE needs these funds to be continued in the upcoming year and in future years to address on-going technology needs. The requested funds will enable CHE to purchase necessary software and hardware, support continued maintenance costs, and allow for planned system improvements to enhance and improve data accessibility.

SC GEAR UP **\$200,000 increase in recurring funding**

Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) is a national grant program which supports early college preparation and awareness activities for rural and low-income students. In 2005, the U.S. Department of Education awarded South Carolina through CHE a second six-year, GEAR UP grant totaling \$14.8 million (approximately \$2.47 million per year over six years) provided the required state match is made available. SC GEAR UP provides direct services to approximately 4,000 students across 22 rural and low-income middle schools along the I-95 corridor in the Pee Dee region of the state. CHE along with its partners (the S.C. Chamber of Commerce, the State Department of Education, S.C. Governor's schools, and the Southeast Center for Ocean Sciences Education Excellence) provide GEAR UP students the skills and support they need to prepare for, enter, and succeed academically in higher education. CHE is seeking additional support for SC GEAR UP to enable this successful program to be expanded throughout the state. SC GEAR UP currently receives \$600,000 in recurring state funds and \$75,000 in nonrecurring funds. The request would move \$75,000 to recurring funds and provide an additional \$125,000 in new recurring funding for program support.

College Access Network – SC-CAN **\$25,000 recurring increase**

SC GEAR UP is highly effective in working with the schools to increase students' interest in and ability to succeed in higher education, but its activities do not extend to the related and very critical area of finding "last dollar" grants to supplement existing federal and state grant funding. College access programs, which are local, non-governmental organizations, specialize in this key task of leveraging private giving for last dollar funding. Although South Carolina has some organizations that serve this purpose, there are many areas of the state which lack programs and existing efforts could benefit from additional expertise. The S.C. College Access Network (SC-CAN), building on the knowledge and experience of the National College Access Network (of which South Carolina is a member), would fill the role of helping to strengthen existing programs and create new ones.

Increasing Underrepresented Populations in Health Care **\$400,000 recurring increase**

As we face workforce shortages in health care, particularly nursing, we need to address strategically known shortages such as the under-representation of racial and ethnic minorities and males. CHE seeks increased Access & Equity program funds of \$400,000 to extend activities through targeted grants for institutional or statewide projects focused on building a more diverse healthcare workforce by increasing the number of underrepresented populations in nursing/healthcare. The Commission will work collaboratively with the Department of Education and in concert with EEDA and the development of the health professions career cluster. Increased funding for such projects will assist the state in seeking and securing additional external grant funding.

SREB Programs and Services **\$145,735 recurring increase**

The CHE seeks funds to cover increased costs of Southern Regional Education Board (SREB) programs and services. The requested funds will enable the state to continue the same level of participation in regional initiatives and policy research and in programs that enable our students to take advantage of higher education offerings not otherwise available in South Carolina at reduced rates including programs such as Veterinary Medicine and Optometry, and others through the SREB Academic Common Market.

Total CHE Agency Request: Recurring increase of \$900,735. This request for new state general funds includes \$695,735 in new funds and \$205,000 in continued FY 2007-08 non-recurring funds.

Recommendation

Staff recommends approval of the proposed agency budget request for FY 2008-09.

BELOW-THE LINE ITEMS

The Below-the-Line (BTL) process is used for requesting CHE approval for funding for special items which are extraordinary, and are, as such, not specifically addressed as part of the MRR funding methodology* for continuing operations.

The following criteria are used in determining which BTL requests will be recommended for approval:

1. Requests for funding to continue a previously approved BTL item should be submitted with all appropriate information needed to support continuation.
2. Requests for funding for equipment, routine or deferred maintenance, and/or capital projects will not be considered.
3. General needs requests will not be considered. For example, requests for upgrading a laboratory, requests for upgrading equipment to meet accreditation requirements, requests to fix damage from wear and tear, etc. will not be considered.
4. BTL funding is not intended to address funding deficiencies. Accordingly, requests for funding to make up for past under-funding in the funding methodology or requests to make up for anticipated under-funding will not be considered. For example, requests for upgrading faculty salaries will not be considered.
5. Requests for funding for activities* included in the funding methodology will not be considered unless there is an extraordinary need which makes expenditures in a particular category considerably higher relative to other institutions.

