

MINUTES
COMMITTEE ON FINANCE AND FACILITIES
DECEMBER 7, 2017
10:30 A.M.
MAIN CONFERENCE ROOM
SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION
1122 LADY STREET, SUITE 300
COLUMBIA, SC 29201

Committee Members Present

Commissioner Dianne Kuhl, Chair
Commissioner Paul Batson
Commissioner Louis Lynn
Commissioner Kim Phillips

Guests Present

Commissioner Tim Hofferth
Commissioner Terrye Seckinger
Commissioner Allison Love
Commissioner Richard Jones
Commissioner Charles Munns
Ms. Beth Bell
Ms. Christine Brown
Mr. Mark Cothran
Ms. Jacqui DiMaggio

Mr. Derek Gruner
Mr. Craig Hess
Mr. Michael Hughes
Mr. Rick Kelly
Dr. Forest Mahan
Mr. Rick Petillo
Ms. Carol Routh

Staff Present

Ms. Carrie Eberly
Ms. Yolanda Myers
Mr. Morgan O'Donnell
Ms. Katie Philpott
Mr. Keeran Sittampalan

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 10:40 a.m. Ms. Myers introduced guests in attendance.

2. Approval of Minutes

A motion was made (Batson), seconded (Lynn), and carried to approve the minutes of the November 2, 2017 Finance and Facilities Committee meeting.

3. Chair's Report

4. Interim Capital Projects

The following agenda items were presented:

A. Aiken Technical College

i. Final Land Donation

A motion was made (Batson), seconded (Lynn), and after discussion carried to recommend the project as presented.

B. Greenville Technical College

i. Greenville – Benson Campus Amphitheater and Student Plaza – Establish Project

A motion was made (Batson), seconded (Phillips), and after discussion carried to recommend the project as presented.

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

5. 2018-2022 Comprehensive Permanent Improvement Plan

(For Information, No Action Required)

Staff presented the Comprehensive Permanent Improvement Plan recommendation and discussed the actions taken to review the institutional priorities of the next five years. Please refer to pages 8-25 of the attached transcription for further information and discussion of the item.

6. Other Business

The following items were presented as information. A description of the capital projects and leases processed by staff is included in the attached transcript. A motion was made (Phillips), seconded (Lynn), and carried to adopt the Full Commission's calendar for Finance and Facilities Committee meetings.

- A. List of Capital Projects & Leases Processed by Staff for October & November 2017
- B. 2018 Submission Deadlines and Committee Meeting Schedule
- C. Other Business

There being no additional items for discussion, a motion was made (Phillips), seconded (Lynn), and carried to adjourn the meeting at 11:50 a.m.

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DIANNE KUHL: We got waylaid into another meeting that had to be dealt with on a somewhat time sensitive issue so I'm sorry that we're starting a little bit late. Yolanda, would you start us off?

YOLANDA MYERS: Here with us this morning from Clemson University, Ms. Beth Bell, Ms. Carol Routh, Mr. Rick Petillo, and Mr. Mark Cothran, from the University of South Carolina, Mr. Derek Gruner, from Aiken Technical College, Dr. Forrest Mahan, from Greenville Technical College, Ms. Jacqui DiMaggio, from Midlands Technical College, Mr. Craig Hess, and from the Department of Administration, Mr. Michael Hughes.

Do we have anyone on the telephone?

CHRISTINE BROWN: Christine Brown from MUSC.

TERRYE SECKINGER: Terrye Seckinger. Good morning.

YOLANDA MYERS: Thank you.

This meeting is being held in accordance with the Freedom of Information Act.

DIANNE KUHL: Thank you.

And just so you all know, I know that some of our universities are here on a regular basis and some kind of visit as projects come in, so we're going to change procedure just a little bit because I realize that we've just been assuming you all know who we are. So I'd like-- I'm-- At the beginning of each meeting we will introduce to you who our Commissioners are.

And one of the things that we do, we encourage every Commissioner to attend any committee meeting in which they have an interest because at the end of the day when we go into full session we're all voting on the work that takes place in the individual committees. Commission members are invited, as I said, to come to the meetings. They're invited to take their place at the table. What we will ask is that the committee members who have had the opportunity to thoroughly read and understand the materials, the committee members will have the first discussion and then we will ask any commission members who are attending but not members of the committee if they have any questions or comments or additional information that they would like to bring forward.

So with that being said, please allow me to introduce our Commissioners to you. This is Paul Batson. We have Kim Phillips and Louis Lynn from this committee, and then joining us today from the commission are Dick Jones and our chairman, Tim Hofferth. And of

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course, we are all always available any time you have a question or concern. Whether we happen to be in your district or not, you can always call a Commissioner.

So with that being said, let's move straight into Aiken Technical College.

CARRIE EBERLY: Should we do minutes?

DIANNE KUHL: Son of a gun, I missed those little buggers. Yep. All right, did everybody have a chance to review the minutes?

PAUL BATSON: Yes.

DIANNE KUHL: Are there any changes?

PAUL BATSON: No. Move that we approve.

DIANNE KUHL: Thank you.

LOUIS LYNN: Second.

DIANNE KUHL: Hear a second?

LOUIS LYNN: Second.

DIANNE KUHL: Thank you. All in favor?

[Multiple speakers, "Aye"]

DIANNE KUHL: Okay. Thank you very much.

Now we can do Aiken Technical College. Thank you, Carrie.

CARRIE EBERLY: Good morning everyone. Aiken Technical College today presents an option for a land donation and this would be Phase II of the land donation, so the institution has completed the preliminary land studies, and this request is a donation for 20 acres of land located adjacent to the Aiken Technical College Campus.

The current market value of the property is \$200,000 and the owner has contacted the College and presented it as an option for donation. The only cost to the institution will be the costs associated with the attorney fees and the cost for the preliminary land studies. So only approximately \$2700 in costs are associated with this donation currently. The environmental study came out clean. There were no environmental concerns as a result of the review.

And Dr. Mahan from Aiken Technical College is here if you have any specific questions.

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PAUL BATSON: Madam Chair, thank you. It's always great to have the technical colleges presenting, even better when there's no money going out, but coming in and we've got two of those today.

So Dr. Mahan, would you just comment on your project for a minute?

DR. FORREST MAHAN: Yes, sir. About six weeks ago we were approached by a local doctor who had purchased the land with the idea of potential development and then he decided what he'd rather do is give it to the college as a gift. And so, the caveat was he wanted it done by the end of the calendar year, so we have been in a full rush.

We were able to go through-- The initial meeting with him was October 16th, we got state board approval November 28th, and we're here seeking approval from this committee, and then hopefully from the full CHE board this afternoon so then we can get it to the Department-- Used to be JBRC, but it's Department of Administration, correct? And hopefully get that in so we can get our closing done by December 29th.

If there are any questions, I'll be glad to answer those. Yes, sir?

