

MEETING MINUTES

COMMITTEE ON FINANCE AND FACILITIES

SEPTEMBER 5, 2024

A meeting of the South Carolina Commission on Higher Education's Finance and Facilities Committee was held on September 5, 2024. This meeting was held in compliance with the Freedom of Information Act.

1. Call to Order

Commissioner Edgar Dyer, Acting Chairman, called the meeting to order at 11:00 a.m. Upon Commissioner Dyer's request, Yolanda Myers acknowledged Committee members, noted the establishment of a quorum, and introduced guest attendees.

In addition to Commissioner Dyer, Committee members present for this meeting were Commissioners Patrick White, Vice-Chair; Jenni Bryson; Dino Teppara; Dr. Mitchell Zais.

Commissioner Terrye Seckinger was also present.

Staff of the Commission on Higher Education (CHE) present for this meeting were Dr. Jeff Perez; Bryce Wilson; Christina Seale; Yolanda Myers; Scheri Eichelberger; Laura Belcher; Christopher Glenn; Leslie Williams; Yarley Steedly; Mark Swart, Rick Moul and Karen Woodfaulk.

2. Approval of Minutes

Commissioner Dyer called for approval of the August 8, 2024, meeting minutes. Commissioner Bryson motioned for approval, and Commissioner Zais seconded. The motion passed unanimously.

3. Chair's Report

Commissioner Dyer thanked everyone for attending the meeting and noted the only item on the agenda for the meeting was to discuss the CHE's budget.

4. Discussion of Agency Budget

The following items were presented by Dr. Jeff Perez, CHE President and Executive Director, and Mr. Bryce Wilson, CHE Director of the Office of Fiscal Affairs:

A. FY 2025-26 CHE Budget Request (For Action) – Passed All in Favor

The executive budget request (due September 27th) is not the CHE budget, but a request to change the budget and budget provisos associated with CHE.

The most important part of this budget request is obtaining funds for open full-time equivalent (FTE) positions. CHE has been drawing funds from the open FTE positions, and using them to pay for raises, promotions, etc., so there were no funds associated with open FTE positions. In total there are 13 open positions, of which there's funding for 4 of those FTE positions but no funding for the remaining 7 FTE positions. CHE worked with State HR and identified the solution of taking the 7 open FTE positions that CHE had and use the mid-range of the salaries including benefits which come to \$723,692. The Inspector General (IG) also concurs with this approach.

Another important element in the request is aligning the FTE positions with their funding. The Act authorized a certain amount of FTE positions based on funding: 37.4 (State), 11.7 (Other), and 1.8 (Federal) for a total of 51 FTE positions. Over the years the funding source for those FTE positions have changed, so this will get CHE back in line to where it should be based on the Act.

The structural changes that CHE is requesting in its FY26 Executive Budget request are:

- Transfer of funding from the ascend 60x30 of \$750,000 to administrative-classified positions of \$400,000, administrative-other operating expenses of \$200,000, and employee benefits of \$150,000.
- Delete AmeriCorps Grant of \$160,000, because there's no more funding associated with it anymore.
- Delete Improving Teacher Quality federal authority of \$876,879, because the federal grant has ended.
- Delete College Goal Sunday earmarked authority of \$41,000, because the grant has ended.

Top two FY26 Provisos changes are:

- Expand the College Transition Program which provides opportunities for individuals with developmental disabilities to have a college experience and funding is available to do so.
- Increase the benefits of National Guard College Assistance Program to help with recruiting into the State National Guard and funding is available to do so.

Dr. Karen Woodfaulk was asked to give a summary of the College Transition Program (CTP). The college transition program is a program that actually was started through the Federal government, so that students who are intellectually disabled could apply for Pell Grants. Subsequently, throughout the years programs throughout the nation allowed for students to go through an acculturation of the college experience by being on campus, participating in activities so that it became a little bit more developed. South Carolina now has 7 programs. They are residential and nonresidential which means they can stay on campus. But some allow for students to have day programs. They get vocational certificates, so at the end of these programs, they are prepared for the workforce. They don't get degrees.

Commissioner Dyer called for approval of the FY 2025-26 Budget Request as presented, with the understanding that minor adjustments may be made and approved without reconvening the committee. Commissioner Zais motioned for approval, and Commissioner Bryson seconded. The motion passed unanimously.

B. FY24 Operating Expenditures Review (For Information, no action)

The meeting also covered the financial situation of the organization, highlighting a net surplus of \$23,080 for FY 24 and a carry forward balance of \$2,963,117 in general funds.

Also mentioned was the transfer of \$120 million from excess merit scholarship programs cash balances to fund other lottery appropriated programs. This would leave a cash balance of around \$45 million in the lottery account, with \$10 million uncommitted. One Commissioner emphasized the need for an interest-bearing account for the lottery funds and the importance of developing a strong relationship with the Governor's office and the General Assembly for better management of taxpayer dollars. Ms. Yarley Steedly, CHE's Legislative and External Affairs Manager stated that there is already such an account in existence.

There was also discussion of the need for a new model for projecting scholarship funding and the importance of being prudent with taxpayer dollars.

5. Other Business

A. Stoneridge Startup Cost (For Information, no action)

As requested in the August 8th meeting, staff presented the Stoneridge startup cost to the committee. There was discussion about the need for a space utilization study and a telecommuting policy to determine the amount of space needed. The possibility of co-locating the Commission on Higher Education with the South Carolina Department of Education was also discussed. The conversation ended without a vote on the co-location proposal, as it was deemed premature. The possibility of revising space allocation standards as they move towards telecommuting and shared spaces was also discussed.

When there were no more comments or remarks, Commissioner Dyer motioned for adjournment, and Commissioner Bryson seconded.

The meeting adjourned at 11:48 a.m.