

MINUTES

COMMITTEE ON FINANCE AND FACILITIES

AUGUST 2, 2018

11:00 A.M.

S.C. COMMISSION ON HIGHER EDUCATION

1122 LADY STREET, SUITE 300

COLUMBIA, SC 29201

Committee Members

Commissioner Dianne Kuhl, Chair

Commissioner Paul Batson

Commissioner Ken Kirkland

Commissioner Linda Dolny

Commissioner Kim Phillips

Mr. Craig Parks

Mr. Rick Petillo

Mr. Cam Reagin

Ms. Evelyn Sexton

Mr. Chad Teague

Dr. Kyle Wagner

Mr. Dave Yenson

Other Commissioners

Commissioner Charles Munns

Commissioner Richard Jones

Commissioner Bettie Rose Horne

Commissioner James Battle

Staff

Ms. Laura Belcher

Ms. Yolanda Myers

Ms. Katie Philpott

Mr. Andrew Roof

Mr. Jeff Schilz

Mr. Bryce Wilson

Guests

Mr. Kevin Bower

Mr. Dan Bozard

Mr. Charles Cansler

Mr. Cardon Crawford

Ms. Jacqui DiMaggio

Mr. Glenn Easterby

Mr. Michael Hughes

Mr. Rick Kelly

Mr. Derrick Meggie

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

1. Call to Order

Commissioner Kuhl called the meeting to order at 11:16 a.m.

2. Executive Session

The Committee went immediately into Executive Session to discuss legal and personnel matters. No motion resulted from Executive Session. The meeting then resumed regular business.

3. Approval of Minutes

Commissioner Kuhl informed the Committee that the meeting minutes from June 7th would be considered at the September Committee meeting.

4. Chair's Report

Chair Kuhl noted she had no remarks to report to the Committee.

4. Election of Committee Chair and Vice Chair

Chair Kuhl called for nominations for the chair of the Finance and Facilities Committee. Commissioner Batson nominated Commissioner Kuhl as chair. Commissioner Kirkland seconded the nomination. The Committee voted unanimously to approve Commissioner Kuhl as the chair. Chair Kuhl opened the floor for nominations for the vice-chair of the Finance and Facilities Committee. She then nominated Commissioner Kirkland for the vice-chair of the Finance and Facilities Committee. Commissioner Phillips seconded the nomination. The Committee voted unanimously to approve Commissioner Kirkland as the vice-chair.

5. Interim Capital Projects

The following agenda items were presented:

- A. The Citadel
 - i. Bastin Hall – School of Business – Increase Budget

Chair Kuhl introduced the item, and a motion was made (Phillips) and seconded (Batson) to consider the item. The Commission's Finance and Facilities Committee questioned the 25% budget increase, which The Citadel attributed to increased construction costs. The Committee then asked why the project had been delayed (Phase I approval: 2014, Phase II approval: 2016), and The Citadel responded that it was due to value engineering, which they hoped would reduce the project costs. When asked for assurances that there would be no further delays, leading to additional budget increases, The Citadel assured the Committee that they would be promptly rebidding the project upon approval, and that they hoped to begin construction in January of 2019. After discussion, the Committee carried the motion to recommend the project as presented.

- B. Northeastern Technical College
 - i. NETC-Cheraw Campus Renovation – Establish Project (Phase I)

Chair Kuhl introduced the item. Chair Kuhl reported that the Committee worked closely with the College, JBRC staff and the Department of Administration over the past two weeks to help bring this project forward. She explained that the A-1 includes an additional \$160,000, which represents funding already approved for this project by the NETC Board and that the College plans to use these funds as a match for Phase II if they are successful in seeking reauthorization of funding previously designated for the construction of a 50,000 square foot multi-use instructional building. The Committee expressed its full support for this proposed change in direction, as it makes more efficient use of existing facilities and College resources, and will help to meet immediate economic development needs in the tri-county area. After discussion, a motion was made (Batson) to approve the \$25, 147.29 for Phase I and seconded (Phillips) and the Committee carried the motion to recommend the project as amended.