LOUIS LYNN: Is there a naming opportunity for the donor?

DR. FORREST MAHAN: Well, he hadn't asked, but I'm sure I'll come up with something, yes, sir. We're looking--

[Crosstalk]

PAUL BATSON: --opportunity today.

LOUIS LYNN: That guy needs a thank you.

DR. FORREST MAHAN: He'll-- Oh, yes, sir, he will. He will.

DIANNE KUHL: Just so you know, any time Dr. Lynn asks about naming opportunities there's usually a tiger paw that comes along with it.

DR. FORREST MAHAN: Understood, understood.

DIANNE KUHL: So--

DR. FORREST MAHAN: And I didn't wear my gamecock stuff thankfully, so.

RICHARD JONES: I'd like to ask a question just in general. Any time one of the institutions is confronted with an opportunity like this, is there a standard appraisal process that is used and what, if any, part does the recipient organization play in that?

The reason I'm asking, obviously, is I see a lot of that done in other situations and the institution, I would assume, doesn't want to get

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involved in valuing anything from anybody and use appraisers normally. But is there any standardized procedure for that?

DIANNE KUHL: Carrie?

CARRIE EBERLY: The procedures are organized by the engineer's office as the procurement official for the state. So in this case an appraisal wasn't required since the land was being donated, but in the CASE that the institution was actually going to acquire the land and purchase it themselves then they would've gone through an appraisal process with an outside firm that's approved by the state engineer's office.

RICHARD JONES: And the recipient organization does not confirm or speak to evaluation at all?

CARRIE EBERLY: No. It would just be an external evaluation of the property, and they have to submit a report based on using a contracted firm that the state has approved.

RICHARD JONES: Paul, you've probably run into that when people aren't taking--

PAUL BATSON: Yeah. I think my experience-- And Jacqui's been through a lot of this. Jacqui's CFO at Greenville Tech, Jacqui DiMaggio. My experience has been that outside real estate appraisers are involved, and we get fair market value [UNCLEAR]. Is that correct?

JACQUI DIMAGGIO: That's correct. We had a situation when we built our Center for Manufacturing Innovation where we bought land at a discounted rate. So, you know, the land owner had an appraisal done that was significantly higher than the appraisal that we had. We went and bought the land and then we-- our foundation wrote him a letter thanking him for the below market rate sale of the land, but we did not put any value on it. The donor is responsible for all of the tax consequences, so he would say what the value-- he said what the value is, less what we paid for it, and considered that to be his donation, but we did not say that-- we did not validate that.

RICHARD JONES: I think that's appropriate You want to be gracious, you want to be thankful--

DR. FORREST MAHAN: Yes, sir.

JACQUI DiMAGGIO: Exactly.

RICHARD JONES: --and you don't want to be part of any confirmation of value for tax purposes I would think.

PAUL BATSON: In other words, you're signing off and acknowledging.

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DR. FORREST MAHAN: Thank you.

DIANNE KUHL: Commissioner Phillips--

DR. FORREST MAHAN: I keep--

DIANNE KUHL: --do you have any questions?

KIM PHILLIPS: I'm good. I'm excited. What a wonderful surprise [UNCLEAR].

DR. FORREST MAHAN: Yes, sir. Thank you.

PAUL BATSON: Madam Chair, I move that we accept the project as presented.

LOUIS LYNN: Second.

DIANNE KUHL: All right. Any additional comments? All in favor?

[Multiple speakers, "Aye"]

DR. FORREST MAHAN: Thank you.

DIANNE KUHL: All right. Greenville Technical College.

PAUL BATSON: Madam Chair, Greenville Tech-- We have with us today Jacqui DiMaggio, who just spoke to us. Jacqui is the CFO there. She has been honored several times nationally as the-- I forget exactly what the acclimation was, but recognized as the highest caliber financial officer in the nation. Now, she has been an extraordinary star for us. So I'm glad to have her here, but also to talk about the project we've got coming here. We've said all along we want to see 50% equity going into things. Well, how about 100% equity? Another project like that.

So Jacqui, would-- Or Carrie, would you--

CARRIE EBERLY: Do you want me to-- I can--

TIM HOFFERTH: Yes.

CARRIE EBERLY: --introduce it and then--

TIM HOFFERTH: Yes.

CARRIE EBERLY: --Jacqui can --

TIM HOFFERTH: Yeah, you--

CARRIE EBERLY: So Greenville Technical College is requesting to establish the Phase I of a project to construct an outdoor amphitheater and student plaza at its Benson Campus. This project is on the institution's CPIP for 2018 through '22. It's actually being requested to be moved up from a Year 3 Project to a Year 1 Project due to the immediate availability of

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the funds. The total project is going to be about \$2.5 million and this request is for Phase I so 1.5% and \$37,500.

The location of the amphitheater will be between two of its current buildings and along the main road of the campus and this space will be used for classes, student engagement activities, as well as community use, and it's the hope of the college that the amphitheater area could potentially generate some revenue for the college as it hosts events for the community.

DIANNE KUHL: And in case you all can't tell; Commissioner Batson is excited about this project.

PAUL BATSON: Yeah.

DIANNE KUHL: Now, this is one--

PAUL BATSON: And it's near your house too. It's on the Benson Campus.

DIANNE KUHL: Oh.

PAUL BATSON: Yeah.

DIANNE KUHL: Okay. So this is over at the Greer?

PAUL BATSON: Yeah.

DIANNE KUHL: I did not catch that. Cool. This is one that-- When Carrie first told me about it she goes, "You're going to love this, but, it's 100% funded," and she was right. This is something that I do love. I think it's a great idea because having an amphitheater like this provides so many opportunities to bring people onto Tech's campus, both at the high school level-- You can-- I know that we've-- we used to have a lot of community intramural teams that would out there and play, and just having that familiarity and that feeling of comfort with the institution, I think that helps to bring both students, donors and to make the community feel like the university is theirs and it's a part of that family.

So I think this is going to be a wonderful addition, and I'm especially excited now that you tell me that it's going to be over in Greer because that's something that's greatly needed out there.

PAUL BATSON: That's right. Could we--

Jacqui, would you care to comment on the project [UNCLEAR]?

JACQUI DiMAGGIO: I don't think I can say anything [UNCLEAR].

LOUIS LYNN: Can I ask a question? [UNCLEAR] include the engineering and architecture and all that kind of stuff or are you moving-- Are we giving you the right to move forward or you're already moving?

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JACQUI DiMAGGIO: We're-- You're giving us the right to move forward. This would be the Phase I. And then we will have to come back once we have all the plans and get Phase II approval.

But we are very excited about it. Jim Benson donated \$3 million to the college. We named our Benson Campus in Greer after the Bensons and they wanted us to do something on the Greer Campus. We really didn't need additional space for students. Right now, the campus is sufficient size. So we were-- We ran a few ideas past Mr. Benson. This was the one he liked the most. It's all coming from the funds that he donated, and the remainder of his funds are going to be used for an endowed scholarship.

