

SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION

1122 Lady Street, Suite 300

Columbia, SC 29201

10:30 a.m.

Minutes of the Meeting

June 4, 2015

Commission Members Attending

General John Finan, Chair

Mr. Paul Batson

Ms. Natasha Hanna, Former Commissioner

Mr. Tim Hofferth

Ms. Dianne Kuhl

Ms. Allison Dean Love

Dr. Louis Lynn

Ms. Leah Moody, Former Commissioner

Admiral Charles Munns

Mr. Clark Parker

Ms. Terrye Seckinger

Dr. Jennifer Settlemyer

Mr. Hood Temple

Ms. Trudy Norton

Ms. Vickie Pratt

Ms. Beth Rogers

Ms. Tanya Rogers

Ms. Laverne Sanders

Ms. Edna Strange

Ms. Catherine Sturm

Dr. Erica Von Nessen

Ms. Leslie Williams

Dr. Karen Woodfaulk

Commission Members Absent

Dr. Bettie Rose Horne

Mr. Kim Phillips

Dr. Evans Whitaker

Staff Attending

Ms. Julie Carullo, Interim Executive Director

Dr. Argentini Anderson

Mr. Clay Barton

Ms. Laura Belcher

Mr. Anthony Brown

Ms. Camille Brown

Ms. Saundra Carr

Ms. Elizabeth Caulder

Ms. Lorinda Copeland

Ms. Renea Eshleman

Mr. Kevin Glears

Mr. Gary Glenn

Ms. Lane Goodwin

Dr. Paula Gregg

Mr. Gerrick Hampton

Ms. Trena Houpp

Dr. John Lane

Mr. Frank Myers

Ms. Yolanda Myers

Guests

Ms. Beth Bell, Clemson University

Mr. Ken Davis, SC State University

Mr. Tim Drueke, Winthrop University

Mr. Brian Enter, University of SC Aiken

Dr. Kris Finnigan, University of SC Columbia

Ms. Anne Harvin Gavin, SC Student Loan Corporation

Dr. Sandra Jordan, University of SC Aiken

Mr. Rick Kelly, University of SC Columbia

Mr. Mike LeFever, SC Independent Colleges & Universities

Ms. Angie Leidinger, Clemson University

Ms. Andrea Owens Meadows, Clemson University

Mr. Rick Moul, PASCAL

Mr. Ken Patrick, SC State University

Mr. Joe Soebieralski, University of SC Aiken

Dr. George Smith, Clemson University

Mr. Gerald Van Der May, Clemson University

Mr. Chuck Sanders, SC Student Loan Corporation

Ms. Roselin Sumpter, SC Technical College System

Ms. Athena Westernen, Insurance Reserve Fund

1. Introductions

- Tanya Rogers

Ms. Rogers recorded and announced the names of all those in attendance as listed above. She also stated that the meeting was being held in accordance with the Freedom of Information Act.

2. Approval of Minutes

- John Finan

A **motion** was made (Temple), **seconded** (Munns), and **carried** to approve the minutes of the April 2, 2015 and May 7, 2015 CHE meetings.

3. Recognition of Former Commissioners:

- John Finan

Natasha Hanna, Public Four-Year Universities Representative
Elizabeth Jackson, At-Large Representative
Leah Moody, Public Research Universities Representative

Chairman Finan announced that the Recognition of Former Commissioners would be postponed until such time that former Commissioner Moody, who had been delayed in traffic, could arrive at the meeting.

4. Information Report, Liability Insurance

Ms. Athena Westernen, CPCU, Insurance Reserve Fund, SC Budget & Control Board

Ms. Western provided a brief overview of the different types of insurance policies inquired about by state boards and commissions, details about which may be found in **Attachment I**.

Discussion followed about the possibility of purchasing additional directors and officers liability insurance from the private sector to supplement CHE's Tort Liability Policy through the Insurance Reserve Fund. In conclusion of the discussion, Chairman Finan requested that Ms. Carullo have staff explore a risk assessment and the need for additional coverage for the Commission. Commissioner Love recommended and Chairman Finan agreed that a comprehensive risk assessment should be performed, the results of which will be shared and considered at the next CHE meeting.