Requests for funding for Academic Programs, courses, and other formally organized instructional activities associated with academic offerings should not be submitted because a provision for these activities is included in the MRR

6. Requests for funding for initiatives requiring a direct state match will be considered with priority given to statewide initiatives.

*Examples include but are not limited to the following:

7. Requests for funding for Public/Community Service activities that are established primarily to provide non-instructional services to individuals or groups external to the institution should not be submitted because a provision for these activities is included in the MRR.
8. Requests for funding for institutes and research centers that are part of a formal research organization created to manage a research effort should not be submitted because a provision for these activities is included in the MRR.

Recommendation

Staff recommends for approval the following three projects which meet the BTL criteria. Funding for these projects is included in the CHE budget recommendation for higher education.

New Request (Y/N)	Name of Request	Brief Description	2007-2008		FY2009 Total Amt Requested	FY2009 Change		Eligibility
			Recurring	Non-Recurring		Requested	Recommended	
University of South Carolina Columbia								
N	The Frank L. Roddey Small Business Development	Provide fee free management and technical assistance to small businesses through a consortium of four universities (USC, Clemson, SC State, and Winthrop) with 15 offices. Federal funds are matched by State funds. (Other Personnel and Operating Expenses)	\$ 936,534		\$ 1,186,534	\$ 250,000	\$ 250,000	<u>Continuing BTL Project Approved.</u>
SC State								
N	SC Alliance for Minority Participation (SCAMP)	The South Carolina Alliance consists of all seven HBCU's in the state, three technical schools, and three non-minority institutions (two of which are major research universities). Initially, there were only eight alliance institutions. However, since 2002 four additional academic institutions have become partners. SCAMP is designed to increase the number of SC African-American undergraduate students who pursue Ph.D. opportunities in science, engineering, and mathematics. In doing so, SCAMP will also dramatically increase the number of baccalaureate degrees awarded to African-American students in these disciplines. Since the inception of SCAMP in 1992, minority bachelor's degrees have increased approximately 60%. (Full-time Personnel, Other Personnel, Student Support, Other Operating) (Recurring funds (\$320,327) are currently provided through the CHE budget. Non-Recurring funds (\$200,000) are provided directly to SC State.)	\$ 320,327	\$ 200,000	\$ 520,327	\$ 200,000	\$ 200,000	<u>Continuing BTL Project Approved.</u>
N	Transportation Center	The goal of the James E. Clyburn University Transportation Center is to assist federal, state and local agencies in meeting their goals to develop a highly skilled workforce to meet future needs in ground transportation. A major focus of JECUTC's intermodal research, education, and technology transfer programs is recruitment and training of minorities and women for tomorrow's transportation workforce. (Faculty, Other Personnel, Equipment, Research, Other Operating)	\$ 748,365	\$ 410,635	\$ 1,159,000	\$ 410,635	\$ 410,635	<u>Continuing BTL Project Approved.</u>
		State Totals	\$ 2,255,226	\$ 610,635	\$ 3,115,861	\$ 860,635	\$ 860,635	Total Recurring Funds Requested

The following requests did not meet the criteria and accordingly were not approved. They are presented below as information.

