

DESCRIPTION OF PERMANENT IMPROVEMENT PROJECT FOR CONSIDERATION

August 5, 2022

HORRY-GEORGETOWN TECHNICAL COLLEGE

PROJECT NAME: Renovation/Expansion of Grand Strand Building 100
REQUESTED ACTION: Establish Project – CIP (Phase I)
REQUESTED ACTION AMOUNT: \$225,000 (1.5%)
Internal Projected Cost: \$15,000,000
INITIAL CHE APPROVAL DATE: N/A

DESCRIPTION:

Horry-Georgetown Technical College is seeking a recommendation from the Commission on Higher Education to begin the Phase I design stage of a project to renovate and expand Building 100 on its Grand Strand Campus. This project will allow the college to increase the number of students enrolled in its healthcare programs and reduce the wait times for students to be accepted into various healthcare programs.

According to college staff, the college's existing 55,000-square foot nursing and health-sciences building is operating at full capacity and can no longer support any additional students or academic programs. The proposed renovation and expansion of building 100 will dedicate an additional 24,122 square feet to the college's health science programs, 14,122 square feet from repurposing the existing building and an additional 10,000 square feet from the expansion. In addition to housing healthcare programs, the renovated and expanded facility will house a simulation lab. According to college staff, this project will allow the college to increase enrollment in its healthcare programs by more than 200 students annually.

For the construction phase, the college intends to use state appropriations and college plant funds; college staff stated that there will be no increase in tuition or student fees resulting from this project.

This project was included in the college's CIP submittal.

SOURCE OF FUNDS:

The following outlines the funding sources for Phase I of the project:

- \$225,000 from the College Plant Funds account.

College Plant Funds are excess revenues over expenses, which the college allocates for capital projects and physical plant needs. The current balance of this account is approximately \$44.8 million.

For the construction phase of this project, Horry-Georgetown plans to use a combination of college plant funds and state appropriations from Proviso 118.19 of the 2022-23 fiscal year Appropriations Act.

E&G MAINTENANCE NEEDS:

The College plans to use college plant funds, described above, for funding of maintenance needs associated with this project.

ANNUAL OPERATING COSTS/SAVINGS:

Horry-Georgetown Technical College anticipates an annual ongoing cost of \$109,366 related to utilities and maintenance.

FOR DEPARTMENT USE ONLY

CHE _____
 JBRC _____
 SFAA _____
 JBRC Staff _____
 ADMIN Staff _____
 A-1 Form Mailed _____
 SPIRS Date _____
 Summary _____

(For Department Use Only)**SUMMARY NUMBER****FORM NUMBER****PERMANENT IMPROVEMENT PROJECT REQUEST**

1. AGENCY
 Code H59 Name Horry-Georgetown Technical College
 Contact Person Harold Hawley Phone 843-602-3344

2. PROJECT
 Project # _____ Name Renovation/Expansion of Grand Strand Building 100
 Facility # _____ Facility Name Grand Strand Building 100

County Code	<u>26 - Horry</u>
New/Revised Budget	<u>\$225,000.00</u>

Project Type	<u>3 - Repair/Renovate Existing Facilities/Systems</u>
Facility Type	<u>2 - Program/Academic</u>

3. CIP PROJECT APPROVAL FOR CURRENT FISCAL YEAR
 CIP priority number 1 of 3 for FY 23.

4. PROJECT ACTION PROPOSED (Indicate all requested actions by checking the appropriate boxes.)

Establish Project	☐	Decrease Budget	☐	Close Project	☐
Establish Project - CIP	☒	Change Source of Funds	☐	Change Project Name	☐
Increase Budget	☐	Revise Scope	☐	Cancel Project	☐

5. PROJECT DESCRIPTION AND JUSTIFICATION

(Explain and justify the project or revision, including what it is, why it is needed, and any alternatives considered. Attach supporting documentation/maps to fully convey the need for the request.)

