



## South Carolina Commission on Higher Education

Mr. Tim M. Hofferth, Chair  
Ms. Allison Dean Love, Vice Chair  
Mr. Paul O. Batson, III  
Dr. Bettie Rose Horne  
Ms. Dianne C. Kuhl  
Dr. Louis B. Lynn  
Vice Admiral Charles Munns, USN (ret.)  
Mr. Clark B. Parker  
Mr. Kim F. Phillips  
Ms. Terrye C. Seckinger  
Dr. Jennifer B. Settlemyer  
Mr. Hood Temple  
Dr. Evans Whitaker  
  
Mr. Gary S. Glenn  
Interim Executive Director

**TO:** Members of the Committee on Finance & Facilities  
**FROM:** Mr. Gary S. Glenn, Director of Fiscal Affairs  
**SUBJECT:** Committee Meeting, December 3, 2015  
**DATE:** November 24, 2015

A meeting of the Committee is scheduled to **be held in the Commission's Main Conference Room at 9:30 a.m. on Thursday, December 3.** The agenda and materials for the meeting are enclosed.

If you have any questions about the materials, please contact me at (803) 737-2155. We look forward to meeting with you on December 3.

*Enclosures*

**AGENDA**  
COMMITTEE ON FINANCE & FACILITIES  
DECEMBER 3, 2015  
9:30 A.M.  
MAIN CONFERENCE ROOM  
SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION  
1122 LADY STREET, SUITE 300  
COLUMBIA, SC 29201

- 1. Introductions**
- 2. Approval of Minutes of November 5, 2015**
- 3. Interim Capital Project**
  - A. Medical University of South Carolina**
    1. Clinical Sciences Building Roof Replacement  
*-Establish Project*
  - B. Clemson University**
    1. Emerging Technology Center (ETC 103) Building Acquisition  
*- Establish Budget*
- 4. Lease Approvals**
  - A. Clemson University
    1. Computing and Information Technology (CCIT)  
*-New Lease*
    2. Design Center in Charleston  
*-New Lease*
- 5. Other Business (*For Information, No Action Required*)**
  - A. 2016 Finance & Facilities Meeting Schedule
  - B. List of Capital Projects & Leases Processed by Staff for November, 2015

MINUTES  
COMMITTEE ON FINANCE AND FACILITIES  
NOVEMBER 5, 2015  
9:30 A.M.  
SCSU BOARDROOM, LOWMAN HALL, ROOM 304  
SOUTH CAROLINA STATE UNIVERSITY  
300 COLLEGE STREET, NE  
ORANGEBURG, SC 29117

Committee Members Present

Commissioner Hood Temple, Chair  
Commissioner Dianne Kuhl  
Commissioner Louis Lynn  
Commissioner Clark Parker (phone)  
Commissioner Kim Phillips (phone)

Committee Member Not Present

Commissioner Paul Batson

Guests Present

Commissioner Tim Hofferth  
Commissioner Terrye Seckinger  
Ms. Beth Bell  
Ms. Debra Darby  
Ms. Joellen Forgeine  
Ms. Amy Hill  
Mr. Wayne Lord

Mr. Edward Patrick  
Mr. Paul Platt

Staff Present

Mr. Gary Glenn  
Ms. Yolanda Myers  
Dr. Argentini Anderson  
Mr. Clay Barton  
Ms. Laura Belcher  
Ms. Sandra Carr  
Ms. Julie Carullo  
Ms. Renea Eshelman  
Ms. Lane Goodwin  
Dr. John Lane  
Ms. Beth Rogers  
Dr. Karen Woodfaulk

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

**I. Call to Order**

Commissioner Temple called the meeting to order at 9:48 a.m. Ms. Myers introduced guests in attendance.

**II. Election of Chair and Vice Chair**

Commissioner Temple was nominated by Commissioner Louis Lynn to continue serving as Chair of the Finance & Facilities Committee. Commissioner Temple accepted the nomination.

It was moved (Lynn), seconded (Phillips), and voted to approve Commissioner Hood Temple as Chair of the committee.

Commissioner Dianne Kuhl was nominated by Commissioner Temple to serve as Vice Chair of the Finance & Facilities Committee. Commissioner Kuhl accepted the nomination.

It was moved (Temple), seconded (Lynn) and voted to approve Commissioner Dianne Kuhl to serve as Vice Chair of the committee.

