

MINUTES
SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION
Finance and Facilities Committee Meeting
May 18, 2005
10:00 a.m.
CHE Conference Room

CHE Members Present

Ms. Rosemary Byerly, Chair
Mr. Larry Durham
Dr. Douglas Forbes
Mr. Dan Ravenel
Mr. Jim Sanders

Guests Present

Mr. Bruce Blumberg
Mr. Bill Bragdon
Ms. Melissa Coker
Ms. Donna Collins
Mr. Tom Covar
Dr. Anthony Coyne
Mr. Bob Eisenhower
Mr. Craig Hess
Mr. Bryan Hill
Col. Curtice Holland
Dr. Sally Horner
Dr. David Hunter
Mr. Charles Jeffcoat
Ms. Dorcas Kitchings

Mr. Gene Knight
Mr. Scott Ludlow
Mr. Gary McCombs
Mr. J. P. McKee
Mr. Bob Mellon
Ms. Jennifer Pearce
Ms. Susan Prior
Mr. Charles Shawver
Ms. Christine Smalls
Dr. John Sutusky
Mr. Andre Tanner
Col. Don Tomasik
Ms. Catherine Watt
Mr. Bob Wells
Mr. Bryce Wilson

Staff Present

Ms. Julie Carullo
Dr. Lynn Kelley
Ms. Lynn Metcalf
Ms. Jan Stewart

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

Ms. Byerly, chair of the Committee on Finance and Facilities, called the meeting to order. Ms. Carullo introduced the guests in attendance. The following matters were reported on:

I. Approval of Minutes of Meeting on May 5, 2005

Since there were no additions or corrections to the Minutes of the meeting on May 5, 2005, the minutes were approved as written.

II. Performance Funding Ratings and Appeals for 2004-2005

Ms. Byerly explained that the Committee was considering the performance funding ratings for the year and asked Ms. Carullo to provide an explanation. Ms. Carullo explained the process for developing recommendations, the scoring mechanism for indicators and overall performance, the report card format, and the overview of this year's performance with indicator performance highlights and overall performance scores. A hardcopy powerpoint display of the performance funding process and data was made available to the Committee members for their information. (Attachment 1)

Ms. Carullo requested that the Committee accept two corrections to data noted by institutions following the mail-out. These included changes to Indicator 1B at SC State University and Indicator 4A/B at Tri-County Technical College. (Attachment 2) It was noted that the corrections did not affect scoring.

Ms. Carullo described the performance of institutions, indicating that collectively, the institutions performed similarly to last year with all falling into the "Achieves" or higher categories. She explained that one appeal was received this year and that its case was similar to two past appeals. She informed the Committee that staff had confirmed with the accrediting agency that the institution was awaiting an upcoming on the accreditation in question and that staff's recommendation is similar in this case to a past appeal. (*For details on scores, see meeting materials for Agenda Item 2, Attachment 3*)

There was discussion regarding the performance funding process and this year's data among the Committee members. Mr. Ravenel requested that the summary sheet on the scores be revised to include the past year's performance before forwarding it to the full Commission. The Committee acted on the following two recommendations as indicated:

Recommendation 1: Staff recommended that the Committee make an exception and approve a score of 3 for the 2004-05 rating on indicator 3D with the qualification that should the cosmetology program not receive accreditation as expected, the 2004-05 rating for this indicator will revert to a score of 2 and the overall score will be recalculated. It is noted that this recommended change in score for this indicator does not change Florence-Darlington's overall performance level of "Exceeds."

It was moved (Durham), seconded (Ravenel), and voted to approve the above recommendation.

Recommendation 2: Staff recommended that the Finance and Facilities Committee recommend for approval of the Commission the indicator and overall performance ratings as indicated in the attached materials including the Committee's recommended treatment of the appealed case.

After some discussion, it was moved (Sanders), seconded (Ravenel), and voted to approve the above recommendations.