In response to worker shortages and appeals from local health care providers, the College seeks to increase enrollment in its nursing and health-sciences programs by renovating and expanding Building 100 on its Grand Strand (former Air Force Base) Campus. Building 100 was originally a gymnasium and has historically supported various functions but is currently not utilized. The college intends to renovate the existing 14,122 square foot structure and construct an additional 10,000 square feet of instructional and applied learning space. The proposed 24,122 square foot facility will be dedicated to expanding the College's nursing, imaging sciences, physical therapy, and EMT programs, creating multi-disciplinary simulation labs, and supporting new programs such as cardio-vascular imaging. The college anticipates increasing enrollment in these programs by more than 200 students annually each year. The project will be funded by state appropriations and local funding that includes support from area healthcare providers. The college has the lowest tuition in the state and there will be no increase in tuition or fees that are attributable to this project. The college has no debt and does not impose any fees for its capital needs.

6. OPERATING COSTS IMPLICATIONS

Attach Form A-49 if any additional operating costs or savings will result from this request. This includes costs to be absorbed with current funding.

7. ESTIMATED PROJECT SCHEDULE AND EXPENDITURES

Estimated Start Date: July 2022 Estimated Completion Date: December 2024
 Estimated Expenditures: Thru Current FY: \$225,000.00 After Current FY: \$14,775,000.00

8. ESTIMATES OF NEW/REVISED PROJECT COSTS

PROJECT #

1. _____ Land Purchase ----> Land: _____ Acres
 2. _____ Building Purchase ----> Floor Space: _____ Gross Square Feet
 3. 225,000.00 Professional Services Fees Information Technology _____
 4. _____ Equipment and/or Materials ---->
 5. _____ Site Development
 6. _____ New Construction ----> Floor Space: _____ Gross Square Feet
 7. _____ Renovations - Building Interior ----> Floor Space: _____ Gross Square Feet
 8. _____ Renovations - Utilities
 9. _____ Roofing - _____ Roof Age
 10. _____ Renovations - Building Exterior
 11. _____ Other Permanent Improvements
 12. _____ Landscaping
 13. _____ Builders Risk Insurance
 14. _____ Other Capital Outlay
 15. _____ Labor Costs
 16. _____ Bond Issue Costs
 17. _____ Other: _____
 18. _____ Contingency

\$225,000.00 TOTAL PROJECT BUDGET

ENVIRONMENTAL HAZARDS

Identify all types of significant environmental hazards (including asbestos, PCB's, etc..) present in the project and the financial impact they will have on the project.

Type: _____

Cost Breakdown

Design Services \$ _____
 Monitoring \$ _____
 Abate/Remed \$ _____
 Total Costs \$ _____ 0.00

9. PROPOSED SOURCE OF FUNDING

Source	Previously Approved Amount	Increase/Decrease	Original/Revised Budget	Transfer to/from Proj. #	Rev Object Code	Treasurer's ID Number	Rev Sub Fund	Exp Sub Fund
(0) CIB, Group			0.00 0.00		8115		3043	3043
(1) Dept. CIB, Group			0.00 0.00		8115		3143	3143
(2) Institution Bonds			0.00 0.00					3235
(3) Revenue Bonds			0.00 0.00					3393
(4) Excess Debt Service			0.00 0.00					3497
(5) Capital Reserve Fund			0.00 0.00		8895		3603	3603
(6) Appropriated State			0.00 0.00		8895	68800100	1001	3600
(7) Federal			0.00 0.00			78800100		5787
(8) Athletic			0.00 0.00			88800100		3807
(9) Other (Specify) College Funds (1)		225,000.00	225,000.00 0.00 0.00			98800100		3907
TOTAL BUDGET	\$0.00	\$225,000.00	\$225,000.00	Note (1) - College Funds are excess revenues over expenses.				

10. SUBMITTED BY:

Harold Hawley VP of Finance and Administration
 Signature of Authorized Official and Title

July 7, 2022

Date

11. APPROVED BY:

(For Department Use Only)

Authorized Signature and Title

Date

SECTION 1: GENERAL – TO BE PROVIDED FOR ALL PROPOSALS

1. Provide the internal projected cost of the project.

The projected cost of the project is \$15,000,000.

2. Identify the sources of funds to be used for A&E pre-design.

The sources of funds to be used for A&E pre-design are College plant funds. These funds are the cumulative excess of revenues over expenses that are set aside to fund capital projects and major renovations.

3. Describe and define each fund source to be used for A&E pre-design, with specificity. Cite any statutory authority, including the code section or other provision of law for use of the funds for permanent improvement projects. If the source includes any fee, provide the name of the fee, the fee amount, the frequency of collection and when the fee was first implemented.