### **III. Approval of Minutes of Meeting on September 29<sup>th</sup> and October 7<sup>th</sup> Meetings Via Conference Call**

A motion was made (Kuhl), seconded (Lynn), and carried to approve the minutes of the September 29, 2015 meeting.

A motion was made (Lynn), seconded (Kuhl), and carried to approve the minutes of the October 7, 2015 meeting.

### **IV. Interim Capital Projects**

The following projects were presented and discussed:

#### **A.) Horry-Georgetown Technical College 1. Acquisition of SC D. E. W. Land**

Mr. Glenn presented the project stating that the College requests approval acquire approximately 2.2 acres of vacant land from the South Carolina Department of Employment and Workforce. Mr. Glenn shared that the College has completed the environmental study and is requesting \$320,000 for a total of \$340,000 to secure this land. He explained that the land will be used for storage of vehicles and equipment and will also be used to create at least 150 parking spaces for students. The staff recommended approval.

With no questions, it was moved (Lynn), seconded (Kuhl), and voted to approve the Horry-Georgetown Technical College project as proposed.

### **V. Other Business**

Mr. Glenn presented the list of Capital Projects & Leases processed by staff for October, 2015. Commissioner Lynn asked if any of the projects were Life/Safety. Mr. Glenn stated that none of the projects were Life/Safety but could identify future projects with a footnote and would acknowledge them during the CPIP process as well.

Mr. Glenn shared that he proposed the Maintenance Needs amount in the CHE budget request to start the conversation about how we measure and address them. Asked by Commissioner Lynn why we no longer referred to the issue as “deferred maintenance”, Mr. Glenn explained that we do not measure deferred maintenance, a term that was used in the past, and that the perception is maintenance that you should have done that was not done and that an action was deferred on maintaining X. Mr. Glenn stated that it is not we measure and doesn’t give a clear presentation of what the number represents. He explained that we measure the life cycle status of systems in the education and general buildings (classrooms, staff and faculty offices). He further explained that we look at all of the systems in all of the E & G buildings, determine where they are in their life cycle, and rate them from 1 through 5 based on that status. Mr. Glenn stated that the numbers were then aggregated, and a measure was determined for what those needs were for the systems in those buildings, applied that against the replacement value of the building, and came up with \$1.2 billion in maintenance needs on our campuses. He stated that unfortunately, that’s where the conversation ended. Mr. Glenn noted that the part that was missing was that the \$1.2 billion was over 20 years, the average life cycle of those systems (example: 20 year roof, or 20 year HVAC). He shared that the \$1.2 billion divide by 20 years breaks down to \$60M in maintenance needs per year to maintain, refurbish and renovate. Mr. Glenn stated that the question becomes, who is responsible for the \$60M. He explained that for in-state students, the responsibility was shared between the student and the state, and according to the MRR, should be

on a 50/50 basis. The responsibility for out-of-state students should be 100%. He shared that if we look at our enrollment, and divide the need at the institution by the total number of students, it gives us a cost per student. Mr. Glenn stated that the out-of-state student share is 100% and the in-state student is one half. He stated that the number now moves from \$1.2 billion to \$60 million to \$19.6M. Mr. Glenn shared that \$19.6M, which is the state's share, is a reasonable amount to ask for and to share with the Legislature. He noted that this logic has not been accepted by all of the institutions, however, each of the components has been accepted. Mr. Glenn stated that his challenge going forward is to have that conversation to get the buy-in, that this is how we should proceed in requesting maintenance funds, to commit to that process, and then offer the legislature an alternative to distributing these funds based on need rather budget. He shared that the final piece is that the assumption is, if you don't maintain your campus, your needs will be greater and therefore you will get a bigger share of the funds. Mr. Glenn stated that functionally it does not work because institutions will have to maintain a campus where students will want to come. He stated that institutions are competing in the market place which demands that they maintain the buildings and grounds they currently have that the students see when they come to visit their campuses, which motivates maintenance. Mr. Glenn also shared that with the funding we've had in the past, maintenance in some cases was truly deferred because funding was not available or other priorities consumed the resources that would have gone to maintenance.

Commissioner Temple shared that we believe there is a present need for maintenance and anytime you use a building, you will generate maintenance needs. He shared that he thought anticipated maintenance would be a better word and the message should be what the plans are for future maintenance needs.