DIANNE KUHL: So you're not going to change the name of the campus again now, are you?

JACQUI DiMAGGIO: No, ma'am.

DIANNE KUHL: Okay.

JACQUI DiMAGGIO: That will stay Benson Campus forever.

PAUL BATSON: This man has been extraordinarily generous to our college and to others as well. But in that Greer area-- Greenville Tech's got several campuses, but in that Greer area it used to be pretty dominantly agricultural and now there's been a lot of recent development and there's a lot-- there's a high concentration now of growth in that community. Greenville Tech has been well placed to be in that area, and this is a wonderful project I think that has the potential to bring community events more closely together.

DIANNE KUHL: This is an area where-- I grew up in that area and literally if you drove five miles the wrong direction it was long distance. So, that tells you how long ago that was. But Paul's right. There is-- For those of you not familiar with the area, this is heading out 290 and 101 goes along the backside and you're heading out to 25 and there's nothing out there; nothing. They did finally put a grocery store that's at least close, but you've got housing development, upon housing development, upon housing development that's being built out there with the influx of new business from BMW, and from Michelin, and from some of the side industries and very, very little infrastructure that's targeting this side of town.

So having this campus out there, I mean, that's just wonderful. Plus, it pulls the students that are wanting to come in from high schools. It's very centrally located from what, three, four high schools?

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JACQUI DiMAGGIO: Mm-hmm. We also have a charter high school on that campus that just built their own building.

DIANNE KUHL: There you go. Nicely done.

LOUIS LYNN: So you don't expect any-- the environmental and all those kind of hurdles that--

JACQUI DiMAGGIO: There shouldn't be any issues because we already own all the land and we're familiar with it and it's just really beautifying the campus and adding an amphitheater.

LOUIS LYNN: Okay.

DIANNE KUHL: It was a farm.

JACQUI DiMAGGIO: Thank you.

PAUL BATSON: It's going to be a great project. I move to accept this project.

DIANNE KUHL: Any additional discussion, comments? All right, we'll move to a vote. All in favor?

[Multiple speakers, "Aye"]

DIANNE KUHL: Any opposition? [No responses].

All right, congratulations to both Aiken and Greenville.

Okay, pull the agenda back up. We're going to have some brief conversation about CPIP. As you all know, this is the Comprehensive Permanent Improvement Plan that deals with capital projects from our institutions of higher learning. In the past this particular process was brought to us and we went through and did a series of approvals, which then authorized staff to go ahead with either Phase I or Phase II levels.

We made some changes in that over the last couple of years, so at this point CPIP is not an approval process. All of these projects still have to come before us, but it is a wonderful planning tool, which is what it was designed to be to start with. And unfortunately, we did not receive this information in time to give it the in-depth review that we would've liked to do. We only had it in our hands for about six weeks before it was due.

And I've got to tell you, our finance staff did a phenomenal job. We had 270 projects. They went through those projects. They analyzed them. They put them in buckets. And the beauty of it-- The problem with all this is that just because a university calls a maintenance project doesn't make it a maintenance project. So, they had to actually go through and review each of them and determine is this really maintenance, is it

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renovation, is it new construction, is it something entirely different and we don't know what they're doing.

And so, Carrie and the finance staff -- and I'm sure you pulled in a few other people to help with this -- they went through and spent hours, and hours, and hours organizing this, color coding it, and putting it in a beautiful spreadsheet so we can look at everything and see what's ahead of us over the next five years, and then they did it by university. And then Jeff sat down and wrote a letter, sent it to JBRC with this basically saying here are some opportunities that we've got.

And, you know, if we're going to look at our capital spending, we really should start from the standpoint of having a budget because before we say how much money we ought to spend we ought to know how much money's available. So, the staff went out and they looked at different models. They looked at how Tennessee does it with their Board of Regents. They looked at-- Not, Louis, that we should have a Board of Regents.

LOUIS LYNN:

Mm-hmm.

DIANNE KUHL:

But they looked at two or three different states and how they did things and what their level of spending was. They looked at national averages and then they looked at what we were doing, and not surprisingly, we were outspending just about everybody.

So, we have some recommendations. I think you've got the report in there. They made some recommendations. They did take one chart and send over there that I just about had a moment over until Jeff explained to me we are not recommending this because they took--

Here's what the universities are asking for and based on historical methods, here's what the universities would get based on the way we've done it in the past. And he did make it clear we're not saying this is what you ought to do, we're saying that if you do it the way you've always done it, here's how the numbers are going to work out.

Now, we all know that there are a lot of opportunities when it comes to CPIP and there are a lot of challenges. The CPIP should be a five-year planning tool. It allows us to look ahead and see where the universities are prioritizing and maybe to start asking some questions about why are you prioritizing that way. They may have very legitimate reasons. It may be yeah, we know that this is not central to mission, but we've got somebody who's going to give us the money to build it. Okay, that makes sense, right?

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We may have universities that do a phenomenal job on their deferred maintenance and those universities are going to be able to spend money in other places. We may have other universities that really aren't paying attention to their deferred maintenance and we may want to sit there and ask some hard questions when they're wanting to come in and build new things, but they're not taking care of the stuff they've already got.

This information gives us the ability to start asking those questions so that we can better serve our schools and better serve the taxpayers that we represent. So, I can't tell you how many hours went into this thing, but I think if you've had the opportunity to look through it all-- And I encourage you to do that-- I especially encourage you to use some of this information as we go forward and start evaluating the projects coming before us because if that project's not on that five-year CPIP, I don't know about you all, but I'm thinking that the universities are going to have to explain that. But this give us some really great tools.

Carrie, I know you have pretty much slept with this thing for the past month. Would you like to--

CARRIE EBERLY: I'll speak from kind of the project level up, and then Keeran took a holistic view of the spending across the nation, so he'll be able to speak to that for us.

But essentially, we took all of the projects as submitted by the institutions and we evaluated them just by reading the descriptions and we aligned projects that were already established with their permanent improvement numbers. Some of the institutions identified those very clearly on their write-ups and others we had to actually go in and manually figure out if they had a PIP number assigned to them.

LOUIS LYNN: So did you tie back to prior year CPIP?

CARRIE EBERLY: We did not tie back to prior year CPIPs, but if the project was on the CPIP this year, it would have a PIP number. So these projects that were already established probably were on a prior year CPIP.

LOUIS LYNN: But you didn't--

CARRIE EBERLY: But not a specific tie back.

So the project was still open and considered during this year's CPIP planning document, then it was given a green color code and that meant the project was established. So, in one way or another the state

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has kind of already said okay to it and that it's definitely a priority of the institution since the project has already been established.