College plant funds are defined as the excess of revenues over expenses. The plant funds are simply the excess of revenues over expenses accumulated over time for the purpose of funding capital projects, major renovations, and for meeting local matching requirements. The College does not impose any fee relative to its plant fund or for capital projects.

4. Provide the current uncommitted balance of funds for each source described above.

\$44,818,807.34

5. Identify the sources of funds for construction.

The sources of funds for construction are State appropriations (\$10,000,000 Proviso 118.19) and College plant funds (\$5,000,000). See definitions of these sources below.

6. Describe and define each fund source to be used for construction, with specificity. Cite any statutory authority, including the code section or other provision of law for use of the funds for permanent improvement projects. If the source includes any fee, provide the name of the fee, the fee amount, the frequency of collection and when the fee was first implemented.

- State appropriations (Proviso 118.19) - \$10,000,000. See definitions in the state appropriations act;
- College plant funds - \$5,000,000 (less \$225,000 dedicated to A-1 pre-design).

College Plant Funds are defined as the cumulative excess of revenues over expenses accumulated over time for the purpose of funding capital projects, major renovations, and for meeting local matching requirements. The College does not impose any fee relative to its plant fund or for capital projects.

7. Provide the current uncommitted balance of funds for each source described above.

State appropriations \$10,000,000 (Proviso 118.19)

College plant funds \$44,818,807.34

8. Provide the total square footage of the building to be renovated or constructed.

The total square footage of the proposed structure including the renovated and newly constructed space is approximately 24,122 square feet.

9. If any portion of the building is to be renovated, provide the square footage of the portion that will be included in the renovation.

The portion of the structure that will be renovated is approximately 14,122 square feet.

10. Describe the programs that will use the constructed or renovated space.

The programs that will use the constructed and renovated space are nursing, physical therapy, imaging sciences, emergency medical technician (EMT). The space will also have a multi-disciplinary simulation lab.

11. Provide the current age of the building and building systems to be renovated or replaced.

The current age of the building is 40 years and was originally a gymnasium and youth center when the property was owned and operated by the Myrtle Beach Air Force Base. The building was originally constructed in 1992.

12. If any new space is being added to the facility, provide demand and usage data to support the need.

The college's existing nursing and health-sciences building on the Grand Strand Campus (called the Speir Building or Building 1000) is 14 years old, includes approximately 55,000 square feet, and is at full capacity and can no longer support additional students or academic programs. This project will enable the college to dramatically increase the number of students enrolled in its healthcare programs, reduce the wait times for students to be accepted into various programs, and address the shortage of nursing and healthcare workers in our service area and across the state.

13. If the A&E pre-design request exceeds 1.5% of the internal estimated cost of the project, provide the reason the amount exceeds 1.5%.

The total A&E pre-design costs are \$225,000 or 1.5% of the internal estimated cost of the project which is \$15,000,000.

14. Provide an estimate of the numbers of students, faculty, staff and clients that are expected to utilize the space associated with the project or building.

The estimated number of students, faculty, staff, and clients that are expected to utilize the space is 525 annually.

15. Indicate whether or not the project has been included in a previous year's CPIP. If so, provide the last year the project was included and year for which it was proposed.

The project was included in the FY 2022 CPIP and was proposed for FY 2023.

16. Provide the economic impact of the project or project request, including job creation and retention. If there is no economic impact, provide an explanation.

The economic impact of the project cannot be measured with any precision at this time. That said, the project will enable the college to increase the total number of students enrolled in its health-sciences program by more than 200 students or 25% annually and will alleviate the current shortage of healthcare workers. The project will also improve the quality of life for its graduates as the starting salary of HGTC's healthcare graduates exceeds the average wage in the local service area.

17. Discuss how maintenance of this facility construction/renovation will be addressed and funded.

The maintenance of the facility will be supported by the College's existing maintenance team, with no need for additional maintenance personnel. The existing maintenance staff and their work is supported by the College's current operating budget. There will be a need to increase the custodial staff by 1 person, and that position will be incorporated into and supported by the College's operating budget.

18. Provide the name of any account from which costs of deferred maintenance are addressed and its current uncommitted balance. Indicate the sources used to fund the account.