- C. Piedmont Technical College
 - i. PTC Newberry County Campus – Land/Building Donation

Chair Kuhl introduced the item, and a motion was made (Phillips) and seconded (Batson) to consider the item. After discussion, the Committee carried the motion to recommend the project as presented.

- D. Greenville Technical College
 - i. Greenville-Benson Campus Amphitheater and Student Plaza – Establish Construction Budget (Phase II)

Chair Kuhl introduced the item, and a motion was made (Batson) and seconded (Phillips) to consider the item. The Committee commended the College for funding the entire project with private donations. After discussion, the Committee carried the motion to recommend the project as presented.

6. Other Business

The following items were presented as information. A description of the capital projects processed by staff in June and July is included in the published meeting materials.

- A. List of Capital Projects & Leases Processed by Staff for June and July 2018
- B. Other Business

Please refer to the attached transcription for detailed discussion on each item.

There being no additional items before the Committee, the meeting was adjourned at 11:55 a.m.

South Carolina Commission on Higher Education

Finance and Facilities Meeting

August 2, 2018

DIANNE KUHL: We are going to move our minutes to the next meeting because we don't have them completed at this point. We do not have a Chair's Report, so we can move straight into elections.

Every year we reassign committees and as the Finance Committee was recently reformed, we will be retaining Commissioner Kirkland, Commissioner Phillips, and Commissioner Batson, and we have a new member, Commissioner Dolny, who is our new representative for the four-year sector and comes to us from Lander College. We are very-- Lander University, sorry. We are very glad to have you here.

LINDA DOLNY: Who's gone, what happens next.

[Laughter]

LINDA DOLNY: You dated yourself by saying that.

[Laughter]

DIANNE KUHL: Well, I think it dated all of us.

LINDA DOLNY: Not since 1973.

DIANNE KUHL: Yeah. So, moving right along.

LINDA DOLNY: I still do it.

DIANNE KUHL: Welcome Linda. We're very happy to have you with us.

Because we have been newly formed for this year, we need to elect a new Committee Chair and a new Vice Chair. So, do I have a nomination for Chair?

PAUL BATSON: I nominate Dianne Kuhl for Chair.

KENNETH KIRKLAND: Second.

DIANNE KUHL: Anybody else want it?

KENNETH KIRKLAND: Call for the vote.

[Laughter]

DIANNE KUHL: I had a feeling that was going to happen. Okay, all in favor?

[Attendees, "Aye"]

DIANNE KUHL: Any opposed?

[Laughter]

DIANNE KUHL: Okay, for Vice Chair.

PAUL BATSON: I nominate Dianne Kuhl.

DIANNE KUHL: Dianne Kuhl is not going to be Chair and Vice Chair.

[Laughter]

DIANNE KUHL: You better be careful.

Ken, are you willing to serve again?

KENNETH KIRKLAND: Absolutely.

DIANNE KUHL: All right.

KIM PHILLIPS: Second.

DIANNE KUHL: All right, all in favor?

[Attendees, "Aye"]

DIANNE KUHL: Any opposition?

[No audible response]

DIANNE KUHL: All right, that was pretty easy.

Okay, moving into our capital projects. Our first project is The Citadel and as I understand it, this is a Phase II budget increase request of-- I'm getting the numbers to come up, but it's \$5 million? Is that correct?

CHARLES CANSLER: Five million, six hundred and forty thousand.

DIANNE KUHL: Okay, there it is. Okay. So, this is for Bastin Hall, which is the School of Business. It is being primarily-- well, partially funded with private dollars and the remainder will be coming from bonds issued by The Citadel Real Estate Foundation. Is that correct?

CHARLES CANSLER: Correct.

DIANNE KUHL: And so, you all already have that money on hand. You've already issued the bond.

CHARLES CANSLER: We got \$10.9 million in gift on hand and we have actually closed on the bonds. We have not drawn down on the bonds except \$50,000 because we haven't started construction, so it's the pre-work.

DIANNE KUHL: Okay.

CHARLES CANSLER: So that's where we are.

DIANNE KUHL: Okay.

So Ken, I believe you had a couple of questions for them?

