

South Carolina Commission on Higher Education

Finance and Facilities Committee Board Meeting

February 4, 2021

DRAFT MINUTES

COMMITTEE ON FINANCE & FACILITIES

FEBRUARY 4, 2021

TIME 11:00 A.M.

COMMISSION ON HIGHER EDUCATION

Committee Members

Mr. Charles Dalton, Chair
Ms. Linda Dolny, Vice Chair
Mr. Paul Batson
Mr. Edgar Dyer
Mr. Patrick White

Guests

Ed Coswell
Beth Bell
Carol Routh
David Frost
John Morris
Darryl Bridges
Christine Brown
Victoria Cowell
Brad Taylor
Walt Tobin
Kim Huff
Christy Brandon
Randy Johnson
Michael Hughes
Jennifer LoPresti
Glen Easterby
Cara Hamilton
Scott Poelker
Craig Parks
Kelly Epting
Trena Houpp
Chris Johnson
Justin Oakes
Larry Beckler
Janis Hoffman
Mike McGinnis
Margie T

Staff

Dr. Rusty Monhollon
Ms. Yolanda Myers
Ms. Shakara Smith
Mr. Georges Tippens
Mr. Bryce Wilson

Central Carolina Technical College
Clemson University
Clemson University
Coastal Carolina University
College of Charleston
Francis Marion University
Medical University of South Carolina
Medical University of South Carolina
Medical University of South Carolina
Orangeburg-Calhoun Technical College
Orangeburg-Calhoun Technical College
State Technical System
State Technical System
SC Department of Administration
SC Department of Administration
The Citadel
Tri-County Technical College
Trident Technical College
University of South Carolina, Columbia
University of South Carolina, Columbia
University of South Carolina, Columbia
Winthrop University
Winthrop University
Technical College of the Lowcountry
Technical College of the Lowcountry
Medical University of South Carolina
No Affiliation

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

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1. Call to Order

Chair Dalton called the meeting to order at 11:00 a.m. and noted the establishment of a quorum of committee members.

2. Approval of Minutes

A motion was made (Dyer), seconded (White) and carried to approve the minutes of the December 3, 2020 Finance and Facilities Committee meeting.

3. Chair's Report

Chair Dalton welcomed everyone in attendance and thanked the committee and institutions for their work. He then moved into the deferred maintenance discussion.

4. Deferred Maintenance Discussion

Chair Dalton shared that the SC House Ways and Means Committee have conducted hearings regarding institutional budget requests, at which deferred maintenance was a significant topic. To that regard, Chair Dalton suggested forming a taskforce to assist with developing a set of recommendations to address the issue for the Commission's consideration. Chair Dalton then called on Mr. Tippens to discuss further.

Mr. Tippens stated that deferred maintenance has been a consistent pertinent issue. In agreeance with Chair Dalton, he stated that in creating the taskforce, the members would define the term, create a standard calculation, and a standard goal for deferred maintenance projects. Those recommendations would then be presented to the Finance and Facilities Committee, who in turn would provide those recommendations to the Commission for full consideration. He stated that the taskforce's report would also be shared with interested stakeholders at the state capitol complex; then asked if there were any questions or comments.

Mr. Craig Parks, UofSC staff, expressed appreciation of the CHE's attention on the matter and a desire to collaborate. He noted the importance of the subject and suggested researching how other comparable institutions are handling deferred maintenance nationally. Commissioner Dyer asked whether the General Assembly requested that the CHE were involved with the issue and suggested that institutions of higher education are heavily represented on the taskforce, to which Mr. Tippens responded affirmatively. President Monhollon said that during his presentation to the SC House Ways and Means Committee, he was asked to conduct a study on deferred maintenance.

Coastal Carolina staff inquired regarding the selection process of taskforce members, to which Chair Dalton explained that volunteers would be considered initially, then a process will be implemented to ensure diversity and representation across institutions. Commissioner Dyer suggested exploring other terms to refer to deferred maintenance, such as, prioritized maintenance. College of Charleston staff, John Morris, expressed interest in serving on the taskforce and said that they use the term capital renewal to refer to deferred maintenance.

Commissioner Batson asked about the timeline, to which Chair Dalton recommended either

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May or June. Commissioner Dyer suggested that one member of each of the CHE's committees serve on the taskforce as the topic does impact academics and financial, to which Chair Dalton agreed.

Chair Dalton asked if anyone from the Finance and Facilities Committee would like to Chair the taskforce, to which Commissioner White agreed to serve. A motion was made (Dyer), seconded (Batson) and carried to create the taskforce chaired by Commissioner White, vice chaired by Commissioner Dolny, and to have Mr. Tippens contact institutions and other commissioners regarding membership.

5. Uses of Tuition Revenue Discussion

Chair Dalton explained that to increase transparency, Commissioner Dyer has suggested conducting a study regarding data from the comprehensive campuses that would illustrate how each institution's tuition funds are allocated between academics, athletics, student life, student affairs, and other common categories. Chair Dalton called on Commissioner Dyer to share further details, to which Commissioner Dyer explained that students, administrators, and legislators are interested in how tuition funds are spent. Mr. Tippens explained that he would work with institutional representatives to obtain the data. Winthrop CFO, Justin Oates, stated that a significant portion of funds are used to cover benefits and compensation, hence, he suggested refining the study to FTE based on categories. Darryl Bridges, Francis Marion CFO, suggested including fees in the analysis to provide a more accurate depiction across institutions. Mr. Tippens suggested creating a taskforce, led by Commissioner Dyer, that would convene in the summer following completion of the deferred maintenance work. A motion was made (Dolny), seconded (Batson) and carried to create the taskforce chaired by Commissioner Dyer, and to include institutional representatives.

6. Other Business

A. Permanent Improvement Project Staff Approvals during December 2020 and January 2021

Mr. Tippens stated that there were eight institutional requests during December and January. He highlighted three projects from University of South Carolina – Columbia two of which were project closeouts and one transferring of funds to complete a different project.

B. FY 2020 – 21 CPIP Analysis

Mr. Tippens gave an overview of his annual CPIP analysis, stating he prioritized the projects following the same methodology he used in the previous year. Mr. Tippens said that he forwarded his report to the Joint Bond Review Committee (JBRC) and the State Fiscal Accountability Authority (SFAA) for their consideration, as required by statute.

C. FY 2020 – 21 2nd Quarter Budget Update

Chair Dalton called on Mr. Wilson to provide the CHE Financials Quarter 2 Report, to which Mr. Wilson provided a brief overview of the report based on expenditures through December 31, 2020.

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Adjournment

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

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