We then went through the descriptions and a combination of the categories as the executive budget office defined it; the repair and renovate existing facility and then the replace existing facility or system. Those two were kind of interchangeably defined. Depending on system versus building, we kind of well, are they-- are the institutions renovating the space for a new purpose that is needed, or are they just renovating the space to make it more aesthetically pleasing to the students, or are they renovating the space because the HVAC is 40 years old, or the roof is 33 years old and it's deteriorating. So we considered those items when we were doing the buckets of the maintenance needs and the renovate and repurpose.

We then looked at the projects that we could tell were strictly identified as new construction or if they were a part of the replace of the system and they had more new construction costs than anything else. Those went into new construction.

For Years 3, 4, and 5, some of the projects did not have enough description for us to totally tell what bucket the project should go into, and for those projects we put them into a bucket for inadequate project description. Now, that's not to say that they are not considered at all. This is a-- It's a five-year planning tool, but it is a process that is done every year.

So, for those projects that may have been in the inadequate project description this year, the institutions at the beginning of next summer will have the opportunity to give a better explanation, justification, and the other options that we considered. They'll have another chance at it to kind of better define what that project is so that it can go into an appropriate bucket next year.

LOUIS LYNN:

Okay, since we aren't voting today, will they have a shot at it this year?

CARRIE EBERLY:

So, this is a process that's done once a year and since we're not actually approving any of the projects, the projects that are-- have an inadequate project description are probably not going to be coming before us for approval or for recommendation within the next year. So the next year's submission should give the projects adequate time to be considered in the correct bucket.

LOUIS LYNN:

And when do we vote, Dianne?

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DIANNE KUHL: Well, let's be real clear on this. The CPIP, we will not vote on that. It's already-- Staff did it. It has already gone as an information item to JBRC. It was presented on Tuesday. The individual projects within CPIP will continue to come before us, like they always do.

LOUIS LYNN: Okay.

DIANNE KUHL: So what we're doing-- The slight change is instead of us giving some kind of a blanket approval of--

LOUIS LYNN: We used to do that.

DIANNE KUHL: --which we used to do, now we're doing individual evaluations, so every project comes before us.

CARRIE EBERLY: And the last bucket was kind of our Other Category. And due to the number of projects that kind of fit into five different categories across the descriptions of the Executive Budget Office we kind of just-- for simplicity's sake, just put them all in one category, grouped them together, and so those are your site developments, your land acquisitions or donations, things to do with roads and infrastructure. Those went into the other category.

So overall, we categorized the 270 projects, which totaled \$2.6 billion over the next five years, and there were almost \$300 million worth of projects that have-- that were in the established area. So we grouped those for everyone and then kind of consolidated the groupings into the summary pages, which are Pages 1 through 5 of Attachment 2, just so that you guys could get a feel for out of all the different buckets where the institutions' projects lined up and their totals proposed for each year and the total proposed overall.

So that's-- We looked at the projects that way. And then in the past two months or so we requested the institutions to update their building condition surveys, and the building conditions surveys is an opportunity for the institutions to do a self-evaluation of each individual building on their campus.

And for the survey, it does just include the education and general buildings (E&G) -- the detailed analysis for those -- and those have criteria of at least 3,000 square feet and 25% that they've dedicated for education and general (E&G).

So the calculations considered during the building condition surveys is not the institution's total need for maintenance or for operating needs throughout the year. It's just kind of to give us a snapshot on the

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buildings that we feel like we should focus on initially and then we can back up and include the other ones.

LOUIS LYNN: Carrie, is that prescriptive or by inspection? Does a 30-year roof automatically go on or a 20-year roof automatically go on?

CARRIE EBERLY: So the institutions-- The roof system is one of the systems that the institutions evaluate. There's 12 different-- about 12 to 15 different systems for every building; so your roof system, your HVAC system, your heating system, cooling system.

LOUIS LYNN: So those are prescriptive or inspected?

CARRIE EBERLY: They're inspected. And then one of the categories underneath it is that the institutions have an option to report how old the roof is and what type of roof it is, those types of things.

LOUIS LYNN: So you don't force them to put a roof on if it's 30 years old?

CARRIE EBERLY: No. Uh-uh.

LOUIS LYNN: Okay.

CARRIE EBERLY: If they've been maintaining it, the roof may last longer.

LOUIS LYNN: Okay.

CARRIE EBERLY: And so that-- They have the option to evaluate the structural components of those buildings between 1 and 5; with 1 being the condition is satisfactory and 5 is it's just totally out of hand now, we need to replace it.

So at that point the institutions would be like all right, this building is a three or four. We need to get some renovations done on the systems or replace some of the systems in the building.

So those evaluations all get compiled by the institutions and submitted to us every three years, and 2017 was one of those years where we requested the institutions submit those to us. And when we compiled those altogether we found that there was a definite need in the state for maintenance needs at the institutions and we outlined that in our summary worksheet to say if we wanted to get the building to 100%, which is brand new condition; and 90% to 100%, those buildings are considered satisfactory and are being maintained; and then as the building deteriorates probably below a 50 is where you would start to get nervous and say there are some structural issues that need to be addressed.

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The scores between 70 and 90, I mean, they're okay. They have some needs, but they're not quite as critical as the buildings that are below the 50.

So we gave-- In our options we evaluated the needs based on the target to achieve a score of 80 for all of the buildings that were evaluated, as well as a score of 70 just to kind of provide cost options to see based on how we allocated the dollars based on the budget that could be potentially proposed for spending, that this would be the amount that would be needed to bring our buildings up to a condition that would be acceptable at this time.

LOUIS LYNN:

Where'd you put life safety?

CARRIE EBERLY:

So life safety is a maintenance need and some of those things aren't totally addressed in the individual project descriptions, but when the-- Life safety would be addressed when the individual project comes forward for recommendation for Phase I and Phase II.

And so, after we considered the maintenance needs at the institutions we deducted that back out of their allocation and then that remaining amount would be what the institutions have potentially to appropriate to new construction projects or if they wanted to use it for additional maintenance projects; just some discretionary dollars as well.

I'm going to-- Do you guys have any questions about that side of it?

Okay, I'm going to let Keeran explain the four methods of how we came up with our \$1.23 billion budget.

KEERAN SITTAMPALAM: And feel free to stop me if you have any questions. So President Schilz gave to me the task of figuring out how much a state should spend on capital projects in higher education. So the first thing I did was to look at historical data, to look at what other states were doing, and I did get a good amount of data on that. And the idea is that we want to find out multiple different methodologies of figuring out how much a state should spend and see how the results differ from each other.

We used four methods and thankfully the variation wasn't very much in the outcome. The first method was from the Tennessee Board of Regents. They basically use a formula and the intuition behind the formula used by the Tennessee Board of Regents is that capital spending on university buildings should be based on: Number one, the value of the building and Number two, the age of the building.

So they came up with a formula with those two variables in it, along with two constants in it. So one constant would determine how much

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additional funding is needed for a building because of its older age and the other was how much additional funding should go to a building because it's got a higher value.

