

SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION

1122 Lady Street, Suite 300

Columbia, SC 29201

Immediately Upon Adjournment of the
Meeting of the Committee on Finance & Facilities

Minutes of the Meeting

December 19, 2016

Commissioners Attending

Mr. Tim Hofferth, Chair (phone)
Ms. Dianne Kuhl, Vice Chair (phone)
Mr. Paul Batson (phone)
Dr. Bettie Rose Horne (phone)
Mr. Devron Edwards (phone)
Mr. Ken Kirkland (phone)
Ms. Allison Dean Love (phone)
Dr. Louis Lynn (phone)
Mr. Kim Phillips (phone)
Ms. Terrye Seckinger (phone)
Dr. Jennifer Settlemyer (phone)

Guests Attending

Ms. Beth Bell, Clemson University
Dr. Lynn Cherry, College of Charleston
Dr. Kris Finnigan, USC Columbia
Ms. Debbie Jackson, Clemson University
Mr. Rick Kelly, USC Columbia

Commission Members Absent

Mr. Charles Munns (excused)
Dr. Evans Whitaker

Staff Attending

Mr. Gary Glenn, Interim Executive Director
Ms. Carrie Eberly
Ms. Lane Goodwin
Dr. Paula Gregg
Ms. Anna Grubic
Ms. Sarah Hearn
Ms. Devon Hollimon
Ms. Trena Houpp
Ms. Elizabeth Jablonski
Mr. Michael Jackson
Dr. John Lane
Ms. Yolanda Myers
Mr. Morgan O'Donnell
Ms. Peggy Simons
Dr. Kimberly Walker
Ms. Tanya Weigold
Ms. Leslie Williams
Dr. Karen Woodfaulk

Chairman Hofferth convened the meeting at 11:00 a.m. and welcomed all in attendance. It was confirmed that the meeting was being held in compliance with the Freedom of Information Act.

1. Introductions

Elizabeth Jablonski

In Ms. Jablonski's absence, Mr. Gary Glenn announced the names of the guests in attendance.

2. Approval of Financial Evaluation Guidelines

Dianne Kuhl

Commissioner Kuhl described the difference between auxiliary and ancillary projects to Commissioners. Auxiliary projects were defined as those that must be self-supporting projects, wherein the vast majority of funding would come from non-tuition sources. An auxiliary project would typically generate revenue and support its own expenses, such as food service, bookstores, dormitories, and healthcare activities. Ancillary projects would be paid for by revenue generated but also through dedicated fees from students, in which the students would be charged an activity fee, primarily to enhance the "college experience". Ancillary projects are not required to be self-supporting. An example of an ancillary project would be an athletic program that was not self-supporting. Lastly, she defined academic or core program (also known as E&G (Educational & General) projects as those that directly affected teaching and learning. She then clarified that projects that would be suggested to come to CHE for consideration with a fifty percent down payment would not be academic or core programs.

Chairman Hofferth stated that the Commissioners were on the call to provide clarification, which was intended to be included in the December 1, 2016 board meeting but was unable to be addressed due to time constraints. In his meetings with institution presidents, he had repeatedly heard that clarification was needed to clearly define what CHE was seeking to support permanent improvement project submittals. Specifically, members of the legislature had mentioned that institutions had not been able to receive a clear answer to that question. Chairman Hofferth reminded all in attendance that the fifty percent down payment would not be a hard number but would be a recommendation to assist with vetting projects alongside the Financial Indicator Matrix. He explained that the reason a special called meeting was taking place instead of voting on the guidelines in the January 5, 2017 meeting was that Commissioner Kuhl needed to send a letter to the Presidents and Chief Financial Officers once the matrix was approved. The letter would be key in ensuring that the February implementation of the Financial Indicator Matrix would be a smooth transition. He reiterated that the fifty percent down payment was a recommendation, not a requirement, and opened the floor for other comments.

Commissioner Horne added that by implementing the fifty percent recommendation, CHE would be encouraging institutions not to spend time and energy on a project which would have a five percent commitment. The guideline would provide a tangible recommendation, especially to financially sound institutions who would have the ability to provide more up-front funding. She thought it was a reasonable recommendation and hoped institutions, although all at different financial capacities, would understand that it would be approved with the idea of keeping cost down.

Mr. Glenn stated that the bylaws required a forty-eight hour wait unless suspended by a vote of three-fourths of the members. A **motion** was made (Kuhl) and **seconded** (Seckinger) to waive the forty-eight hour rule for the purpose of voting for the fifty percent guideline. The votes were as follows:

Batson- Y	Edwards- Y	Hofferth- Y
Horne- Y	Kirkland- Y	Kuhl- Y
Love- N	Lynn- Y	Phillips- Y
Seckinger- Y	Settlemyer- Y	

By a vote of 10-1, the motion to waive the forty-eight hour rule **passed**.

A **motion** was made (Seckinger) and **seconded** (Kirkland) to adopt the fifty percent guideline for ancillary project requests.

Prior to a vote, Commissioner Love asked to make an amendment to the motion. Mr. Glenn confirmed there was a provision for discussion on the motion. Commissioner Love stated that she voted no to waiving the forty-eight hour rule due to needing more data to back up the guideline. She suggested an amendment that the motion be considered at the January 5, 2017 CHE meeting pending more data, research, recommendations, and specific definitions in writing. Commissioner Love's motion did not receive a second, and the amendment was tabled. Commissioner Love informed the body that she had a conference call scheduled with experts to discuss the guideline the following day, and voted the way she did simply out of a need for more data. She clarified that should more data become available, she would soundly vote in favor of the guideline, and she planned to report on findings from her call.

A **motion** was made (Seckinger) and **seconded** (Kirkland) to adopt the fifty percent guideline for ancillary project requests. The votes were as follows:

Batson- Y	Edwards- Y	Hofferth- Y
Horne- Y	Kirkland- Y	Kuhl- Y
Love- Abstained	Lynn- N	Phillips- Y
Seckinger- Y	Settlemyer- Y	

By a vote of 9-1, with one abstention, the motion **passed**.

Chairman Hofferth thanked all in attendance and expressed his gratitude for all Commissioners. He wished all a Merry Christmas, Happy Holidays, and a Happy New Year.

9. End of Business Meeting

A **motion** was made (Phillips), **seconded** (Love), and **carried** to adjourn the meeting at 11:30 p.m.

Respectfully submitted,
Sarah R. Hearn
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Recording Secretary