

South Carolina Commission on Higher Education

Finance and Facilities Committee Board Meeting

March 5, 2020

DRAFT MINUTES

COMMITTEE ON FINANCE & FACILITIES

MARCH 5, 2020

TIME 11:00 A.M.

COMMISSION ON HIGHER EDUCATION

Committee Members

Commissioner Charles Dalton, Chair

Commissioner Paul Batson

Commissioner Patrick White

Staff

Dr. Rusty Monhollon

Mr. Georges Tippens

Mr. Bryce Wilson

Ms. Yolanda Myers

Excused Committee Members

Commissioner Linda Dolny, Vice Chair

Commission Edgar Dyer

Guests

Beth Bell

Rick Petillo (phone)

Carol Routh

Derek Gruner

Craig Parks

Rein Mungo

David Frost

Julianne Cooke

John Morris

Thomas Welch

Stacie Bowie

John Catalano

Jacqui DiMaggio

Harold Hawley

President Richard Gough

Janice Hoffman

Larry Beckler

Scott Poekler

Kevin Kibler

Anna Lucas

Clemson

Clemson

Clemson

USC-Columbia

USC-Columbia

Coastal Carolina

Coastal Carolina

Coastal Carolina

College of Charleston

Francis Marion University

Lander University

USC-Union

Greenville Technical College

Horry-Georgetown Technical College

Technical College of the Lowcountry

Technical College of the Lowcountry

Technical College of the Lowcountry

Trident Technical College

State Treasurer's Office

Herald Office Supplies

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

1. Call to Order

Chair Dalton called the meeting to order at 11:04 a.m. Chair Dalton noted the establishment of a quorum of committee members and mentioned that Committee member Dolny and Dyer were excused.

South Carolina Commission on Higher Education

Finance and Facilities Committee Board Meeting

March 5, 2020

2. Approval of Minutes

A motion was made (Dyer), seconded (Dolny), and carried to approve the minutes of the February 6, 2020 Finance and Facilities Committee meeting.

3. Chair's Report

Chair Dalton welcomed everyone in attendance and thanked institutional staff who participated in CHE staff's workgroup discussing deferred maintenance and financial monitoring issues. The Chair also expressed appreciation for the institutional staff who made time for the meeting with the ongoing COVID-19 responses at the campuses.

4. Lease Approval

The following agenda items were presented:

- A. Lander University
 - i. Recreation, Wellness and Sports Complex
 - Lease Modification

Georges Tippens introduced the item. Lander University sought recommendation of the Committee on Finance and Facilities to modify its current lease of 25 acres of land from its foundation. The lease modification sought to subsume two additional fieldhouses at an additional cost not to exceed \$176,000 per year within the existing twenty-year term. The committee members inquired whether the additional amounts would result in an increase in student fees to which the university responded in the negative. Chair Dalton asked for a motion to recommend the project, which was made (White) and seconded (Batson). The Committee carried the motion to recommend the project as presented.

5. Permanent Improvement Project Approvals

- A. Lander University
 - i. Field House II Development
 - Establish Phase II Construction Budget

Georges Tippens introduced the item. Lander University sought recommendation of the Committee on Finance and Facilities to establish a construction budget to convert the interior of a vacant 17,800-square foot warehouse owned by its foundation to a field house for its new wrestling and lacrosse teams. The Commissioners inquired about the proposed financing of the project and how it tied to the lease modification request from Lander University. Lander staff stated that the Foundation has already provided in-kind work for the project valued at \$700,000, so the university would need to only contract for \$890,000 of remaining work to complete the renovations. The university's foundation would issue JEDA bonds to pay for the renovation, which the university would then repay over the course of 20 years through the modified lease agreement. The university's lease payments would repay over twenty years both the \$890,000 expected contract and the \$700,000 of in-kind work already performed by the foundation. Chair Dalton asked for a motion to recommend the

South Carolina Commission on Higher Education

Finance and Facilities Committee Board Meeting

March 5, 2020

project, which was made (Batson) and seconded (White). The Committee carried the motion to recommend the project as presented.

- ii. Intramural Field Renovation
 - Establish Phase II Construction Budget

Georges Tippens introduced the item. Lander University sought recommendation of the Committee on Finance and Facilities to establish a construction budget of a project that will renovate and convert an existing natural sod intramural field to synthetic turf, allowing for increased usage, including athletics practices and the occasional competition. Lander University staff briefly presented on the demand for the project and planning that went into choosing a synthetic turf field over natural sod. Chair Dalton asked for a motion to recommend the project, which was made (Batson) and seconded (White). The Committee carried the motion to recommend the project as presented.

- B. Clemson University
 - i. CU-ICAR Campbell Graduate Engineering Center Propulsion Lab Upfit
 - Establish Phase I

Georges Tippens introduced the item. Clemson University sought recommendation of the Committee on Finance and Facilities to begin the Phase I design stage of a project that will create an advanced propulsion system lab at its ICAR campus in Greenville by upfitting 1,500 square feet of existing laboratory space in the Campbell Graduate Engineering Center. After receiving an overview of the project by Clemson staff, the Commissioners inquired whether the grant would pay for the full cost of construction. Clemson staff noted that the grant would pay for the project indirectly; the university would use the indirect cost revenue generated from the grant to replenish the indirect cost funds it will use to pay for the construction costs. The Commissioners also asked about the timing of the project. Clemson staff stated they are looking for a quick turnaround and hope to know whether they have the contract soon. Staff opined that the university recently completed a similar project, so they do not anticipate Phase I planning to take a long time. Chair Dalton asked for a motion to recommend the project, which was made (Batson) and seconded (White). The Committee carried the motion to recommend the project as presented.