I didn't want to change the constants because that opens up a can of worms. Such as, did you game the system to change it to get a particular number. So I used a formula as exactly what Tennessee does.

I used a formula on each building in the state. We have the CHEMIS system where all the buildings are recorded, and the replacement cost is calculated at certain intervals and the age of the building is also there.

So for each of the 1,700 buildings tracked, we calculated the value that would need to be spent to maintain that building based on the Tennessee formula and totaled it up. That's how I got the total for the Tennessee method.

LOUIS LYNN: Does that give legacy buildings-- Are they disadvantaged because there's a legacy building on the campus?

KEERAN SITTAMPALAM: Well, a legacy building would be an older building. So the older you are the greater the weight you get, the greater the funding would be predicted.

LOUIS LYNN: So a campus with a legacy building gets-- there's a disadvantage.

KEERAN SITTAMPALAM: Campus with older buildings would predictably get a higher level of funding.

LOUIS LYNN: Okay.

KEERAN SITTAMPALAM: Yeah. I mean, one-- I guess one benefit of it is that it's really objective. The drawback of it is that it doesn't reflect the actual condition of the building, which in my opinion is a good thing because you're not punishing people who've been very vigilant in the stewardship of buildings and you're not, you know, [UNCLEAR] spending much. When we used that to come up with a statewide spend it wasn't intended to figure out what each building should get.

Second method I used was the accounting depreciation method and this comes from a published paper done by KPMG. And they have a ratio called physical asset reinvestment ratio and the idea is that accounting depreciation that's recorded in IPEDs and the financial statements reflect the actual physical consumption of the building throughout the year as it's being used.

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So, if you want to maintain your building at a current level, you should be spending what the accounting depreciation is. And moving forward on the five years, I just used the historical inflation for the past five years and applied it moving forward for the second way.

The third way and the fourth way, I used data from NASBO, which is the National Association of State Budget Officers. Every state budget office sends data to NASBO on all state spending and is segregated along the lines of Medicare, and Medicaid, and education appropriations, capital investments.

So I looked at all the states'-- how much each state was spending on higher education capital investment.

The problem with NASBO is that they can't compel the states to report values to them. So there were some states had a zero value. So what I did was I took all the states, I trimmed out the ones with the zero values, I lined them up, and I got a median value.

The reason I chose median over average is that it trims up the outliers in the set. So I got the median state spend per state, and I got the median growth rate of state spending over the past 15 years. With that median spend per state I looked at two approaches.

One would be the state population. So the idea is that the more populous a state is the greater its needs of investment in higher education. And I got a figure based on that.

I also got a figure based on in-state student population. The greater number of in-state students you are educating you should get a greater amount of money.

So those are the four ways I did, and I think the lowest cost is around \$1.01 billion, and the highest was about \$1.3 billion, and the average came up to about \$1.214 billion. So, the four ways, even though they were very different ways, came up with a similar value which kind of tells me that-- from a technical perspective, that something about the compilations actually made sense and clicked together.

Any questions?

ALLISON LOVE: Can I ask a question?

DIANNE KUHL: Sure.

ALLISON LOVE: I know I'm not on your committee. I'm just curious about something; your comparison with the State of Tennessee. Is it fair to say that our buildings in South Carolina are generally older than some of the

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adjoining states or especially Tennessee I guess? I mean, did you see that in comparison?

KEERAN SITTAMPALAM: Tennessee didn't report their results on a building level for each of the buildings. They showed the formula and they showed the calculated value for each institution. So, it is [UNCLEAR] the average of a building in Tennessee is older than that formula would be in the higher value for them than for us.

But I didn't want to go down the road of changing the constants of the formula because then the question would be how qualified am I to decide what weight should be given to the age of the building.

ALLISON LOVE: Yeah.

KEERAN SITTAMPALAM: I figured that Tennessee is a nearby state and so the physical stock of assets might be similar, and I could be wrong on that, but that was the theory behind what I did.

ALLISON LOVE: Thank you. Just curious.

PAUL BATSON: Is this--

DIANNE KUHL: Paul?

PAUL BATSON: This is an extraordinary set of documents, and I compliment you and appreciate what you all put in to making this available.

Dianne, does this address that pressing need that the Joint Bond Review Committee had put on us to rank the projects?

DIANNE KUHL: We are not statutorily required to rank the projects. We are required to review them and comment, which is what we did. Did we go through and say from 1 to 270 here's what we think you should do? We did not.

But in the letter that Jeff sent to accompany this body of work, he did stress that it was the general feeling of this Commission that maintenance needs really needed to be a strong priority.

And obviously you can't-- you just can't make a blanket statement that we have to fix all the maintenance before we build anything because that may or may not be in the best interest of the state or of an institution.

You know, again, look at Greenville Tech or some of the other technical colleges. You may have a roof that needs to be replaced next year, but you may also have a new business center that's going to meet a growing and pressing economic development need that you need to get on, and that roof is still okay.

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So, are we going to tell you fix the roof before you do something that's going to have a major impact in the community? That wouldn't be a very wise use of resources. But if we're going to say fix the roof before you put in a whole new ice skating rink; yeah, that's probably what we would do.

LOUIS LYNN: So is there just-- Is there an agreement as to what is deferred and when is it declared deferred? Who's the boss of deferred?

DIANNE KUHL: Deferred maintenance is one of those terms that just gives me a headache--

LOUIS LYNN: Mm-hmm.

DIANNE KUHL: --because everybody calls it all a different thing and basically, what you're looking at-- I prefer to talk about building condition assessment as opposed--

LOUIS LYNN: Okay.

DIANNE KUHL: --to deferred maintenance because a lot of people think deferred maintenance is stuff that you should've already done, and you just put it off to the side and haven't fixed it yet. But what we're looking at are the building condition assessments.

LOUIS LYNN: That's what's in our--

DIANNE KUHL: Yeah.

LOUIS LYNN: Okay. And that was my question earlier of prescriptive and that you got--

DIANNE KUHL: Mm-hmm.

LOUIS LYNN: --a 30-year-old roof so it's deferred.

DIANNE KUHL: Exactly. And you may have a 15-year-old roof that suffered intensive storm damage that--

LOUIS LYNN: Okay.

DIANNE KUHL: --needs immediate need. So when they do the BCA they do a physical inspection of the different systems because, like you say, some of them wear better. Hopefully what they're doing is recognizing that you've got a 30-year system and they're budgeting so that the end of that 30 years they're ready to pay for a new one. If it goes 40 years, hot dog. But--

LOUIS LYNN: And didn't we have a time when we allowed institutions to put a little bit of maintenance money into new construction?

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DIANNE KUHL: I think we-- I think we've done that where they budgeted-- Did we do something like that?

CARRIE EBERLY: So when they establish a project they say what their additional operating expenditures are going to be with the building, and in some instances they'll tell us that they're-- here's the amount of money that we charge per student to save up for maintenance needs across our campus. So that comes through with their tuition and fees.