Commissioner Kuhl asked if we should be advocates for the maintenance needs process that Mr. Glenn explained and should we request the funding and distribute it. Mr. Glenn stated that we need to be advocates for the need and for the legislature to recognize and address that need.

Commissioner Seckinger asked if there was a percentage in the overall budget for emergencies like funding of tornadoes, etc. Mr. Glenn stated that there was no funding in the budget for emergencies like this but there are alternatives like the Insurance Reserve Fund to pay for some emergencies, emergency funding that could be sought from the legislature, bond funds, fund balances, and other options.

With no further business, Commissioner Temple adjourned the meeting at 10:15 a.m.

Respectfully submitted,

Yolanda L. Myers  
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**

December 3, 2015

**MEDICAL UNIVERSITY OF SOUTH CAROLINA**

**PROJECT NAME:** Clinical Science Building Roof Replacement  
**REQUESTED ACTION:** Establish Project – Phase II  
**REQUESTED ACTION AMOUNT:** \$1,400,000  
**INITIAL CHE APPROVAL DATE:** N/A

<b><u>Source of Funds</u></b>	<b><u>Phase I (Pre-Design)</u></b>	<b><u>Phase II (Land/ Building Purchase)</u></b>	<b><u>Total Proposed Budget</u></b>
Indirect Recovery Cost	<b>\$0</b>	\$1,400,000	\$1,400,000
<b><i>Total</i></b>	<b>\$0</b>	<b>\$1,400,000</b>	<b>\$1,400,000</b>

**DESCRIPTION:**

The University requests approval to replace the roof of the Clinical Sciences Building and proceed with construction. This roof is 20 plus years old, beyond its useful life, and in poor condition. It has been recommended for immediate replacement by MUSC’s waterproofing consultant.

This project was initiated in FY 2015 as a non-PIP based on a cost estimate from MUSC’s waterproofing consultant. This project was designed and has now been bid twice. It is now clear that it is over the non-PIP threshold.

**E&G MAINTENANCE NEEDS:**

N/A

**ANNUAL OPERATING COSTS/SAVINGS:**

N/A

**RECOMMENDATION:**

Staff recommends approval of this project as proposed.

**CLEMSON UNIVERSITY**

**PROJECT NAME:** Emerging Technology (ETC 103) Building Acquisition  
**REQUESTED ACTION:** Establish Budget – Phase II  
**REQUESTED ACTION AMOUNT:** \$1,675,000  
**INITIAL CHE APPROVAL DATE:** July 2, 2015

<b><u>Source of Funds</u></b>	<b><u>Phase I (Pre-Design)</u></b>	<b><u>Phase II (Land/ Building Purchase)</u></b>	<b><u>Total Proposed Budget</u></b>
Self-Generated Revenues	\$25,000	\$0	\$25,000
Self-Generated Revenues	\$0	\$1,675,000	\$1,675,000
<b>Total</b>	<b>\$25,000</b>	<b>\$1,675,000</b>	<b>\$1,700,000</b>

**DESCRIPTION:**

The University requests approval to finalize the acquisition of property by acquiring a 49,380 square foot office warehouse facility on 6.94 acres of land at the Clemson Research Park in Anderson. The property is owned by the Clemson University Research Foundation (CURF) and will be acquired for continued use as an off-campus storage site for the Clemson libraries, for other Clemson units needing permanent storage space for records and materials, and for offices for staff associated with the monitoring and access of the space. The Phase II budget will fund the acquisition of the property by Clemson.

Clemson currently leases this facility from the Clemson University Research Foundation for off-campus storage and related offices. The facility is used for the University’s Library Depot which houses the University Records Center, libraries’ off-site shelving, technical services, collection management unit, and digital imaging labs. Clemson currently leases the building and, by acquiring the facility, would save on the lease payments to CURF. The property has been appraised for \$2,170,000 and will be acquired for the amount of the remaining balance on CURF’s loan amortization schedule at the time of purchase.

**E&G MAINTENANCE NEEDS:**

N/A

**ANNUAL OPERATING COSTS/SAVINGS:**

No additional annual operating costs will result from the acquisition as Clemson currently pays all operating and maintenance costs as part of its lease with CURF for the Facility. Annual lease savings of \$90,000 will result from acquisition of the property.

**RECOMMENDATION:**

Staff recommends approval of this project as proposed.