- C. Horry-Georgetown Technical College
 - i. Expansion of Diesel Engine Training Facility
 - Establish Phase I

Georges Tippens introduced the item. Horry-Georgetown Technical College sought recommendation of the Committee on Finance and Facilities to begin the Phase I design stage of a project that will expand its diesel engine technician training facility at its Conway Campus by 7,500 square feet. The Commissioners asked about the impetus of the program, whether it was industry-demand or something else. Horry-Georgetown staff noted that there is huge demand from industry, and now students, for this program. Originally, the college acquired the property, which used to be a

South Carolina Commission on Higher Education

Finance and Facilities Committee Board Meeting

March 5, 2020

maintenance building, due to requests for a program from industry. College staff stated that the program currently has a waitlist and capacity for twenty students. After finishing the one-year program, nearly all of the completers are staying within the area, 100% of the students place into the field's jobs, and many are earning starting salaries of \$50,000 per year. Staff noted that this project will allow for the program to increase in size from 20 annual students to 55 students. In addition, staff noted that industry partners provide grants to students, so that students are leaving the program with no debt. Chair Dalton asked for a motion to recommend the project, which was made (Batson) and seconded (White). The Committee carried the motion to recommend the project as presented.

- D. Technical College of the Lowcountry
 - i. Interior Renovations for Advancement of Health Sciences and Student Services – Establish Phase I

Georges Tippens introduced the item. Technical College of the Lowcountry sought recommendation of the Committee on Finance and Facilities to begin the Phase I design stage of a project that will renovate the interiors of four buildings on its campus, buildings #2, #4, #6, and #8. The Commissioners asked for an overview of the project, including the reasoning behind reconfiguring so many spaces. Technical College of the Lowcountry staff stated that the college has been planning the project for a while. In addition to healthcare demands in the area, particularly nursing, the radiological program's accreditor recommends upgrades for the programs. Regarding work for multiple buildings, college officials noted that the upgrades create a domino effect by displacing divisions. College officials added that the project will not result in additional footprint; however, it will result in a currently vacant space to become occupied. Chair Dalton asked for a motion to recommend the project, which was made (Batson) and seconded (White). The Committee carried the motion to recommend the project as presented.

- E. University of South Carolina – Columbia
 - i. Colonial Life Arena Roof Replacement and Envelope Maintenance – Establish Phase I

Georges Tippens introduced the item. University of South Carolina-Columbia sought recommendation of the Committee on Finance and Facilities to begin the Phase I design stage of a project that will replace the current roof membrane of the Colonial Life Arena and replace and repair certain exterior moisture-damaged sections. The Commissioners commended the university for working with the manufacturer to potentially receive the roof membrane for free. USC officials stated that they are confident that negotiations will complete soon and believe that the final project budget will be downward adjusted by approximately \$800,000; the university would still need to contract out the installation of the roof. The Commissioners also inquired about the current conditions of the facility and whether it was experiencing ongoing leaking. USC officials stated that since they discovered the problems, they

South Carolina Commission on Higher Education

Finance and Facilities Committee Board Meeting

March 5, 2020

have performed patchwork maintenance. To their knowledge, the roof is not actively leaking, but still needs replacement. Chair Dalton asked for a motion to recommend the project, which was made (White) and seconded (Batson). The Committee carried the motion to recommend the project as presented.

6. Other Business

- A. Georges Tippens stated he processed ten institutional requests during February 2020 based on authority the Commission has given staff. Eight of the requests were related to closing completed projects for Horry-Georgetown Technical College (Three), Technical College of the Lowcountry (Two), Medical University of South Carolina (One), Greenville Technical College (One), and Williamsburg Technical College (One). One request related to approving a scope revision and budget increase of a project fully funded by the Capital Reserve Fund. The project at USC Sumter received an additional \$2.25 million appropriation from the legislature for fiscal year 2019-20, bringing the total project budget to \$4.5 million. The final approval processed by Mr. Tippens was approving a lease renewal for Clemson University for space used by its Computing and Information Technology division. The lease terms were for three years at a total cost of \$681,000.
- B. Georges Tippens proposed a policy change that would allow staff to process project requests that were fully funded by legislative appropriations for projects that also had prior approval from the Commission because they were funded in whole or in part by other funds. Mr. Tippens explained that the current policy requires full Commission review of a request even if the budget increase is wholly funded by legislative appropriation if a previous request had non-state appropriated funds attached. Chair Dalton asked for a motion to recommend the policy change, which was made (Batson) and seconded (White). The Committee carried the motion to recommend the policy change to the full Commission.

Adjournment

Being no other business before the Committee, Chair Dalton adjourned the meeting at 12:00 p.m.