Chairman Finan then **returned to Agenda Item 3**, Recognition of Former Commissioners, Hanna, Jackson, and Moody. He stated that Commissioner Jackson had been unable to attend the meeting. Chairman Finan provided brief information about Ms. Hanna and Ms. Moody and their respective appointments to the Commission, after which he and Commissioner Temple complimented and thanked them both for their dedicated work on behalf of higher education. Following Ms. Hanna's and Ms. Moody's responsive remarks, Chairman Finan presented each of them with framed certificates of appreciation for their service to the Commission.

5. Chairman's Report

- John Finan

Chairman Finan reported that Ms. Carullo was in the process of working on obtaining as-needed legal representation for the Commission. He stated that Ms. Carullo had agreed to continue to serve as the agency's Interim Executive Director until such time that another Executive Director can be hired. Chairman Finan reported that the agenda for the Commission's August 13-14 retreat was under development and that he had contacted the Association of Governing Boards of Universities and Colleges about the possibility of hiring one of their consultants to lead the retreat. Discussion took place about extending the anticipated length of the retreat schedule to begin at 10:30 a.m. on August 13 and end at 3:00 p.m. on August 14 in order to allow more time to thoroughly consider the agenda items. Chairman Finan also commented briefly on the anticipated upcoming legislative hearings regarding the role and structure of the CHE.

6. Report of the Interim Executive Director and Legislative Report

- Julie Carullo

Ms. Carullo began her report with an update on some CHE staffing items. She stated that interviews were in the process of being scheduled for the Director of Finance position. She also stated that the Director of Academic Affairs position would soon be posted and that she had appointed Dr. John Lane as the interim director of that division. Ms. Carullo reported that Student Services Division staff were working with the institutions to implement the recently passed legislation relating to in-state tuition for veterans. Ms. Carullo stated that Academic Affairs Division staff had recently met and would continue to work with members of the SC Council of Competitiveness on Transform SC, an initiative designed to increase the numbers of college and career ready students. She stated that a report on trends in enrollment was in the process of being developed, more information about which will be brought to the Commission as this work progresses. She also provided an update on the of the Charleston School of Law (CSOL), stating that the school would be enrolling a new class of first year students in the fall, that there were no active licensing issues with CSOL at present, and that Commissioners will continue to be kept apprised of the status of this institution. Brief discussion followed about what procedures would be followed should the school eventually have to close.

With regard to legislation, Ms. Carullo reported that the General Assembly would be adjourning its session at 5:00 p.m. today and would be returning to Columbia June 16-18 to take care of unfinished business which included work to finalize the budget bills that were under consideration in conference committee. She then updated Commissioners on the the status of the FY 15-16 budget bills and commented that an annual summary report on the Session would be completed and made available as soon as possible after the end of the Session.

In response to Commissioner Seckinger’s question about the status of the bill related to South Carolina/North Carolina border clarification, Ms. Carullo reported it appeared that the bill would likely not pass this session and would be continued into the next session.

With regard to the proposed legislation concerning the possible defunding of CHE, Commissioner Kuhl stressed the importance that the Commission take this extremely seriously and continue its work to examine the agency’s organization internally as well as communicate well externally with members of the General Assembly as they consider this proposal. Ms. Carullo also reported on the ad hoc committee of the House Education and Public Works Committee referenced earlier by Chairman Finan noting that it had been formed to study the state’s higher education governance structure, has held one organizational session and is anticipated to hold meetings during the fall of 2015 and bring forth its recommendations, if any, by the start of the 2016 Session in January.

7. Committee Reports

7.01 Report of the Executive Committee

- John Finan

Chairman Finan reported that the Executive Committee had met on Thursday, May 28, 2015, for the purpose of reviewing the agenda for this meeting.

7.02 Report of the Committee on Academic Affairs and Licensing

- Bettie Rose Horne

There was no report from the Committee on Academic Affairs and Licensing.

7.03 Report of Committee on Access & Equity and Student Services

- Hood Temple

CONSENT AGENDA

A. Consideration of SC Student Loan Corporation FY 2015-16 Administrative Budget Request: SC Teachers Loan Program

B. Coordination between the SC Commission on Higher Education State Approving Agency and Apprenticeship Carolina™ for Registered Apprenticeship Establishments
(For Information, No Action Required)

C. Overview and Data Report on College Goal South Carolina

(For Information, No Action Required)

Commissioner Temple provided information about **Agenda Item 7.03A**, details about which may be found in **Attachment II**, stating that this administrative budget request was for a very slightly increased amount from the previous year. He stated that this item was presented for approval by consent agenda as a **motion** from the Committee on Access & Equity and Student Services, after which the **motion** was voted on and **carried**.