**CLEMSON UNIVERSITY**

**PROJECT NAME:** Clemson Computing and Information Technology (CCIT)  
**REQUESTED ACTION:** New Lease  
**REQUESTED ACTION AMOUNT:** \$1,680,000  
**INITIAL CHE APPROVAL DATE:** N/A

**DESCRIPTION:**

The College requests approval to lease 24,000 square feet of space in Greenville, located at 1 Research Drive, for the Clemson Computing and Information Technology (CCIT) staff. The lease will allow CCIT to accommodate growth of its Medicaid IT Services staff by providing office cubicle, meeting and training space in Greenville. This staff provides support for applications programming for university systems and for contracts with the SC Department of Health and Human Services relating to Medicaid. CCIT currently occupies approximately 5,000 square feet of space which has become inadequate in size and functionality.

The lease was procured through a lease solicitation conducted by the General Services Division of the Department of Administration which returned only one viable space to meet the needs of the Clemson CCIT group.

The lease term is July 1, 2016-June 30, 2019. The total lease cost for the initial term is \$1,680,000. The renewal option is one, three year option to renew.

**RECOMMENDATION:**

Staff recommends approval of this lease provided the rates and terms are approved by the Department of Administration.



**CLEMSON UNIVERSITY**

**PROJECT NAME:** Clemson Design Center in Charleston  
**REQUESTED ACTION:** New Lease  
**REQUESTED ACTION AMOUNT:** \$5,297,981.76  
**Initial CHE Approval Date:** N/A

**DESCRIPTION:**

The College requests approval to lease 29,528 square feet of space in Charleston, located at 701 East Bay Street, Suite 200, for the Clemson Design Center, a part of the College of Architecture, Arts and Humanities. The lease will allow the college to consolidate the Clemson Design Center's office, lab, classroom, and shop space in downtown Charleston.

The Clemson Design Center, comprised of the Clemson Architecture Center and the Master in Historic Preservation program, is currently housed in three separate locations in Charleston, which have become inadequate in size and functionality. In order to meet the center's existing needs and planned growth, a single facility housing both programs and shop space is needed. Combining the programs in one location will allow for collaboration, synergy, and student engagement between the programs.

The lease was procured through a lease solicitation conducted by the General Services Division of the Department of Administration which returned two possible options. The space selected provided the right square footage, least amount of risk, and was less costly over the term.

Source of funds include revenue generated from architecture, design, and related programs utilizing the space, along with other associated activities.

The lease term is July 1, 2016-June 30, 2021. The total cost of the initial term is \$5,297,981.76. The renewal option is one, five year option to renew.

**RECOMMENDATION:**

Staff recommends approval of this lease provided the rates and terms are approved by the Department of Administration.

**INFORMATION ITEM**  
**2016 Finance & Facilities Meeting Schedule**  
*(All dates and times are subject to change)*

<b><u>Deadline For Project Submissions For Committee &amp; Commission Agendas*</u></b>	<b><u>Mail-Out</u></b>	<b><u>Finance &amp; Facilities Committee Meetings</u></b>	<b><u>CHE Meetings</u></b>
December 3, 2015	December 17, 2015	January 7, 2016 @ 9:30 a.m.	January 7, 2016 @ 10:30 a.m.
January 14, 2016	January 28, 2016	February 4, 2016 @ 9:30 a.m.	February 4, 2016 @ 10:30 a.m.
February 11, 2016	February 25, 2016	March 3, 2016 @ 9:30 a.m.	March 3, 2016 @ 10:30 a.m.
March 17, 2016	March 31, 2016	April 7, 2016 @ 9:30 a.m.	April 7, 2016 @ 10:30 a.m.
April 14, 2016	April 28, 2016	May 5, 2016 @ 9:30 a.m.	May 5, 2016 @ 10:30 a.m.
May 12, 2016	May 26, 2016	June 2, 2016 @ 9:30 a.m.	June 2, 2016 @ 10:30 a.m.
		July 2016 – To be Determined <i>(Unless Press of Business Requires)</i>	July 2016 – To be Determined <i>(Unless Press of Business Requires)</i>
		August 2016 – To be Determined <i>(Unless Press of Business Requires)</i>	August 2016 – To be Determined <i>(Unless Press of Business Requires)</i>
August 11, 2016	August 25, 2016	September 1, 2016 @ 9:30 a.m.	September 1, 2016 @ 10:30 a.m.
September 15, 2016	September 29, 2016	October 6, 2016 @ 9:30 a.m.	October 6, 2016 @ 10:30 a.m.
October 13, 2016	October 27, 2016	November 3, 2016 @ 9:30 a.m.	November 3, 2016 @ 10:30 a.m.
November 3, 2016	November 17, 2016	December 1, 2016 @ 9:30 a.m.	December 1, 2016 @ 10:30 a.m.
December 3, 2016	December 17, 2016	January 5, 2017 @ 9:30 a.m. <i>(Tentative meeting date; project deadline still enforced)</i>	January 5, 2017 @ 10:30 a.m. <i>(Tentative meeting date; project deadline still enforced)</i>