New Request (Y/N)	Name of Request	Brief Description	2007-2008		FY2009 Total Amt Requested	FY2009 Change		Eligibility
			Recurring	Non-Recurring		Requested	Recommended	
Clemson								
N	South Carolina LightRail (SC LightRail)	Collaborative project between the University of South Carolina, The Medical University of South Carolina, Clemson University and the Health Sciences South Carolina partners to create a premier research network, enhance distance and distributed learning and educational programs for the citizens of our State. (Hardware, Software, Maintenance, and Other Professional Services)		\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ -	Not Eligible for Approval as a BTL Request -- CAPITAL EQUIPMENT -- Does not satisfy criteria 2. RECOMMENDATION: Although not eligible as a BTL request, CHE strongly endorses this project and supports the continuation of non-recurring funds.
Y	Crisis and Emergency Preparedness Funding	Clemson University needs additional funding to place greater emphasis on public safety and emergency preparation needs for the university. (Other Personnel, Equipment, Other Operating Expenses)			\$ 1,011,704	\$ 1,011,704	\$ -	Not Eligible for Approval as a BTL Request -- STUDENT SERVICES and PHYSICAL PLANT -- Does not satisfy criteria 5.
University of South Carolina Columbia								
Y	Carolina's College Counseling Program	This program will target low-income middle and high school students across the state to increase enrollment in postsecondary education through training, workshops and counseling. (Other Personnel, Other Operating Expenses, Equipment)	\$ -	\$ -	\$ 500,000	\$ 500,000	\$ -	Not Eligible for Approval as a BTL Request -- STUDENT SERVICES -- Does not satisfy criteria 5.
Y	Clinical and Translational Science Award	Joint initiative by USC and MUSC to compete nationally for NIH funding to encourage the development of new methods and approaches to clinical and translational research, Improve training and mentoring, assemble interdisciplinary teams and forge new partnerships with private and public health care organizations. (Other Operating Expenses)	\$ -	\$ -	\$ 500,000	\$ 500,000	\$ -	Not Eligible for Approval as a BTL Request -- RESEARCH -- Does not satisfy criteria 8.
Y	Healthy Campus Initiative	Project focus is to improve the health and well being of students, faculty and staff on campuses across the state. (Director, Other Personnel, Other Operating Expenses, Equipment)			\$ 111,445	\$ 111,445	\$ -	Not Eligible for Approval as a BTL Request -- STUDENT SERVICES -- Does not satisfy criteria 5.
Y	Investment in Research	Investment by the State is necessary to recruit and hire a diverse, high quality faculty to meet the growing demand for an educated workforce. (Faculty, Other Personnel, Other Operating Expenses)			\$ 6,000,000	\$ 6,000,000	\$ -	Not Eligible for Approval as a BTL Request -- INSTRUCTION -- Does not satisfy criteria 4.
Y	Magellan Scholars	The Magellan Scholars program provides undergraduate students with an enriched academic environment through research opportunities and faculty mentoring relationships. (Director, Other Personnel, Other Operating Expenses)	\$ -	\$ -	\$ 1,080,000	\$ 1,080,000	\$ -	Not Eligible for Approval as a BTL Request -- INSTRUCTION -- Does not satisfy criteria 5.
N	OneCarolina	Multi-year enterprise resource planning project necessary to ensure data integrity and adherence to guidelines for accreditation, FERPA and HIPPA. (Hardware, Software, and Other Operating Expenses)	\$ 1,500,000	\$ 1,500,000	\$ 3,000,000	\$ 1,500,000	\$ -	Not Eligible for Approval as a BTL Request -- ADMINISTRATION & STUDENT SERVICES -- Does not satisfy criteria 3 & 5.
Y	SC Health Advancement	Investment by the State is requested in order to create a system that will encourage collaboration among the health care providers (Greenville Hospital System, Palmetto Health) to provide training programs for healthcare providers and prevention programs for at-risk populations. (Faculty and Other Personnel)			\$ 500,000	\$ 500,000	\$ -	Not Eligible for Approval as a BTL Request -- RESEARCH -- Does not satisfy criteria 8.