The College develops a rolling 5-year maintenance plan each year and sets aside funds to ensure that those maintenance needs are fully funded.

19. If funding for maintenance of this facility construction/renovation has not yet been determined, discuss the steps that have been taken to address and fund maintenance of this and other facilities owned or managed by the agency or institution.

The annual maintenance needs will be identified and funded throughout the College's annual maintenance planning and budgeting process. Any maintenance needs identified through the annual planning process will be fully funded by setting aside sufficient financial resources from the College's Plant fund to ensure those needs are met.

SECTION 2 – TO BE PROVIDED FOR HIGHER EDUCATION PROPOSALS

20. Indicate whether or not the use of any funds for construction will require an increase in any student fee or tuition. Describe any increase in student fees effected in prior years that has contributed to the availability of these funds.

There will be no funds used in the construction of this project that will require an increase in any student fee or tuition. Over the past 5 years, the College has only increased its tuition by the State

approved Higher Education Price Index (HEPI) and has never increased tuition or fees for a capital project. Please note that HGTC has no debt, does not impose any capital related fee, and has the lowest tuition in South Carolina. The tuition increases in prior years were necessitated for 2 specific reasons:

1. To keep the College's tuition rate at the State minimum as set forth in SC State Tech Policy (7-2-101); and
2. To offset inflationary pressure and the ever-increasing cost of salaries/benefits, goods, and services.

Additional Details: HGTC funds capital projects through its Plant Fund. The Plant Fund is defined as the cumulative excess of revenues over expenses. The College does not impose any separate fee relative to its Plant Fund or for capital projects.

21. If the use of any funds for construction includes any student fee, provide the name of the fee, the fee amount, the frequency of collection and when the fee was first implemented.

Not applicable.

22. Provide a nine-year history of each component within the institution's tuition and fee structure designated or utilized for permanent improvements. Identify the tuition or fee component per student, per semester; the total revenue collected during the academic year; and the fund balance at fiscal year end, all delineated by academic year. Include a projection for the ensuing academic year, and any future academic years in which the fee is projected to increase. Use the following format in responding to this question and provide as many tables as are necessary to promote a clear understanding of the relationship of tuition and fee revenue designated by the institution for permanent improvements, maintenance and other facility-related expense, including debt service.

Academic Year	Amount per student per semester	Total Revenue Collected During Academic Year	Amount Expended for Permanent Improvements	Fund Balance at Year End
2014-15				
2015-16				
2016-17				
2017-18				
2018-19				
2019-20				
2020-21				
2021-22				
2022-23*				

*Projection

Academic Year/FY	Amount per student per semester	Total Revenue (all sources of funds)	Expended for Permanent Improvements	Fund Balance as of 6.29.22	Fund Balance after GASB 68 & 75
2013-14	1,771.00	64,292,537	1,510,034	39,154,391	39,154,391

2014-15	1,903.00	64,721,780	3,414,811	9,472,904	42,576,310
2015-16	1,956.00	69,052,792	10,500,687	12,523,041	46,337,877
2016-17	1,994.00	61,963,275	5,973,977	7,977,295	43,167,922
2017-18	2,030.00	68,780,982	3,148,133	(22,630,558)	50,246,345
2018-19	2,102.00	78,321,666	6,718,844	(13,387,534)	61,194,988
2019-20	2,162.00	80,377,799	4,718,324	(7,752,761)	69,479,971
2020-21	2,162.00	82,568,795	6,007,868	(1,371,797)	79,582,089
2021-22*	2,162.00	82,500,000	3,542,000	(7,052,414)	

*Projection as of 6.29.22

*Do not
have
GASB
figures
for FY22

23. Identify any other funds not specifically designated that may be utilized or redirected for permanent improvements, maintenance and other facility-related expense, including debt service. Provide a nine-year history of total collections, by fund; amounts applied to or for permanent improvements, maintenance and other facility-related expense, including debt service; and the fund balance at fiscal year end, delineated by academic year. Include a projection for the ensuing academic year, and any future academic years in which the revenue is projected to increase. Describe any portion of the source that originates from any tuition or fee component. Include all permanent improvements without regard to Joint Bond Review Committee or State Fiscal Accountability approval requirements. Use the following format in responding to this question and provide as many tables as are necessary to provide a complete and comprehensive response for each fund.