LOUIS LYNN: But that's not universal. It's just who wants to do it?

CARRIE EBERLY: Correct. There's no state policy on it.

DIANNE KUHL: They can include that in their bond though.

KIM PHILLIPS: It's universal in that we always get-- I don't think we've ever -- since I've been on here -- where they've--

DIANNE KUHL: Mm-hmm.

KIM PHILLIPS: --budgeted, but they always tell us the additional operating cost.

DIANNE KUHL: Mm-hmm.

KIM PHILLIPS: I've never seen one that they didn't do that.

CARRIE EBERLY: Right.

KIM PHILLIPS: And then they-- And then we always ask well, how's that going to affect the cost of--

CARRIE EBERLY: Mm-hmm.

KIM PHILLIPS: --students and they-- you know, they-- So they usually have that, yeah.

CARRIE EBERLY: And real quick, the building condition survey, as a part of just general standards and evaluation, one of the columns on the individual building condition survey's summary sheet for each institution is-- a calculation is on there for-- 3% of the replacement cost is calculated to kind of say all right, if we were to say institutions need to be saving this much per year for maintenance, it calculates a 3% need of the replacement value.

That's not say a strict 3% is mandated, but historically APPA, which is the Association for Physical Plant Administrators, they suggest saving between 1 and 3% of the replacement cost or the cost of the building, if it's a new building, just to kind of get an idea of how much you should be saving for that building.

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PAUL BATSON: Madam Chair, I have a couple of questions just so I understand what we're doing. The CPIP that we got over five years is \$2.6 billion. That's the total asked, right?

DIANNE KUHL: Mm-hmm.

PAUL BATSON: And the letter and the analysis that we've done here recommends \$1.2 billion as a reasonable amount. So are we saying then that the institutions are asking for \$2.6 billion, but our recommendation and our analysis indicates that \$1.2 billion would be more appropriate in spending? Is that basically what we're saying?

DIANNE KUHL: Mm-hmm.

PAUL BATSON: Okay. So we're going on record basically with that as sort of a guideline to JBRC from our point of view.

And then secondly, if someone were to ask us going forward using the term you don't like, the deferred maintenance term, as they potentially go into bond projects going forward, we've got documents right here, do we not, to be able to tell JBRC at the drop of a hat what the colleges have reported in maintenance needs because you've already classified these things.

Is that right?

CARRIE EBERLY: We have-- We've identified the projects that we've addressed that would be addressing maintenance needs, and then during our assessment we can line that up to the individual building condition assessments and say this project was proposed in Year 2, it addresses maintenance needs, and currently to get that building up to a 70, 80, 90 it would have this much-- it has this much need and that can give us a ballpark.

Maintenance projects sometimes come in over the exact need, especially if they're trying to renovate the facility so it is more energy efficient, but it'll give us a ballpark.

DIANNE KUHL: You've got that on all the E&G buildings, not just the ones here in our CPIP?

CARRIE EBERLY: Correct.

PAUL BATSON: So right now, with \$2.6 billion in the ask [UNCLEAR] over five years--

CARRIE EBERLY: Mm-hmm.

PAUL BATSON: --how much do-- have we identified, or do you know, as deferred maintenance kinds of projects or maintenance projects?

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CARRIE EBERLY: There's about \$300 million in maintenance needs--

PAUL BATSON: Three hundred?

CARRIE EBERLY: --as we've categorized.

PAUL BATSON: Okay. All right, thank you.

LOUIS LYNN: So what score do you-- If 100 isn't required, what's your floor?

CARRIE EBERLY: So, the options that we've provided give options to bring all the buildings up to a 70 and all the buildings--

LOUIS LYNN: Okay, 70.

CARRIE EBERLY: -- up to an 80. We're not saying one way or the other as to entirely what we need to be aiming for. Maybe we take the approach that for this five years we try to get everybody up to a 70 and then our new floor will be a 70 and then we want to get all buildings up to an 80 for E&G. So there's just different options that we recommended.

LOUIS LYNN: Per building or average?

CARRIE EBERLY: The calculation is done per building.

LOUIS LYNN: So 70 is your number for a building.

KEERAN SITTAMPALAM: Yeah. So essentially, it's like this. How you interpret it, -- How the building conditions column matches up with the different maintenances that hypothetically you have a building that has a condition of 70. Thirty percent of the replacement cost of the building brings it up to brand new status, but we're not aiming for brand new. We're aiming for a 70 or an 80. So if you're a 60, you need \$40 million to bring it up if it's a \$100m building for either \$10 million, which gets you to a 70, or \$20 million, which gets you to an 80.

LOUIS LYNN: So what if the building's already 80, 90?

KEERAN SITTAMPALAM: If the building's 80, 90 then there's no deferred maintenance according to our calculations

LOUIS LYNN: Okay.

KEERAN SITTAMPALAM: It's only calculating need for below --

DIANNE KUHL: Louis, you'll also see that kind of information used in-- And we've had it from some of our technical colleges in the past and I think even from either Clemson or USC where they take that information and they say okay, here's what it would cost to pull this building back up to this standard--

LOUIS LYNN: Mm-hmm.

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DIANNE KUHL: --here's what it would cost to tear it down and build new. Because--

LOUIS LYNN: Okay, okay.

DIANNE KUHL: --sometimes it's cheaper to tear it--

LOUIS LYNN: Okay.

DIANNE KUHL: --down and build new than--

LOUIS LYNN: Okay.

DIANNE KUHL: --it is--

CARRIE EBERLY: Right.

ALLISON LOVE: I should know this but what's-- what do we-- what does the state pay on an annual basis or-- I mean so this is over five years; \$2.6 is what they're asking, \$1.2 is what we're recommending. But what's the annual state average budget for higher education for this particular line item?

CARRIE EBERLY: So I would answer that question in a manner that there's not a definite number every year that is appropriated for maintenance or-- The appropriations--

ALLISON LOVE: Right.

CARRIE EBERLY: --that institutions receive are for operating.

ALLISON LOVE: Right.

CARRIE EBERLY: So the dollars that they may receive would be on an individual project basis or-- For example, in 2015-16 they had excess lottery dollars that they then used to appropriate funds for maintenance needs on campuses and gave institutions flexibility on how they spent those dollars.

So I wouldn't necessarily say that there's going to be a good number appropriations-wise every year that says every school gets this much for maintenance.

DIANNE KUHL: A lot of that comes out of tuition.

LOUIS LYNN: And what will the bond bill do, Dianne, to this? Bond bill will kick out all the new-- Well, not all of it but--

DIANNE KUHL: I think it depends on how they--

CARRIE EBERLY: Bond bill doesn't--

DIANNE KUHL: It's not even on the table.

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LOUIS LYNN: No. I mean what will it do in the five years?

CARRIE EBERLY: I mean, should the--

DIANNE KUHL: Who knows?