New Request (Y/N)	Name of Request	Brief Description	2007-2008		FY2009 Total Amt Requested	FY2009 Change		Eligibility
			Recurring	Non-Recurring		Requested	Recommended	
N	South Carolina LightRail (SC LightRail)	Collaborative project between the University of South Carolina, The Medical University of South Carolina, Clemson University and the Health Sciences South Carolina partners to create a premier research network, enhance distance and distributed learning and educational programs for the citizens of our State. (Hardware, Software, Maintenance, and Other Professional Services)		\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ -	Not Eligible for Approval as a BTL Request -- CAPITAL EQUIPMENT -- Does not satisfy criteria 2. RECOMMENDATION: Although not eligible as a BTL request, CHE strongly endorses this project and supports the continuation of non-recurring funds.
N	USC Law Library	With the help of the legislature and the University, the USC Law Library is nearing its goal of fiscal parity with peer institutional law libraries and we have been able to obtain much needed research materials that are critical to the success of our students and the recruitment of future students. (Books and periodicals)	\$ 344,074		\$ 631,474	\$ 287,400	\$ -	Not Eligible for Approval as a BTL Request -- LIBRARY -- Does not satisfy criteria 5.
Medical University of South Carolina								
Y	Campus Security and Counseling Initiative	The purpose of this request is to improve security and the ability of MUSC to respond to emergencies such as the Virginia Tech massacre. The request will pay for enhanced security and improved capacity for our Counseling and Psychological Services and National Crime Victims Research and Treatment Center. (Director, Faculty, Other Personnel, Equipment)	\$ -	\$ -	\$ 500,000	\$ 500,000	\$ -	Not Eligible for Approval as a BTL Request -- STUDENT SERVICES and PHYSICAL PLANT -- Does not satisfy criteria 5.
Y	Clinical and Translational Science Award	Joint initiative by USC and MUSC to compete nationally for NIH funding to encourage the development of new methods and approaches to clinical and translational research, Improve training and mentoring, assemble interdisciplinary teams and forge new partnerships with private and public health care organizations. (Other Operating Expenses)	\$ -	\$ -	\$ 500,000	\$ 500,000	\$ -	Not Eligible for Approval as a BTL Request -- RESEARCH -- Does not satisfy criteria 8.
Y	HCC Mobile Health Unit and Research Network	The Hollings Cancer Center Clinical Trials Network, or CTN is focused on expanding patient access to the novel therapies offered through cancer clinical trials. This statewide collaborative represents a partnership between nine quality cancer centers dedicated to enhancing cancer research. (Other Personnel, Other Operating Expenses)	\$ -	\$ -	\$ 500,000	\$ 500,000	\$ -	Not Eligible for Approval as a BTL Request -- RESEARCH -- Does not satisfy criteria 8.
N	South Carolina LightRail (SC LightRail)	Collaborative project between the University of South Carolina, The Medical University of South Carolina, Clemson University and the Health Sciences South Carolina partners to create a premier research network, enhance distance and distributed learning and educational programs for the citizens of our State. (Hardware, Software, Maintenance, and Other Professional Services)		\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ -	Not Eligible for Approval as a BTL Request -- CAPITAL EQUIPMENT -- Does not satisfy criteria 2. RECOMMENDATION: Although not eligible as a BTL request, CHE strongly endorses this project and supports the continuation of non-recurring funds.