KENNETH KIRKLAND: Well, you know, one of-- I guess one of the things that jumped out at me real quick up front was the fact that Phase I was started back in 2014, original Phase II approved in 2016. So, from a timeline standpoint, I know there are a lot of things that happened behind the scenes, but, you know, my big takeaway is why the delay and really, it's added 20 percent roughly to your cost figures, 25 percent to your cost figures by just waiting a couple of years. What's been happening since really 2014, specifically 2016, that's keeping the project from engaging?

CHARLES CANSLER: Unfortunately, I've only been here since December 2017--

KENNETH KIRKLAND: Right.

CHARLES CANSLER: --but my take, based on what's going on at the Citadel is, we haven't built a major building in 25 years. We have so many things that we're trying to accomplish, that we're trying to get out Capers Hall, structural things too.

I think we ran into problems. We ran into problems with costing and so we tried to value engineer at that point and we couldn't value engineer enough out of it, quite frankly. And so, we just ran into a problem and it got compounded and so we came back and we're trying to move it to the right dollar figure so we can get it built and get it done and get our new instructional building built. Our old instructional building is 50 years old and that's what's driving part of this process.

KENNETH KIRKLAND: So, these funds being requested now, are there any other roadblocks or speedbumps or anything that's slowing it down or are you ready to engage? Because-- And here's--

CHARLES CANSLER: We're ready.

KENNETH KIRKLAND: And my take is, if we wait another 18 months to two years that's just going to really move the cost figures again. So, I just want to make sure that--

CHARLES CANSLER: So, we're going to rebid it as is with the value engineered items that we really need in there. So, what we did is we cut some so much to try to make it happen because we knew we were basically chasing the eight ball and chasing after the dollar figures. We're literally ready to go back out to bid once we get approval and start construction ASAP.

And so basically, it's the building as is based on the bids that were there and with the new construction costs, and so we believe that the contractors out there will take their old numbers and redo them.

Hopefully, we can get them to actually, I guess, tighten up their numbers somewhat. Maybe we'll get more bids also. The bid that we put out was in the summertime. People were extremely busy. We're hoping they're a little bit less busy and can tighten up their numbers some.

But we're ready to go. Once we get approval, the RFP is going out to the street and based on RFP going out to the street, when will construction start?

CITADEL REP: With bidding here in the fall, we can start as early as 1 January with good bids.

KENNETH KIRKLAND: Let me follow up right there on that same path. If we're starting this process again -- and I'm just following it out -- what's to say the bids won't come in higher than anticipated, they can't tighten the belt to get to that number. Now, all of a sudden, you're going to be back before us in another few months with an additional number and it's going to be at the increased figures when the new bids come in.

I'm just trying to follow the ball and I don't want to-- I'm just trying to understand.

CHARLES CANSLER: So that's a question we had too internally, and so the first thing we did in this too is we increased our contingency to a full ten percent, where before it was a lower contingency; about 800,000. We increased it up to-- Was it 1.2 million almost?

CITADEL REP: Right.

CHARLES CANSLER: So, we got the contingency numbers. Additionally, we've taken into account all of the construction cost increase. I was concerned about that too, and actually my question was what if we're five percent higher than what we project, are we okay, and the response was we're probably okay, we'll build the project up, we got a ten percent contingency.

If it's ten percent in addition and it's moved that much from the summertime to when the bids come out three months later, then we have an issue. We don't anticipate that and we feel fairly confident-- You know, you can't guarantee anything, so we're 98, 99 percent confident that's where we are. We think we've done our due diligence [UNCLEAR] at this point.

CITADEL REP: We also reached out-- We had more than the three bidders show up at the pre-bid conferences, and then when we received three bids we reached out to everybody that came to the pre-bid and did not bid, plus we reached out to others where we're working on another project that we have for Capers Hall, a new academic building, and we're going to do that under construction management risk.

But we reached out to the folks that we talked to there as well and the majority of it, the reason that they did not bid, was because of, one, summer; summer schedules and the labor availability. We feel like if we go

into the fall and bid it then, they will have more availability to reach subs and give us a better price. So--

CHARLES CANSLER: So, we've done our due diligence. We reached down to the people that could've bid. We also got information that subs were so busy that they just threw numbers at it.

CITADEL REP: They did. Their numbers were very round.