Commissioner Temple stated that **Agenda Items 7.03 B and C** were presented for information only.

7.04 Report of Committee on Governmental and Administrative Affairs C. L. Munns

There was no report from the the Committee on Governmental and Administrative Affairs. Commissioner Munns stated that the committee would be meeting after the adjournment of the CHE meeting.

7.05 Report of Committee on Finance and Facilities

CONSENT AGENDA

A. Interim Capital Projects

- | | | |
|---------------------------|---|--------------------------------|
| 1. Clemson University | - | East Campus Water Tower |
| 2. University of SC Aiken | - | Pedestrian Bridge Construction |
| 3. York Technical College | - | Trimnal Lane Land Acquisition |

B. Comprehensive Permanent Improvement Plans (CPIPs)

1. Year One Project Approvals

C. Approval of SmartState® Operating Budget for FY 2015-16

D. Comprehensive Permanent Improvement Plans (CPIPs)

1. Years Two through Five Summaries (For Information, No Action Required)

E. List of Capital Projects & Leases Processed by Staff for May 2015

Commissioner Temple stated that **Agenda Items 7.05 A, B, and C**, details about which may be found in **Attachment III**, were presented for approval by consent agenda as a **motion** from the Committee on Finance and Facilities. Commissioner Temple briefly described the capital projects in **Agenda Item 7.05A**, after which that item was voted on and **carried**.

Commissioner Temple provided introductory remarks about **Agenda Item 7.05B**, the CPIP component of the consent agenda. He stated that the Committee had unanimously approved the projects on CPIP Year One projects at its May 7, 2015 meeting. He also stated that additional conversation had taken place during the Committee's meeting earlier this morning about the \$21 million cost of one of the Year One projects, a Clemson University recreation center. In response to Commissioners' concerns expressed during that conversation, Clemson staff had agreed to bring the project back to CHE for review and monitoring of its cost after Phase One of the project was completed.

Mr. Glenn then provided an overview of the CPIP process. He reported that of the Year One Projects totaling approximately \$500 million, only 24 of them were new projects, the total cost of which will be

approximately \$140 million. He also stated that those 24 projects were the ones Commissioners were being asked to approve and that the remainder of the projects listed were presented only for reaffirmation as they had already been brought to the Commission for review and consideration. Mr. Glenn reported that the CPIP process requires several months of intense effort by the institutions as well as CHE staff to insure that the projects are conceptually appropriate. He also stated that approval of the Year One CPIPs would allow CHE staff to approve the phase one requests for those projects as long as there were no material changes to the projects.

In response to Chairman Finan's request, Mr. Glenn provided information about the source funds for the Year One CPIP child care center project at Clemson University. He reported that those funds were a result of a refund distribution from an insurance policy and that they came with the specification that they be spent to support Clemson University staff. Ms. Leidinger provided additional details about the process by which Clemson acquired the funds, and also stated that a private vendor will work with Clemson to operate the child care facility.

Commissioner Kuhl expressed her appreciation for the presence of institutional representatives at the CHE meetings and the help they provide with answering Commissioners' questions. Commissioner Seckinger made reference to a document about funding sources that had been distributed earlier in the morning at the Committee on Finance and Facilities meeting and asked that this document be distributed to all members of the Commission.

Agenda Item 7.05B was then brought to the table and the vote **carried**.

Mr. Glenn provided a brief summary of **Agenda Item 7.05 C**. He stated that, at the present level of funding, this program had a minimum of 4.89 years before its funding runs out. He also stated that efforts were being made to determine how much money will be needed over time to continue the SmartState® program and support its endowed chairs.

Agenda Item 7.05 C was then voted on and **carried**.

Commissioner Temple reported that **Agenda Items 7.05 D and E** were presented for information only.

8. Other Business

There was no other business to consider.

At 12:30 p.m., a **motion** was made (Temple), **seconded** (Munns), and **carried** for the meeting to go into Executive Session for the purpose of considering legal and personnel hiring matters.

9. Adjournment of Business Meeting

The meeting returned to regular session at approximately 1:35 p.m., after which it was immediately adjourned.

Respectfully submitted,
Beth B. Rogers
Beth B. Rogers
Recording Secretary

Attachments (I - III)

*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.