New Request (Y/N)	Name of Request	Brief Description	2007-2008		FY2009 Total Amt Requested	FY2009 Change		Eligibility
			Recurring	Non-Recurring		Requested	Recommended	
Citadel								
Y	Enterprise Resource Planning Software Replacement and Enhancement	The project entails replacement of the existing ERP system (SCT Plus and in-house Cadet Information System). The project is expected to last 18-36 months, depending on the vendor and technologies selected, after which time we shall revert to "normal" operations using the new system. (Equipment, License fees, Contractual Services) Requesting nonrecurring funds only.			\$ 1,470,000	\$ 1,470,000	\$ -	Not Eligible for Approval as a BTL Request -- EQUIPMENT / GENERAL NEEDS REQUEST -- Does not satisfy criteria 2 & 3.
Y	The Citadel Leadership Development Program	The Citadel is developing a new leadership program to insure that the South Carolina Corps of Cadets receives excellent leadership education. Additional tactical officers and non-commissioned officers are needed to lower the span of responsibility from one officer per every two cadet companies to one officer per Cadet Company. In addition, The Citadel needs to add one non-commissioned officer per cadet battalion. (Other Personnel)			\$ 767,000	\$ 767,000	\$ -	Not Eligible for Approval as a BTL Request -- STUDENT SERVICES -- Does not satisfy criteria 5.
Y	Information Technology & Innovative Pedagogy for STEM, Business & Education Programs	We plan to create a cadre of trained, highly skilled professors who will bring to their teaching at the undergraduate and graduate levels, the "best practices" in their respective fields in using technology of all sorts effectively in the delivery of their curricula. (Faculty, Faculty Stipends, Other Personnel, Equipment, Consultants)			\$ 731,900	\$ 731,900	\$ -	Not Eligible for Approval as a BTL Request -- EQUIPMENT / ACADEMIC PROGRAM -- Does not satisfy criteria 2 & 5.
College of Charleston								
N	Governor's School	The Governor's School of South Carolina at the College of Charleston is a four week residential summer program designed for academically and intellectually gifted high school students. Established in 1976, the Governor's School provides special academic opportunities for a limited number of rising high school seniors who have demonstrated exceptional academic achievement, intellectual potential and creativity. (Director, Faculty, Other personnel, Room and Board, and Educational Materials)	\$ 288,017	\$ -	\$ 463,017	\$ 175,000	\$ -	Not Eligible for Approval as a BTL Request -- PUBLIC SERVICE -- Does not satisfy criteria 7.
Y	Center for Creative Sector Advancement	This program will be a targeted expansion of existing academic efforts in the cultural arena that are currently primarily directed toward the not-for-profit sector. The center will feature short-term seminars and workshops along with a certificate program for professionals who desire more intense learning opportunities as well as specific new courses for undergraduate students. (Director, other personnel, and operating expenses)	\$ -	\$ -	\$ 500,000	\$ 500,000	\$ -	Not Eligible for Approval as a BTL Request -- ACADEMIC PROGRAM / CONTINUING EDUCATION -- Does not satisfy criteria 5 & 7
Y	The Lowcountry Hazards Center: Knowledge, Communications, Resilience	The center will be a fully integrated program that fosters research, education, and communication among faculty, hazard professionals, community leaders, and policy makers about natural hazards. The center's faculty would create several distinctive programs to provide opportunities for students wishing to pursue a natural hazards field of study within existing majors. (Faculty, Equipment, Start-up Funds)	\$ -	\$ -	\$ 991,200	\$ 991,200	\$ -	Not Eligible for Approval as a BTL Request -- ACADEMIC PROGRAM / EQUIPMENT -- Does not satisfy criteria 2 & 5.