CHARLES CANSLER: And so, it was a number thing. And so, we think we're going to have a better result. Can we guarantee it? No, you can't. Business is a numbers game. You go fundamentally savvy, you do the statistics, and it generally works out, so that's what we're doing.

DIANNE KUHL: Okay, I got a question for you.

And could I ask whoever is on our call to please mute their line? Because we're hearing a lot of feedback here. Thank you.

So, we approved this for Phase I in 2014. Correct me if I'm wrong, but we've also approved Phase II already, yes?

CHARLES CANSLER: You approved it, yes.

DIANNE KUHL: So why is it-- If we've approved Phase II, now you're having to go back out for rebids, why didn't you just go ahead and do the rebids and then come back and tell us what it was going to cost?

CHARLES CANSLER: My understanding is we can't do that if we don't have the authority to spend. I'm new to South Carolina.

CITADEL REP: Right. That's our understanding is that we needed the authority at the price that we believe the project is today based on actual bids, so we needed that authority to go back out.

DIANNE KUHL: So, you're assuming that-- Do you know you can't build the building for what you originally asked for or is that an assumption?

CITADEL REP: No. We know that as a fact.

CITADEL REP: We know that. We have three bids in-hand that say we can't build this for what we are authorized to build.

KIM PHILLIPS: How much was it over? Is that fair, I mean--

CITADEL REP: It was two and a half million over--

KIM PHILLIPS: Wow.

CITADEL REP: --our basic cost estimate.

KENNETH KIRKLAND: And I certainly hope you're right. My only fear is that without a bid and you basically have a handshake or a tongue in cheek that you think you're within a certain parameter. I'm just fearful with construction costs skyrocketing all over everywhere that you may be right back here in 90 days or 180 days looking for some additional dollars as it relates to the project. And I just-- I would hope there would be a way we could somehow

maybe solve that without leaving so much to chance based on bids that coming in. It's looks like you've at least had conversations, but that's kind of where we are in the process.

CHARLES CANSLER: Couple of things going on here. First of all, if the bids are within ten percent of our authorization, we have the ability to negotiate. They weren't, so we didn't have the ability to negotiate.

Secondarily, if we overfund and ask for too much authority and I'm builder, I'm going to say well, they got a lot of money, maybe I'm going to jack my price up. So, you balance everything. What do really need to get it done without putting too much out there where people think you've got this huge amount of funding and they say hey, it's a fat project. I mean, we're stewards of The Citadel's money, the donors' money and so we balanced it and, you know, I have 98, 99 percent certainty that it's going to occur that way, but I can't guarantee it.

KENNETH KIRKLAND: Certainly, a double-edged sword and I'm grateful to see that you didn't open the pocketbooks and put that number out there for everybody to see.

CHARLES CANSLER: I'm not going to do that. Absolutely.

At the end of this though, this will be a donor-funded building, largely donor-funded and that's what's going to be gifted to the state when the bonds are paid off. Their mechanism is to continue raising money for it,

the naming rights, etc. Right now, we've targeted \$15 million out of the \$25 million for donor funds. We could redirect other money that way; unrestricted gifts, etc. So, this is going to be primarily donor-funded and may almost all be a donor-funded building that's going to be gifted to the State of South Carolina.

DIANNE KUHL: And it's my understanding that if you do not raise sufficient donor funds to pay back the bonds, that The Citadel has the ability to come back to the foundation and say retask other money to pay this. So ultimately these bonds will not have any out of pocket cost to The Citadel. Is that correct?

CHARLES CANSLER: They will not unless we want to have the funding and we actually exercise the lease and pay options towards the lease and we have the funding to do that. You're absolutely correct. We can redirect money. Grants were coming over to The Citadel from the foundation every year. And we have ways to shore up that money that's coming over.

So, for example, we have unrestricted gifts coming in trust. The Citadel actually has four 501C3s that have different entities doing different things. The trust, in the last several months, has probably increased in the unrestricted fund balance by well over \$2 million.

So, we have other pockets we can pull out of. Our auxiliary services are doing extremely well. We're even doing things like opening a Starbucks in the next year right up by Hampton Park that we're going to get traffic in,

where people and their families. People love to come to The Citadel to see the parades. So, we've got other pockets of money to spend out of without impacting tuition and fees.