CARRIE EBERLY: --legislature choose to take up a bond bill they would decide what would be their initiative with the bond bill, whether they wanted to restrict it or not, would be my basic understanding of how the bill would work.

DIANNE KUHL: Yeah, they can put in it whatever they want to.

KIM PHILLIPS: But Allison, your question is the problem and I think--

DIANNE KUHL: Should there be, right.

KIM PHILLIPS: --this is what--

DIANNE KUHL: That's the question.

KIM PHILLIPS: --this is going to in my opinion. You're finally seeing a huge total cost of what we think it should be and that was a great answer you gave about it's just to operate but not to keep up what you got. So we ought to look at what we got and make sure it's what we need or don't need before we do any more. To me that's-- this is a good thing leading us on the path of I think what you're saying.

ALLISON LOVE: Well, yeah. I've told other people in the past if we're going to talk about a bond bill, let's talk about not only roads and bridges but also-- not only higher education building but-- There's so many state buildings across the entire state that are aging that need help.

So we've got roads, we've got bridges, we've got college buildings, we've got other state buildings, and our state's just getting older all the time. So I guess my question is: Is there an annual budget and then should there be an annual budget?

So if I were queen for a day, I would recommend that. But--

KIM PHILLIPS: That's not--

ALLISON LOVE: --anyway, I'll shut up now.

KIM PHILLIPS: --for this table.

DIANNE KUHL: Yeah. I think one of the things that I found so concerning -- and Carrie, you may want to speak to this -- is the difference in proposed higher education spending and in actual higher education spending in this state versus some of our sister states because we were significantly

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higher. And my question would be, do we get that significant of a return.

KEERAN SITTAMPALAM: I can't speak to the return of it because that-- I don't know how you measure that. But for my analysis with NASBO data I think last year, 2016, we ranked sixth in terms of spending per state even though we are nowhere near the top six in terms of population or student population. The NASBO data isn't perfect because NASBO can't compel states to report data to them, so there are lots of states where they just reported zero, but the method that I used basically trimmed out those null values and it gives it to you.

I mean, one little issue with NASBO, for example, is that this year they report SC spent \$1.1 billion and last year [UNCLEAR]. So there's no way that that corresponds to the actual flow of money. So, I spoke with the person that compiles the data set, and his response to that was that they don't really run an audit, all we have is what the state budget offices individually submit to us. But we are definitely in the top six in terms of spending in the last year and over the last ten years I think we ranked Number 12.

DIANNE KUHL: Is that in overall spending or is that per student?

KEERAN SITTAMPALAM: That's in overall spending.

DIANNE KUHL: Wow.

KEERAN SITTAMPALAM: So we definitely—We are higher than the SREB average. We are pretty much up there and it's accelerating.

DIANNE KUHL: Wow.

KEERAN SITTAMPALAM: We're increasing at a rate that's higher than any of the other states.

DIANNE KUHL: That's scary.

LOUIS LYNN: So Madam Chair, so the agenda led me to believe that we're going to vote someday. It says for information, no action required, and I thought one day we're going to see it for a vote. So that's-- This is far as we're going to with CPIP?

DIANNE KUHL: Well, you'll see it--

LOUIS LYNN: Again.

DIANNE KUHL: --another day, but it'll be as individual projects instead of all 270. You don't want to do 270 projects--

LOUIS LYNN: But we used to.

DIANNE KUHL: --in one day, do you?

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LOUIS LYNN: We used to.

DIANNE KUHL: That was ugly, Louis. And we didn't really review them.

LOUIS LYNN: No, we didn't.

DIANNE KUHL: No. We looked at them and said is there anything in here that anybody has--

LOUIS LYNN: Yeah, right?

DIANNE KUHL: --a major objection to and then we just approved everything else. But we're looking at them now.

LOUIS LYNN: So the next time we see this-- We won't see this kind of review again.

DIANNE KUHL: No. This is done. It will remain on the OneDrive so that when Clemson comes in with another project and you want to-- I think USC and College of Charleston have got two coming in in January. So, as you're doing the review of those projects if you want to go back and pull this up and say okay, what do they have coming in over the next five years, you know, you can go through-- What is their building condition assessment on the campus? What did-- This is another tool that you'll be able to use in the evaluation process and I'm hoping-- It was presented to the legislature-- or to JBRC on Tuesday. They received it without comment or question.

So I'm hoping that they're going to take it and go back and read it and review it and find some meaningful data in there to help inform some of their decisions.

LOUIS LYNN: So some of the stuff that Carrie couldn't answer you're going-- you're just going to [UNCLEAR] institutions and fill in the blanks for things that you weren't sure of?

CARRIE EBERLY: Yeah. I mean, it's a constant--

LOUIS LYNN: Okay.

CARRIE EBERLY: --back and forth with the institutions. And some of this data is self-reported by the institutions for their building condition surveys so [UNCLEAR] consider this. And as projects are being completed the institutions have the opportunity to update that building condition survey.

LOUIS LYNN: Okay, okay.

DIANNE KUHL: Are there any additional questions on this agenda item?

KIM PHILLIPS: That was a lot of work. Wow. Thank you. Good job.

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DIANNE KUHL: You all did a fantastic job. I can tell you from very personal experience that there was some midnight oil burned in here because I know what time I got phone calls, so thank you. You guys did great.

All right, let's move on to the list of capital projects and leases approved-- or processed by staff.

CARRIE EBERLY: Luckily, we didn't have quite as many staff projects this month, so we were able to focus on CPIP. But for the staff recommendations this month, as you saw this earlier this morning, we have Aiken Technical College, so we initiated that first part of the Phase I, preliminary land studies at the staff level so they could get going on that project.

The next one was Central Carolina Technical College and they are in the process of purchasing some additional property, so we got that project started as well.

And for land acquisitions and land donations, the-- usually the blanket amount of \$20,000 is the limit that they can establish that project for just to make sure that they have enough funds to do their environmental studies, get an appraisal, all those different types of things that are considered for Phase II.

And then we had three closeouts for Coastal Carolina University and they all came in under budget. And during the process when we are closing out projects we make sure that the expenditures align with the statewide project reporting system. That's the SPIRS system, so we just-- we double check.

And for the projects that are being closed out and were older buildings, we're going to start kind of connecting back with the institutions to be like okay, we see that you've done a renovation or you've done a roof replacement, let's look at your building condition survey. Did you reflect that?

And so, for these they were-- some of them were new construction so we double checked to make sure that the buildings were on their building condition surveys this year, and then for the Singleton building renovation, for example, I checked their 2014 building survey and saw that the renovation brought it up by 30 points. So that was a major renovation for the Singleton building.

And the last item that we had was a lease for MUSC and it's an office lease. Previously the lease was under the threshold for a per-year amount, so this one, due to the increases, it was just slightly over the \$100,000 a year amount. So it came through us as a staff item.

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Does anyone have any questions about those?

LOUIS LYNN: Coastal saved \$10 million. Is that right?