New Request (Y/N)	Name of Request	Brief Description	2007-2008		FY2009 Total Amt Requested	FY2009 Change		Eligibility
			Recurring	Non-Recurring		Requested	Recommended	
Y	Urban and Regional Planning	The Lowcountry Graduate Center will provide seed money for a new hire to expand course offerings in urban and regional planning and to work on developing a graduate certificate program. Also during the year, a proposal for a master's level degree concentrating in Urban and Regional Planning will be developed. The center will provide education, training, and research for the Lowcountry in Urban and Regional Planning. (Faculty, Other Personnel, Other Operating Expenses)	\$ -	\$ -	\$ 380,000	\$ 380,000	\$ -	Not Eligible for Approval as a BTL Request -- ACADEMIC PROGRAM -- Does not satisfy criteria 5.
Lander								
Y	RN/BSN Nursing Program Expansion	Lander is addressing our state's critical nursing shortage by initiating a program designed to double its RN/BSN graduating class. The key to this expansion is faculty enhancement, retention and recruitment. Lander intends to "grow" its existing faculty by providing opportunities for its faculty to participate in advanced degree programs (credential enhancement) while offering competitive salaries to its existing faculty and the funds needed to recruit prospective faculty members. (Faculty, Other Operating Expenses, Academic Support)	\$ -	\$ -	\$ 750,000	\$ 750,000	\$ -	Not Eligible for Approval as a BTL Request -- FUNDING DEFICIENCIES -- Does not satisfy criteria 4.
Y	Research Based Teacher Education Program	This project is a total redesign of our teacher education program—initially eliminating the undergraduate secondary majors, and eventually ALL undergraduate teacher education majors—and replacing them with a professional graduate degree, similar in concept to law, medicine, dentistry, architecture, engineering, etc. (Other Operating Expenses) Requesting nonrecurring funds only.	\$ -	\$ -	\$ 275,000	\$ 275,000	\$ -	Not Eligible for Approval as a BTL Request -- ACADEMIC PROGRAM -- Does not satisfy criteria 5.
Y	Life Long Learning Program	To provide an opportunity for the community to participate in life long learning. The Greenwood community and surrounding area is full of credentialed and qualified retirees who are able and willing to assist in the coordination of a continuing education program at Lander University. These resources together with potential funding from additional sources will provide a high quality program at a reasonable cost. (Other Operating Expenses)	\$ -	\$ -	\$ 125,000	\$ 125,000	\$ -	Not Eligible for Approval as a BTL Request -- PUBLIC SERVICE -- Does not satisfy criteria 7.
Y	Montessori Education Resource Program	Lander proposes to establish the Lander University Montessori Education Clearinghouse for the State of South Carolina. Funding will support the dissemination of information on Montessori education to secondary school teacher cadet programs, PTA's, School Boards and community groups. An informational video will be produced, in conjunction with the creation of a speaker's bureau. A summer Administrator's workshop for school leaders interested in starting Montessori programs in their districts will be presented each summer. (Faculty, Other Personnel, Other Operating Expenses)	\$ -	\$ -	\$ 150,000	\$ 150,000	\$ -	Not Eligible for Approval as a BTL Request -- PUBLIC SERVICE -- Does not satisfy criteria 7.

New Request (Y/N)	Name of Request	Brief Description	2007-2008		FY2009 Total Amt Requested	FY2009 Change		Eligibility
			Recurring	Non-Recurring		Requested	Recommended	
SC State								
N	Business School Accreditation Support	The School of Business at SCSU requires continued support of \$500,000 per year. This request is for recurring funding needed to support the management education programs at SCSU so the School of Business can maintain its status as an AACSB International accredited school. (Faculty, Other Personnel, Equipment, Operating Expenses) (Base funding for this initiative is currently provided through a proviso directing CHE to transfer funds from Performance Improvement to SC State.)	\$ 410,635		\$ 500,000	\$ 89,365	\$ -	Not Eligible for Approval as a BTL Request -- ACADEMIC PROGRAM -- Does not satisfy criteria 3.
USC Beaufort								
Y	Our Heritage, Our Legacy, Our Future	Provide a comprehensive academic program design to improve student learning.	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ -	Not Eligible for Approval as a BTL Request -- ACADEMIC PROGRAM -- Does not satisfy criteria 5.
N	Penn Center Early Childhood At-Risk Family Initiative	Provide comprehensive child development and family support services to low income families.	\$ 180,240	\$ -	\$ 209,306	\$ 29,066	\$ -	Not Eligible for Approval as a BTL Request -- PUBLIC SERVICE -- Does not satisfy criteria 7.
USC Salkehatchie								
N	Leadership Institute (formerly Leadership Center)	Stimulate economic development by promoting leadership and community service programs. (Director, Other Personnel, Other Program Costs)	\$ 100,460		\$ 300,460	\$ 200,000	\$ -	Not Eligible for Approval as a BTL Request -- PUBLIC SERVICE -- Does not satisfy criteria 7.