DIANNE KUHL: Any additional questions? Dr. Dolny? All right.

CHARLES CANSLER: Thank you very much.

DIANNE KUHL: Thank you.

KENNETH KIRKLAND: Thank you.

DIANNE KUHL: If there are no additional questions, may we have a motion?

KIM PHILLIPS: Motion to approve.

PAUL BATSON: Second.

DIANNE KUHL: All right, all in favor of approving the motion?

[Attendees, "Aye"]

DIANNE KUHL: Any opposition?

[No audible response]

DIANNE KUHL: All right, congratulations. Thank you for joining us.

CITADEL REP: Thank you very much.

DIANNE KUHL: Our second project is Northeastern Technical College. Who do we have here? Ah, there you are.

Northeastern-- Let me give you a little background on this. This is a creative piece. We've spent an enormous amount of time in the past week working with this, working hand in hand in Diane Caraway at JBRC, with Rick Harmon and Kim Gibson and this is-- Ordinarily we would've told Northeastern you got to come back next month because what they were wanting to do-- They had 3.5 million that was legislatively authorized. The only problem was it was specific authorized for a 50,000-square foot multi-use instructional building, and in the original ask to the legislature they were very specific about that.

Unfortunately, there was a misunderstanding and when they decided to change tactics they were not aware that they would have to request reauthorization to spend that money in a different way.

There are some economic development issues at play here, which is why we worked so hard with them to try and facilitate this and move it forward and not be in any way part of the delay in this approval process.

What they are now looking to do is they cited, number one, they didn't have the funding that was expected to come in for the 50,000-square foot building and they also decided that that's really not what they needed. What they need to do is to go in and do renovations on two buildings.

So, they're going to build a 5,000-square foot maintenance building and move maintenance out of academic space so that they can free that up for

additional instruction. Then they'll have two buildings that are going to be used for industrial technology. They have two companies out there now that are begging for this.

It'll also allow them to actually save money because instead of having the instruction in different places on the campus where they have to duplicate equipment, they can just simply expand and only have to buy one set of equipment and do everything in one location. So that's part one of it.

Then they're also going to take their library, which is apparently oversized, and change the layout, divide the space so that they can put their student services and auxiliary services in the unused part of the library. So, they're actually doing what we've been singing for the last few months, is, you know, fix it first, look at maximizing the use of your space, and doing it in a very fiscally conservative and responsible manner.

The A1A49 that we got, there was some-- It's not right. There is some misunderstanding in the communications. And you feel free to correct me on this, but there's \$160,000 and there's 185,000 and change-- that they're bringing to us. Hundred and sixty thousand of that is match from Northeastern Tech. That's their local match that is actually going to be applied to Phase II.

So, all they're really asking for Phase I is the 25 and change. Is that right? Okay. So, that's what we're being asked to look at today. What we're going

to have to do is have a very specific motion going forward and then provide some very specific comments going forward to JBRC explaining what's going on.

Paul, you want to--

PAUL BATSON: Yeah. What I want to say is in compliment to you, Chair Kuhl, for the great work that I know you did last week. I was on the phone with you a number of times and that was a microcosm of what I know you spent on the phone. This is a project that were it not for the innovative way that you and Dr. Wagner have gone about addressing this, I'm sure we would end up waiting a month or two or three and that would delay a badly needed project here.

And Northeastern Technical College, if I might, we have two members here today. Their Board Chair, Dan Bozard from Dillon, a long-time, great supporter of Technical College Systems and their new president -- I say new, but he's there for a while now--

DR. DAN BOZARD: Seems like forever.

[Laughter]

PAUL BATSON: Dr. Kyle Wagner.

But I echo everything you said, Chair Kuhl. I think this is a great project and this is another good example of instead of expanding the footprint, we're

using the footprint that's there and using money economically and efficiently.

Is there anything you want to add?

DIANNE KUHL: Yeah, please.

DR. KYLE WAGNER: What's happened at Northeastern Technical College is the Dillon Port opened and with that our existing companies have now tapping into that international market. The two companies that are directly impacted with this particular project is adding \$50 million-- one of them's doing a \$50 million expansion, 145 employees, and the other one is adding about 30 million onto their facility with two new lines of about another 150 employees.