Fund Source or Name:
Description:

Academic Year/FY	Total Current Revenue	Total Tuition and Fee Revenue as of 2.22.22	Expended for Permanent Improvements	Fund Balance as of 6.29.22*	Fund Balance before GASB 68 & 75 *
2013-14	38,184,921	27,238,057	-	3,714,682	3,714,682
2014-15	39,161,703	28,174,187	-	(29,527,854)	3,575,552

PERMANENT IMPROVEMENT PROJECTS

REQUIRED INFORMATION FOR PHASE I A&E PRE-DESIGN PROPOSALS

2015-16	41,444,854	29,072,593	-	(29,083,828)	4,731,008
2016-17	40,812,367	28,119,244	-	(29,988,015)	5,202,612
2017-18	45,063,124	30,973,053	-	(66,543,993)	6,332,910
2018-19	46,925,048	31,720,666	-	(67,760,896)	6,821,626
2019-20	48,477,099	32,461,470	-	(69,707,496)	7,525,236
2020-21	50,709,449	31,452,136	-	(75,725,588)	5,228,298
2021-22*	52,561,323	30,241,049	-	(22,748,917)	(See note below)
*Do not have GASB figures for FY22					

*Projection as of 4.27.22

Academic Year	Total Revenue Collected During Academic Year	Portion Collected From Tuition or Fee Revenues	Amount Expended for Permanent Improvements	Fund Balance at Year End
2014-15				
2015-16				
2016-17				
2017-18				
2018-19				
2019-20				
2020-21				
2021-22				
2022-23*				

*Projection

24. Describe the fund sources reflected above that will be utilized to support the project that is the subject of this Phase I proposal.

The fund sources that will be used to support the project that is the subject of this Phase I proposal are reserved from the "tuition and fees" (collectively referred to as plant fund). As outlined in #22 above

118.19. (SR: Nonrecurring Revenue) (A) The source of revenue appropriated in subsection (B) is nonrecurring revenue generated from the following sources:

- (1) \$1,023,777,259 from Fiscal Year 2020-21 Contingency Reserve Fund;
- (2) \$2,853,646,014 from Fiscal Year 2021-22 Projected Surplus;
- (3) \$16,832,497 from Fiscal Year 2021-22 Debt Service in Excess Obligation;
- (4) \$53,898,508 from Litigation Recovery Account;
- (5) \$525,000,000 from Savannah River Site Litigation; and
- (6) \$100,000,000 from Estimated Excess Debt Service above Projected Expenditures.

Any restrictions concerning specific utilization of these funds are lifted for the specified fiscal year. The above agency transfers shall occur no later than thirty days after the close of the books on Fiscal Year 2021-22 and shall be available for use in Fiscal Year 2022-23.

This revenue is deemed to have occurred and is available for use in Fiscal Year 2022-23 after September 1, 2022, following the Comptroller Generals close of the states books on Fiscal Year 2021-22.

(B) The appropriations in this provision are listed in priority order. Item (1) must be funded first and each remaining item must be fully funded before any funds are allocated to the next item. Provided, however, that any individual item may be partially funded in the order in which it appears to the extent that revenues are available.

The State Treasurer shall disburse the following appropriations by September 30, 2022, for the purposes stated:

- (1) Comprehensive Tax Cut of 2022 (S. 1087) \$ 1,000,000,000;
- (2) F310 General Reserve Fund
 - (a) General Reserve Fund Contribution \$ 64,024,852;
 - (b) General Reserve Fund Additional Contribution \$ 52,298,607;
- (3) F300 Employee Benefits
 - (a) Employee Bonus \$ 45,793,437;

(3.1) From the funds appropriated to Statewide Employee Benefits for Bonus Pay, effective on the first pay date that occurs on or after October 17, 2022, the Department of Administration shall allocate to state agencies \$45,793,437 to provide for a one-time lump sum bonus. Each permanent state employee, in a full-time equivalent position, who has been in continuous state service for at least six months prior to July 1, 2022, shall receive an \$1,500 one-time lump sum payment. This payment is not a part of the state employees base salary and is not earnable compensation for purposes of employer or employee contributions to respective retirement systems. This appropriation may be used for payments to employees only in the same ratio as the employees base salary is paid from appropriated sources and the employing agency shall pay the bonus for federal and other funded full-time equivalent positions employees from federal or other funds available to the agency in the proportion that such funds are the source of the employees salary. The earnings limitation on bonuses in Proviso 117.52 of this Act does not apply to this bonus. For institutions of higher education, the funds received for this bonus may be used without uniformity. Unexpended funds appropriated pursuant to this provision may be carried forward to succeeding fiscal years and expended for the same purposes.