New Request (Y/N)	Name of Request	Brief Description	2007-2008		FY2009 Total Amt Requested	FY2009 Change		Eligibility
			Recurring	Non-Recurring		Requested	Recommended	
USC Sumter								
Y	Campus ADA and Safety Enhancement	Campus compliance is essential to the guidelines established by ADA for wheelchair access to buildings and other signage improvements. (Equipment, Facilities Improvements)			\$ 136,000	\$ 136,000	\$ -	Not Eligible for Approval as a BTL Request -- EQUIPMENT / PHYSICAL PLANT MAINTENANCE -- Does not satisfy criteria 2 & 5.
Y	Campus Security Enhancement	A security camera surveillance system will ensure the safety of all persons on the USC Sumter campus. (Equipment)			\$ 60,000	\$ 60,000	\$ -	Not Eligible for Approval as a BTL Request -- STUDENT SERVICES and PHYSICAL PLANT -- Does not satisfy criteria 5.
Greenville Technical College								
N	University Center Debt Service & Maintenance Supplement	The College entered into a unique agreement with the state to purchase the vacant McAlister Square Mall to house the University Center. The college took out Greenville County Certificate of Participation Bonds to finance the purchase. The original intent was for the state to fund the debt payments and appropriate funds to Greenville TC in lieu of payments for operating expenses and rent. The appropriation from the 1999-2000 appropriations bill was \$1,605,694. Budget reductions have reduced the appropriation to \$1,087,791. This is significantly less than the annual debt service and does not address the increasing costs of operating and maintaining the building. The University Center has been occupying the mall rent free and Greenville TC has been absorbing the cost of the unfunded debt service, operations, and maintenance. Since Greenville TC provides this space with no lease or operating charges to the participating Universities, it is inappropriate for Greenville TC to continue to absorb this cost. (Debt service and maintenance)	\$ 1,087,791	\$ 1,123,000	\$ 1,723,710	\$ 635,919	\$ -	Not Eligible for Approval as a BTL Request -- CAPITAL PROJECT / PHYSICAL PLANT MAINTENANCE -- Does not satisfy criteria 2 & 5. RECOMMENDATION: Although not eligible as a BTL request, CHE strongly endorses this project and supports the appropriation of non-recurring funds to support this initiative.
Midlands Technical College								
Y	MTC African American Male Leadership Institute	The MTC AAMLI program will address the low numbers of African American men who enroll in MTC, as well as their low retention rates, thereby providing an opportunity for more members of our community to live fuller, more productive lives. The program includes expenses related to the presentation and operation of conferences and workshops throughout the semester, travel to including professional development of MTC faculty and staff with nationally recognized expert on African American males in higher education and travel to The King Center in Atlanta, Georgia, for Institute participants and to additional sites in South Carolina relevant to pursuit of higher education including University of South Carolina, South Carolina State University, and Claflin, and Allen Universities. (Director, Other Personnel, Speaker Fee, Travel, Banquet & other food, T-shirts, textbooks, printing)			\$ 111,350	\$ 111,350	\$ -	Not Eligible for Approval as a BTL Request -- STUDENT SERVICES -- Does not satisfy criteria 5.
Northeastern Technical College								
Y	Allied Health Program	NETC has recently been approved to offer an Associate Degree in Nursing program. It will take a few years for the Allied Health Programs to impact the MRR. BTL funding will enable NETC to start up and maintain the Allied Health Programs until the MRR reflects an enrollment increase. (Faculty, Other Operating Expenses, Equipment, Program Support)			\$ 1,000,000	\$ 1,000,000	\$ -	Not Eligible for Approval as a BTL Request -- EQUIPMENT / ACADEMIC PROGRAM -- Does not satisfy criteria 2 & 5.