Our enrollments right now today -- I checked it on my way down here -- we're up to 66 percent enrollment for the fall semester. So, we are desperate for industrial training space to be flexible for these companies coming into the area. We've had five company announcements in just the last three months of moving there.

And so, it's impacting us tremendously where we haven't had investment in buildings and infrastructure in over 50 years. Part of the renovation of the one building is actually creating a men's and women's bathroom that's appropriate to the students that use the building. The women's bathroom is a one-toilet stall in that building because it was built in 1969. So, we're

expanding that and putting a full women's bathroom in. Handicap facility into the building too.

The one company-- The reason why we have to do the library piece is they're training 800 of their employees on our campus in the 200 building, where those services are now, and they need the whole space just in the fall; 800 people will go through that training program at their local company.

So, there's a lot of change going on in our service area because of the port. A lot of companies are restructuring how they do business so they can access this international market. And it's impacting us and we're trying to utilize the space that we have first before we start going in and asking for new buildings to have to pay for maintenance down the road of new buildings.

DIANNE KUHL: Thank you.

KENNETH KIRKLAND: What's your unemployment rate?

DR. KYLE WAGNER: Three point five percent.

KENNETH KIRKLAND: So what magician is going to find them 300 people for those jobs? I'm just--

- That's what I do. I just--

DR. KYLE WAGNER: Well, I would love--

KENNETH KIRKLAND: I just would love to--

DR. KYLE WAGNER: I've got a great answer for that.

KENNETH KIRKLAND: Please.

DR. KYLE WAGNER: You'll be amazed. We have got so creative on what we're doing marketing-
- We did a real good analysis of our community. What we found was in our
three counties -- Dillon, Chesterfield, and Marlboro County -- and we're all
SC promise communities -- we discovered that 22,000 people between the
age of 18 and 55 aren't working.

KENNETH KIRKLAND: Wow.

DR. KYLE WAGNER: We found that a lot of those are second- and third-generation not working.
So, we then real aggressively went into our high schools, and we have a
dual enrollment program that went from 127 students last year-- two years
ago to almost 900 this year.

KENNETH KIRKLAND: Wow.

DR. KYLE WAGNER: We are changing the mindset of what college means to a rural community.
At the same time, we've designed-- We worked with the industry directly
and we created one semester to work programs, which are designed to get
entry level positions into the companies. The two companies that I'm
talking about, plus another six now have come onboard, and we've
designed entry level certificates that are around 18 to 21 credit hours that
can bleed into one semester.

We're using our workforce dollars and our lottery dollars and we also received the National High School Pell as an alternative. We received this year \$1.8 million to help high school students go to college while they're still in high school, and the combination of all that has allowed us to go into that community. Two days ago, I had a meeting with 27 ministers to work with them to help us reach their congregations to provide educational opportunity to people that have been passed up over the years.

We did a direct mailing three weeks ago for the age of 18 to 40-year olds. We sent out 3100 you're accepted letters to people in that area that had a high school diploma, but weren't working and had a family income of under \$30,000. We had enrollments yesterday at one of our campuses, and another campus, and we had 85 people sign up under that that were directly touched with that project.

So, what we're doing is-- We see this as an untapped market in most service areas, and what we're trying to do is figure out how to engage with that community of people that don't work and then how do we get them to start doing even part-time jobs at companies then transition that workforce into a mobile workforce that can address the new company that are moving to the region.

So, it's a creative way. That's not all the things we're doing, but that's some of the big ones that we're seeing some direct increases in enrollments. The

programs are designed and luckily, we have workforce dollars, we have lottery dollars, we have those Pell dollars that we can leverage to help these people. Most of them do not have to pay anything out of pocket to get these certificates, and companies are already visiting the classrooms recruiting students out of the classroom.

We did a beta test last winter with 37 employees-- 37 students and some of them had up to six offers from companies to go to work for them. So, we see this as a huge untapped market and how do we as a technical college address that market and then how do we connect with that community, and those other communities that have been traditionally not tapped, and get them excited about going to work and getting an education.