(27) **H590** Board for Technical and Comprehensive Education

(a) Aiken Technical College

Maintenance, Renovation, and Replacement \$ 4,149,395;

(b) Central Carolina Technical College

Maintenance, Renovation, and Replacement \$ 10,000,000;

(c) Denmark Technical College

Maintenance, Renovation, and Replacement \$ 5,000,000;

(d) Florence-Darlington Technical College

Maintenance, Renovation, and Replacement \$ 2,517,863;

(e) Greenville Technical College

Maintenance, Renovation, and Replacement \$ 15,000,000;

(f) Horry-Georgetown Technical College

Maintenance, Renovation, and Replacement \$ 4,490,718;

(g) Midlands Technical College

Maintenance, Renovation, and Replacement \$ 15,000,000;

(h) Northeastern Technical College

Maintenance, Renovation, and Replacement \$ 3,903,796;

(i) Orangeburg-Calhoun Technical College

Maintenance, Renovation, and Replacement \$ 4,751,976;

(j) Piedmont Technical College

Maintenance, Renovation, and Replacement \$ 9,949,243;

(k) Spartanburg Community College

Maintenance, Renovation, and Replacement \$ 13,507,133;

(l) Technical College of the Lowcountry

Maintenance, Renovation, and Replacement \$ 4,532,654;

(m) Tri-County Technical College

Maintenance, Renovation, and Replacement \$ 12,443,753;

(n) Trident Technical College

(i) Maintenance, Renovation, and Replacement \$ 15,000,000;

(ii) Logistics Apprenticeship Program with

the SC Ports Authority \$ 1,100,000;

(o) Williamsburg Technical College

Maintenance, Renovation, and Replacement \$ 1,838,676;

(p) York Technical College

Maintenance, Renovation, and Replacement \$ 5,000,000;

(q) Central Carolina Technical College -

Academic Building \$ 19,000,000;

(r) Florence-Darlington Technical College

(i) Darlington County Campus \$ 20,000,000;

(ii) EMT & Paramedic Program Equipment \$ 500,000;

(s) Horry-Georgetown Technical College -

Grand Strand Campus Renovation \$ 10,000,000;

(t) Midlands Technical College - Dual Credit and

QuickJobs..... \$ 4,500,000;

(u) Orangeburg-Calhoun Technical College -

Advanced Manufacturing Building \$ 8,000,000;

(v) Technical College of the Lowcountry - Workforce

Collaborative..... \$ 2,500,000;

(w) Tri-County Technical College - Transportation,

Logistics, and Utility Center \$ 6,000,000;

(x) Trident Technical College - Berkeley Campus \$ 6,000,000;

(y) York Technical College - Baxter Hood Center \$ 28,000,000;

(z) Spartanburg Community College - Cherokee Campus \$ 20,000,000;

(27.1) The funds appropriated in Item (27)(h) may be used to match federal funds for new construction.

(27.2) The State Ports Authority shall enter a Memorandum of Understanding with Trident Technical College for the creation of a truck driver logistics apprenticeship program (LAP).

**HORRY-GEORGETOWN TECHNICAL COLLEGE
GRAND STRAND - BUILDING 100 PROJECT
COST ESTIMATES
JULY 7, 2022**

Cost Item	Sq. Footage	Cost/Sq. Ft.	Est. Cost	% of Total
A/E Costs			\$ 800,000	5.3%
Renovation Labor & Mat.	14,122	\$ 325	\$ 4,589,650	30.6%
New Construction Labor & Mat.	10,000	\$ 435	\$ 4,350,000	29.0%
FFE & IT			\$ 4,000,000	26.7%
Misc. Inspections & Energy Cert.			\$ 60,350	0.4%
Contingency			\$ 1,200,000	8.0%
			\$ 15,000,000	100.0%