III. Performance Funding for the Upcoming Year (2005-2006)

Ms. Byerly noted that this agenda item related to the process for the upcoming year for performance funding. She then asked Ms. Carullo to explain the recommendation. Ms. Carullo provided a summary explanation noting that staff was recommending that the scores approved for this year be carried forward for next year for the purposes of determining funding allocations. She explained that the recommendation was being made for the upcoming year only in

recognition of the efforts of the presidents working with the Executive Director to consider a revised accountability process for higher education and as related to the current funding situation. It was explained that all data reporting as required of higher education institutions would continue except as noted in the materials for this item. (Attachment 4)

There was considerable discussion regarding the recommendation. Mr. Ravenel discussed the recommendation in light of the development of performance funding. Committee members discussed with institutional representatives the performance funding process and meaning in terms of data collection and accountability. Mr. Sanders expressed to the institutional representatives the importance of taking advantage of the opportunity to inform the accountability system for higher education as revisions are considered. He indicated that the institutions had a unique opportunity to do so and if they did not, someone else would.

Following the discussion, the members acted on the following recommendation:

Staff recommends that the Finance and Facilities Committee recommend for approval of the Commission a recommendations that the institutional performance scores adopted by the Commission in June 2005 be carried forward in the upcoming year and that institutional data reporting be continued as outlined above.

It was moved (Ravenel), seconded (Sanders) and voted to approved the recommendation.

IV. Consideration of Interim Capital Projects

Ms. Byerly asked Ms. Metcalf to describe the projects and noted there were institutional representatives present to answer questions. The following projects were presented and discussed:

Clemson University

Boiler #4 Emissions Control

Equipment Update	\$ 1,400,000	-establish project
Wastewater Treatment Plant Improvements	\$ 1,200,000	-establish project
Jordan Hall Renovations & Improvements	\$ 750,000	-establish
Earle Hall High Bay Conversion	\$ 610,000	-establish project

USC-Columbia

Honors Residence Hall Construction	\$36,500,000	-establish
Humanities Pavilion Restaurant Constr.	\$ 1,100,000	-establish
Baseball Stadium Construction (previous budget \$750,000)	\$ 16,750,000	-increase/revise scope

It was moved (Durham), seconded (Forbes), and voted to approve the above interim capital projects as presented.

Ms. Metcalf described Coastal Carolina's Use/Lease Agreement and the College of Charleston's Concept Approval for an RFP for additional housing. Dr. Horner (Coastal Carolina) and Mr. McCombs (College of Charleston) provided additional information on the projects.

It was moved (Ravenel), seconded (Durham), and voted to approve the Use/Lease Agreement and the Concept Approval as presented

V. Comprehensive Permanent Improvement Process (CPIP)

Ms. Byerly stated that Committee was being asked to consider the specific approval of Year 1 projects, and the entire CPIP (in concept) for submission to the Joint Bond Review Committee and the Budget and Control Board. Year 1 includes all permanent improvement projects expected to be implemented with funds already available or expected to be available during the 2005-2006 fiscal year. The purpose of year one of the CPIP is to approve at one time each institution's permanent improvement plans for the coming year, except for emergencies and other unanticipated needs. Once these projects are approved through by CHE, the institutions may initiate the projects, with staff concurrence, at any time during the coming year as funds become available and if no substantive changes are involved. A summary of Years 2, 3, 4, and 5 of the CPIP was presented for information.

Ms. Byerly asked Ms. Metcalf to provide a brief explanation of the CPIP process and to describe the projects that were being considered for Year 1.

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

Ms. Byerly then asked for a motion to approve the entire CPIP in concept for submission to the Budget and Control Board.

It was moved (Sanders), seconded (Ravenel), and voted to approve the CPIP for submission to the Budget and Control Board.

VI. Other Business

Mr. Ravenel stated that the Finance and Facilities Committee has not been on a tour of the colleges and universities recently. He stated that he would like to tour Lander, Piedmont TC, USC-Aiken, and Aiken Technical College sometime this summer. Ms. Byerly stated that this could be arranged.

Mr. Sanders requested that staff develop a report on preliminary estimates on projects and the increases on these projects. He would also like to know the cost per square foot of projects submitted for approval.

Ms. Carullo gave an update on the legislative activities.

There being no other business, the meeting was adjourned at 12:10 p.m.

Respectfully submitted,

Janet K. Stewart
Recorder