CARRIE EBERLY: The project came in-- The projects in total would've come in.

LOUIS LYNN: Do you get anything to say about the savings? Do you-- Does CHE-- Do we have anything to do if they save \$4 million on a building that was 20-- So the \$4 million, where does that go to?

CARRIE EBERLY: It would depend on the source of funds.

LOUIS LYNN: But we don't have anything to say about it?

CARRIE EBERLY: But it's not really our-- I can look at those couple.

LOUIS LYNN: No, just general.

KIM PHILLIPS: Louis, you're not getting it.

LOUIS LYNN: Hmm?

KIM PHILLIPS: You're not getting it.

CARRIE EBERLY: So for-- Let me just real quick-- For example, the Singleton building. The amount that was remaining in their budget was their institutional capital project fund and that's an account that's held at the state treasurer's office for excess student tuition that's pledged for different-- for debt and then it becomes available at each fiscal year end for capital projects or maintenance items, those types of things. So that project-- They just didn't expend the allowed budget, so the dollars are just going to stay in ICPF at the state treasurer's office and be used for different projects.

LOUIS LYNN: It seems like we ought to have a way to-- incentive for doing that. Is there-- Does the state have an incentive for savings like that?

PAUL BATSON: [UNCLEAR]

DIANNE KUHL: I tell you, I'd love to have a-- I mean, if they're using student tuition and they come in 4 million under budget, I'd love to see them apply that to next year's tuition so they can make it lower, but we don't-- we don't get to make those suggestions.

LOUIS LYNN: They should be applauded for those kind of savings though.

DIANNE KUHL: Yeah. [UNCLEAR].

LOUIS LYNN: And how old are these projects, Carrie? Are these three-year projects or?

CARRIE EBERLY: So they were initiated in the early 2000s. Or mid. So 2011, 2012.

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LOUIS LYNN: Oh, okay, I see. I see.

CARRIE EBERLY: [UNCLEAR] established.

DIANNE KUHL: Okay. Any other questions on this one?

LOUIS LYNN: Yeah, \$4 million would buy a nice tiger paw.

[Laughter]

DIANNE KUHL: Hey, for a million dollars you can put up a whole chicken.

LOUIS LYNN: Yeah, right?

DIANNE KUHL: Calendar. That's the last item on here. And we're sort of being asked to look at our calendar. Traditionally we meet the morning prior to the Commission meeting, you know, the same day. So there's really not a whole lot-- Unless we want to make some changes in that there's not a whole lot of-- point in us spending a lot of time on this until the Commission sets its calendar, which will happen in about an hour.

Carrie had a couple of suggestions for possibly reducing our number of meetings -- maybe meeting every other month -- and we had some conversation about that. I personally don't think that's probably the best idea, especially given some of the months that we've had in this past year where, you know, we have 10, 11 projects coming in in one month. That is all we can work our way through and if we were to not meet for a month and we had two months of that, there's no way we could process that.

Plus, the fact I think our universities would probably not be particularly thrilled if we were to go to six meetings a year as opposed to 12.

But I think if we do wind up saying let's go with the Commission calendar, I think July is one of the meetings that we may not--

CARRIE EBERLY: Mm-hmm.

DIANNE KUHL: So we may not meet during July. And there's a possibility-- We'll talk about this in the Commission meeting. We were trying to decide whether or not to have a January meeting and of course the first Thursday of the month is, what, three days after the 1st-- after New Year's, and we had a couple of folks that run small businesses who said please don't do that. So if we do meet in January it will probably be the following week.

But my suggestion on this would be that we simply make a motion and align our calendar with that of the Commission.

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KIM PHILLIPS: And I agree with that. I can't speak for the gang, but I think we ought to align all the Committee meetings with that. I can't come down here for a two-hour meeting. That's-- I can call in, but I'd rather have a really long day--

DIANNE KUHL: Mm-hmm.

TIM HOFFERTH: --and do our business than drive three or four times-- two or three times a month. I hope we talk about that in the Commission meeting. That may just not work for you guys or-- I don't know, but I seem to hear that from other Commissioners. They'd rather start early and stay late than drive down for a one-hour meeting; two or three or four hours for people. Just my opinion.

DIANNE KUHL: Admiral Munns is endorsing that.

KIM PHILLIPS: Yeah. I mean--

ADMIRAL MUNNS: Three or four of them all in one day, order pizza.

KIM PHILLIPS: I agree, yeah.

DIANNE KUHL: Well, even if we had to do one the afternoon prior--

KIM PHILLIPS: Exactly.

DIANNE KUHL: --because you come down that afternoon, you spend the night, and then you--

KIM PHILLIPS: Yeah, do it late--

DIANNE KUHL: --work all day.

KIM PHILLIPS: --where you can get your workday in, have dinner and do something. But just where it's not so much traveling because it's hard--

DIANNE KUHL: Mm-hmm.

KIM PHILLIPS: --to get away from your job that often.

ALLISON LOVE: That's the way we do it.

KIM PHILLIPS: You all do it all in one day?

ALLISON LOVE: Well, we-- Oh, I don't know how you do it at Clemson, but we always have our committee meetings on Fridays, all day, and then we have our board meeting on Saturday, and we don't meet but, you know, like, four or five official times per year. But we kind of-- We try to get everything-- But then we have our committees on different days so-- But it's just, like, a one-hour phone call, not necessarily--

KIM PHILLIPS: Yeah, that's good.

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ALLISON LOVE: Yeah.

DIANNE KUHL: Mm-hmm.

KIM PHILLIPS: That's good.

LOUIS LYNN: Yeah, we typically come in, do committee meetings one day, committee part of the next day, and the full board meeting. So two days, and

DIANNE KUHL: Yeah.

LOUIS LYNN: -- you're going to spend the night anyways.

DIANNE KUHL: Yeah.

RICHARD JONES: [UNCLEAR] Friday night function.

LOUIS LYNN: Sometimes we have a Friday night function.

[Laughter]

LOUIS LYNN: But we don't have Saturday meetings.

KIM PHILLIPS: Well, I'll make the motion to stay with the board meetings, if that's what you want. I have no-- I think we need to keep one that day.

LOUIS LYNN: So you-- This is the schedule you're going with?

KIM PHILLIPS: Whatever the full Commission--

DIANNE KUHL: Whatever the full Commission decides.

LOUIS LYNN: Oh, okay, okay.

KIM PHILLIPS: We stay with that schedule.

DIANNE KUHL: Any additional comments, discussion? All right, is there a second to that motion?

LOUIS LYNN: Second.

DIANNE KUHL: All right, all in favor?

[Multiple speakers, "Aye"]

DIANNE KUHL: Okay. Well, ladies and gentlemen, I think we have done our business. May we have a motion to adjourn?

KIM PHILLIPS: So moved.

DIANNE KUHL: All right, thank you. We are adjourned.

[End of transcription]