KENNETH KIRKLAND: Well, excellent answer. That did it, wow, good. Sorry, what is the average entry wage in your area, do you think? With all this happening what do you think it'll be the hourly rate?

DR. KYLE WAGNER: Are you ready to get shocked?

KENNETH KIRKLAND: Please.

DR. KYLE WAGNER: Entry level positions at the six companies we're working with directly right now is between \$12 and \$16 an hour plus full benefits with insurance and everything. So, you're talking \$19 to \$22 an hour--

KENNETH KIRKLAND: The reason I ask that, in my opinion, the new unofficial minimum wage is already \$15 an hour.

DR. KYLE WAGNER: Oh, yeah.

KENNETH KIRKLAND: Whether it's law or not, to get the people you need you have to pay that everywhere, not just in your area. Good for you all.

[Crosstalk]

DR. KYLE WAGNER: Because if you're eating at Chick-fil-A, you're eating a chicken breast coming from Dillon, South Carolina.

[Laughter]

DR. KYLE WAGNER: Please eat at Chick-fil-A.

KENNETH KIRKLAND: You don't have to twist my arm.

[Laughter]

JAMES BATTLE: I'm not on your Committee, but let me just say it's also next door to Marion County and Marion County, where I live, has the highest unemployment rate in the state and has for-- It may not be the highest right now, but there are a load of folks there that are unemployed that are going to Dillon right now to get jobs. So, it's not in your district, but there is a world of people close by that don't have jobs.

KIM PHILLIPS: I have relatives in Marlboro County and there are people craving jobs there.

DR. KYLE WAGNER: In our area, our biggest issue is transportation, second is getting the skill set of these untrained workers, and third is drug and alcohol.

KIM PHILLIPS: Oh, yeah. You'll lose one out of three to that.

DR. KYLE WAGNER: And we are-- We're actually addressing all three. We got a federal grant, almost a million dollars, to address Telemedicine and partnering with McLeod to bring education and drug intervention and stuff to the communities through our community campuses. So, we're trying to tackle all three to-- There's no use training someone if they can't go to work because they can't pass the usual test.

DIANNE KUHL: I'm glad you asked that question, Kim, because we spent a lot of time on the phone over the past week and they are doing some really creative and innovative things, and it's important to keep in mind that just because the employment rate-- the unemployment rate is 3.5 percent, that only counts people who are actively looking for jobs. That's not how many people don't have jobs. And I'm so thrilled that you guys are reaching out to that other group of people that's fallen between the cracks and saying hey, come into the fold. So, you're--

KIM PHILLIPS: Commended.

DIANNE KUHL: So, what you guys actually need is the 25 whatever in here, right, for Phase I?

DR. KYLE WAGNER: Yes.

DIANNE KUHL: Okay.

DR. KYLE WAGNER: What we're really needing is approval to move forward, and we've already reached out to our legislatures. They're already working on getting the money approved to be moved over. Originally when we did this in Marlboro County it took a year to get that money moved over. We're creatively looking at a way to do that quicker because we have companies that can't wait a year. All these companies I mentioned are-- need these employees by Christmas, and right now I've got duplicated everything. I'm even doing training in the buildings they own to--

[Laughter]

DR. KYLE WAGNER: And I'm portably moving equipment into their facilities to do training because I just don't have the adequate space on my campus to do this, and we're-- and on top of that the bathrooms aren't up to speed and things like that that we need to do. And it's just from years of not keeping up with what the trends were and we're trying to correct that. And we didn't see building a new building being a solve. We need to first solve our existing building.

DIANNE KUHL: So, if we make a motion to approve the \$25,147.29 for Phase I, that would meet your needs?

DR. KYLE WAGNER: Yes. Yes.

PAUL BATSON: So moved.

KIM PHILLIPS: Second.

DIANNE KUHL: I think that that's all in favor, but all in favor?

[Attendees, "Aye"]

DIANNE KUHL: Any opposition?

[No audible response]

DIANNE KUHL: Okay, Kyle. Thank you very much.

DR. KYLE WAGNER: Thank you.