**Agenda Item 5.B  
Finance & Facilities Committee**

**INFORMATION ITEM**

<b>Capital Projects &amp; Leases Processed by Staff</b>								
<b>November 2015</b>								
Date Approved	Project #	Institution	Project Name	Action Category	Budget Change	Revised Budget	Original Approval Date	Revised Building Condition Survey With Close-out
<b>Maintenance Needs Projects using FY 2014-15 Lottery Allocation and Match</b>								
11/2/2015	New	MUSC	2015-16 Maintenance Needs <sup>2</sup>	establish project	\$0	\$745,807.44	11/2/2015	-
<b>Routine Staff Approvals</b>								
11/2/2015	New	Denmark Tech	Renovation of Building # 200 and Building # 300 <sup>1</sup>	establish project	\$0	\$1,400,000	11/2/2015	-
11/2/2015	New	Winthrop University	Withers Roof <sup>1</sup>	establish project	\$0	\$2,000,000	11/2/2015	-
11/3/2015	6111	York Technical College	Trimnal Lane Land Acquisition	increase budget	\$210,000	\$230,000	11/3/2015	-
11/3/2015	6083	Greenville Tech	Greenville-Enterprise Campus Development	increase budget	\$1,606,000	\$24,570,679	11/3/2015	-
11/3/2015	New	Piedmont Tech	Piedmont Laurens Advance Manufacturing Center Renovations and Construction-III <sup>1</sup>	establish project	\$0	\$1,500,000	11/3/2015	-
11/6/2015	New	Northeastern Tech	Industrial Training Center Renovations & Expansion (Bennettsville & Pageland) <sup>1</sup>	establish project	\$0	\$1,500,000	11/6/2015	-
<b>Close-Outs</b>								
11/4/2015	9556	Coastal Carolina University	Swain Science Building Annex	decrease budget, close project	(\$172,638)	\$14,824,362	8/16/2008	-
<sup>1</sup> Project is funded with Capital Reserve Funds for FY 2014-15. These funds supersede CHE approval authority; therefore, the project is staff approved. <sup>2</sup> See supporting narrative.								

<b>Leases Processed by Staff</b>						
<b>November 2015</b>						
Date Approved	Action	Institution	Project Name	Purpose/Additional Info	Rates	Term

**MEDICAL UNIVERSITY OF SOUTH CAROLINA**

**PROJECT NAME:** 2015-16 Maintenance Needs  
**REQUESTED ACTION:** Increase Budget  
**REQUESTED ACTION AMOUNT:** \$745,807.44  
**INITIAL CHE APPROVAL DATE:** N/A

<b><u>Source of Funds</u></b>	<b><u>Phase I (Pre-Design)</u></b>	<b><u>Phase II (Land/ Building Purchase)</u></b>	<b><u>Total Proposed Budget</u></b>
2015-16 Lottery Funds	\$0	\$372,903.72	\$372,903.72
Engineering & Facilities Operating Fund	\$0	\$372,903.72	\$372,903.72
<b>Total</b>	<b>\$0</b>	<b>\$745,807.44</b>	<b>\$745,807.44</b>

**DESCRIPTION:**

This project will replace four air cooled chillers at the Children’s Research Institute, College of Health Professions Building A, and the Storm Eye Institute. The existing chillers are beyond their useful life, have constant maintenance issues, and are not energy efficient. New chillers will be installed in their place. Funding is 50/50 split between state appropriations and MUSC match from Engineering & Facilities Operation Funds.

**E&G MAINTENANCE NEEDS:**

N/A

**ANNUAL OPERATING COSTS/SAVINGS:**

N/A

**RECOMMENDATION:**

Staff recommends approval of this project as proposed.