New Request (Y/N)	Name of Request	Brief Description	2007-2008		FY2009 Total Amt Requested	FY2009 Change		Eligibility
			Recurring	Non-Recurring		Requested	Recommended	
Piedmont Technical College								
Y	Associate Degree in Cardiovascular Technology	Piedmont Technical College, proposes to address this critical need for cardiovascular technicians in South Carolina. The College is currently executing plans to begin an Associate Degree program in Cardiovascular Technology, both invasive and noninvasive, beginning in the Fall of 2008. The College is seeking Below-The-Line funding to match a grant given by Self Regional Healthcare. This grant calls for Self Regional to fund \$50,000 a year for a five year period, and we seek to match that amount. (Faculty) (NOTE: This program is not yet approved.)			\$ 50,000	\$ 50,000	\$ -	Not Eligible for Approval as a BTL Request -- ACADEMIC PROGRAM -- Does not satisfy criteria 5.
		State Totals	\$ 8,285,851	\$ 7,477,375	\$ 34,503,200	\$ 26,217,349	\$ -	

**Agenda Item 7
Finance and Facilities**

PERMANENT IMPROVEMENT PROJECTS APPROVED BY STAFF						
July 2007						
Date Approved	Project #	Institution	Project Name	Action Category	Budget Change	Revised Budget
7/2/2007	9546	Coastal Carolina	Environmental Quality Laboratory/Ecology/Chemistry Renovation ¹	change project name, increase budget	\$510,000	\$1,335,000
7/2/2007	9545	Coastal Carolina	Ecology/Chemistry Laboratories	decrease budget, close project	(\$510,000)	\$0
7/2/2007	9557	Francis Marion	Center for the Child Facility Construction	increase budget	\$495,000	\$4,470,500
7/2/2007	9552	Lander	New Campus Entrance Boulevard Construction	increase budget	\$140,834	\$1,702,270
7/9/2007	New	Coastal Carolina	Band Building and Practice Field Purchase	establish project	\$0	\$10,000
7/9/2007	9570	Citadel	Stadium Replacement - Demolition Maintenance	increase budget	\$40,433	\$8,140,433
7/9/2007	9598	Citadel	Alumni House Renovation - Deferred Maintenance	increase budget	\$240,000	\$740,000
7/9/2007	9590	Citadel	Law Barracks Replacement	decrease budget	(\$669,955)	\$22,105,045
7/9/2007	9600	Citadel	Stevens Barracks Renovation	revise scope, increase budget	\$500,000	\$650,000
7/9/2007	9573	SC State	James E. Clyburn Transportation Research and Conference Center Construction	decrease budget	(\$85,000)	\$22,280,155
7/9/2007	9590	SC State	1981 Russell St. Land Acquisition	increase budget	\$85,000	\$95,000
7/9/2007	9573	SC State	James E. Clyburn Transportation Research and Conference Center Construction ²	increase budget	\$1,196,941	\$23,477,096
7/9/2007	9949	Trident TC	Replace Boilers Bldgs. 100, 300, 500 and other Deferred Maintenance	revise scope	\$0	\$538,000
7/12/2007	9831	Clemson	Graduate Engineering Center - Land Acquisition/Construction ²	revise scope, increase budget	\$1,500,000	\$43,278,646
7/12/2007	9794	Spartanburg CC	Student Life Building Construction	decrease budget, close project	(\$198)	\$7,868,767
7/12/2007	9944	Spartanburg CC	West Building HVAC Renovation	decrease budget, close project	(\$10,510)	\$453,734
7/12/2007	9978	Spartanburg CC	Gaines & East Building CE Renovation-A&E	increase budget	\$20,000	\$140,000
7/26/2007	9861	Clemson	Lightsey Bridge Fire Sprinkler Retrofit	decrease budget, close project	(\$86,729)	\$513,271
7/26/2007	9789	Clemson	Pearce Center Renovation	decrease budget, close project	(\$24,528)	\$775,472
7/31/2007	9629	SC State	South Buckley Street Beautification Project	decrease budget, close project	(\$52,252)	\$187,748
7/31/2007	9803	Clemson	Edwards Hall 2nd floor renovation A/E	decrease budget, close project	(\$3,422)	\$1,496,578

¹The budget increase is the result of merging project #9545. Initial plans were for two separate locations. The University has consolidated these efforts to one location.

²Increases of 10% or less of total project budget can be approved by staff.