DIANNE KUHL: Okay, next we have Piedmont Technical College and this one's going to be easy. Piedmont Tech-- Do we have anybody here from-- Great, thank you. Piedmont Tech is-- They are in the process of receiving-- or have already received a piece of property and they need some additional money here to get title insurance. So, anything you want to say that or does that pretty much cover it?

CHAD TEAGUE: Yes, ma'am. We're actually going to Phase II to close on the property, and the property is actually a building that was purchased by the county in 2009. Then we renovated a large portion of it in several phases, and we're just trying to close it out now.

DIANNE KUHL: So, they're requesting for-- Let's see. You need an additional--

CHAD TEAGUE: Twenty thousand.

DIANNE KUHL: --20,670, right?

KENNETH KIRKLAND: Yeah.

CHAD TEAGUE: That's correct.

DIANNE KUHL: Okay. So--

KIM PHILLIPS: Motion to approve.

PAUL BATSON: Second.

DIANNE KUHL: All in favor?

[Attendees, "Aye"]

DIANNE KUHL: Any opposition?

[No audible response]

DIANNE KUHL: Congratulations.

And finally, Greenville Technical College. This one's going to be real easy.

This is the Benson Campus amphitheater. The Bensons have given money to Tech and say hey, go build an amphitheater, and they are asking for permission to spend that gift. And if my computer ever comes up, I can tell you exactly how much money it is.

Paul, do you know off the top of your head?

PAUL BATSON: Roughly \$3 million.

KENNETH KIRKLAND: Two point eight.

DIANNE KUHL: Two point eight, thank you.

PAUL BATSON: Two point-- I think it's \$2.9.

KENNETH KIRKLAND: Two point nine one.

DIANNE KUHL: Technology is out to get us today. I'm just telling you.

PAUL BATSON: Two point nine.

DIANNE KUHL: Oh, thank you.

KENNETH KIRKLAND: Two point nine oh one.

PAUL BATSON: Madam Chair, we have with us also our CFO from Greenville Technical College, Jacqui DiMaggio, if there are any questions about the project here.

DIANNE KUHL: I think this one's pretty easy.

KIM PHILLIPS: Pretty clean.

KENNETH KIRKLAND: Yeah.

DIANNE KUHL: Anybody got any questions?

PAUL BATSON: This is-- If I could just add, this is on the Benson Campus, which you know is up in the Greer area of the county, and this is one of the few places in the county where there's not really a public facility for meetings, and it's just an ideal circumstance that through the generosity of Jim Benson. He wanted to make this possible for the county, so I'll move that we accept this motion.

DIANNE KUHL: Okay.

KIM PHILLIPS: Second.

DIANNE KUHL: All in favor?

[Attendees, "Aye"]

DIANNE KUHL: Any opposition?

[No audible response]

DIANNE KUHL: All right. Well, this was not a wasted trip because now you know why you should eat at Chick-fil-A.

[Laughter]

DIANNE KUHL: You're supporting your friends over at Northeastern. Okay, ladies and gentlemen, I believe-- Can we have the agenda back, please?

KENNETH KIRKLAND: Staff approvals.

DIANNE KUHL: Okay, there we go. Staff approvals are our last thing. Mr. Wilson?

BRYCE WILSON: Okay, so we had two staff approvals in June and they were for The Citadel and Central Carolina Tech. Both of them are just closing out projects.

And then for July we had one staff approval, York Technical College, and again, it was one where we decreased the budget to close the project.

DIANNE KUHL: We like the decreased budgets. Those are always good.

Under other business I will just pass along to the Committee that I have spoken with Rick Harmon about the CPIP process. They are hoping that we will have that material next month because, as last year, they want us to have our responses back to them in November. So hopefully, we'll actually get that material this next month. There are still, apparently, some colleges that didn't seem to understand the June deadline meant they were supposed to have everything in by June. So, they're waiting on that.

But other than that, I believe that's all. Does anyone have any other business to bring before the Committee?

[No audible response]

DIANNE KUHL: May we have a motion to adjourn?

PAUL BATSON: So moved.

KIM PHILLIPS: Second.

DIANNE KUHL: In tandem. Ladies and gentlemen, we are adjourned. Thank you very much.

[End of transcription]