

South Carolina Commission on Higher Education

Finance and Facilities Committee Meeting

February 1, 2024

MEETING MINUTES

COMMITTEE ON FINANCE & FACILITIES

FEBRUARY 1, 2024

COMMITTEE ON FINANCE AND FACILITIES

A meeting of the South Carolina Commission on Higher Education's Finance and Facilities Committee was held on February 1, 2024.

1. Call to Order

Commissioner Paul Batson, Chair, called the meeting to order at 10:35 a.m. and noted the establishment of a quorum of Committee Members. Upon Commissioner Batson's request, Scheri Eichelberger acknowledged Committee members and introduced guest attendees.

Committee members present for this meeting in person were Commissioner Paul Batson; Commissioner Edgar Dyer; Commissioner Dino Teppara; Commissioner Jenni Bryson; and Commissioner Mick Zais.

One Committee member, Commissioner Patrick White, Vice Chair, attended this meeting via Zoom.

Committee on Finance and Facilities (CHE) staff that attended this meeting were Acting Director Karen Woodfaulk; Georges Tippens; Bryce Wilson; Yolanda Myers; Scheri Eichelberger; Leslie P. Williams; Andrea LaTouche; Christopher Glenn; Bunnie Ward; and Yarley Steedley.

In-person guest attendees from colleges and universities were Paul Patrick and John Loonan, College of Charleston; Jacqueline DeMaggio, Greenville Technical College; Rick Anderson, Medical University of South Carolina; Ethan Burroughs, Spartanburg Community College; Derek Gruner and Craig Parks; University of South Carolina; Gene Creson and Violet Colerider; Trident Technical College; and Brant Branham, Coastal Carolina University.

A host of guests attended the meeting via Zoom.

Adoption of Agenda

Chairman Batson asked for a motion and approval of the meeting agenda. A motion to approve was made by Commissioner Dyer, and Commissioner Bryson seconded the motion. The motion passed unanimously.

2. Approval of Minutes

Chairman Batson called for approval of the minutes. Commissioner Dyer motioned for the approval of the minutes from the December 7, 2023, meeting. Commissioner Bryson seconded, and the motion passed unanimously.

3. Chair's Report

Chair Batson thanked everyone for attending the meeting. He acknowledged the in-person Commissioners as well as the ones who joined by Zoom. Chair Batson welcomed the newest Committee member, Commissioner Mick Zais, and expressed that Commissioner Zais would add more knowledge and expertise to the Committee.

4. Permanent Improvement Project Approvals

The following projects were presented for recommendation and approval:

A. Clemson University

i. Project H12-9966 – Computer Court CURF Property Acquisition: *Revise Scope*

Clemson University sought a recommendation from the Committee on Finance and Facilities to acquire 1.1 acres of wooded land from its Foundation at no cost. The land is located near Clemson's information technology center. An environmental site assessment conducted by Clemson during phase one found no recognized environmental conditions. The university stated the foundation has no need for the property and should have conveyed the land back in 2012. Commissioners inquired whether Clemson had immediate plans for the land. University staff stated that the property cannot be developed and there are no immediate plans for the 1.1 acres of land.

Commissioner Bryson motioned for approval, and Commissioner Teppara seconded. The motion passed unanimously.

B. College of Charleston

i. Project H15-9679 – 58 George Street Renovation: Increase Budget

The College of Charleston sought a recommendation from the Committee on Finance and Facilities for a Phase II request to renovate 58 George Street, which received phase one approval in November 2022. The project will perform both exterior and interior renovations to the 6,300-square foot structure that has been vacant since 2015 due to structural issues. The proposed budget is \$5.75 million and is being funded by the college's Capital Improvement Project Funds and a philanthropic gift in the amount of \$627.0 million. Commissioners asked if the new construction of the building would be blended with the current structure, which is historic. College staff stated they are blending the new construction with the existing historic structure. Commissioners also made an inquiry regarding the uncommitted balance of the Capital Improvement Project Funds after withdrawing funds for this project. The institution stated that the balance of the funds will be approximately \$23.0 million after completion of this project. Lastly, Commissioners asked about the college's enrollment. College staff stated that its enrollment is rapidly climbing. Additionally, the college stated the last two fall enrollments have been the largest in the college's history.

Commissioner Dyer motioned for approval, and Commissioner Teppara seconded. The motion passed unanimously.

C. Greenville Technical College

i. Project H59-6147 – Bldg.802 Roof Replacement and Building Air Conditioning: Increase Budget

Greenville Technical College (GTC) sought a recommendation from the Committee on Finance and Facilities to replace the roof and install HVAC units to building 802, a 75,000-square foot building, which provides automotive and diesel technician training. The Commission approved Phase I of this project in November 2018. The total budget is approximately \$6.0 million and is being funded primarily from state appropriations; only the phase one budget was funded from college plant funds. Commissioners asked about how many students are enrolled in the programs housed in the building. College staff stated that the programs have approximately 200 students enrolled; the program area with the highest number of enrolled students is the college's diesel program. Commissioners also asked if the

college would be able to repurpose the building if diesel vehicles convert to electric. The College stated it would be able to repurpose the building and that it has already looked ahead in preparation for this since there is a high demand for individuals to be trained in the field of electric vehicles. Commissioners asked college staff to comment on partnerships with its automotive program. GTC staff stated it has partnerships with Toyota, BMW, General Motors, to name a few. Lastly, Commissioner's inquired of the amount GTC received as part of a state allocation to all technical schools in Fiscal Year 2021-22. The institution replied that it received approximately \$20.0 million, which has aided in the college moving forward with this project.

Commissioner Bryson motioned for approval, and Commissioner Zais seconded. The motion passed unanimously.

D. Lander University

i. Project – H21-9565 – Student Dining Hall Renovation: Increase Budget

Lander University sought a recommendation from the Committee on Finance and Facilities to perform renovations to its student dining hall. The university recently entered into a dining services contract, in which the vendor, Aramark, agreed to invest \$4.0 million. The total project cost is \$3.1 million and is being funded through its contract with Aramark. Commissioners inquired whether the \$3.1 million cost was in addition to the \$4.0 million that had already been committed by Aramark. University staff stated that the \$3.1 million is from the \$4.0 million dollars committed by Aramark. The remaining funds would be used to fund smaller projects to update one of the retail operations. Lastly, Commissioners inquired of the university's enrollment. The institution stated that its enrollment is on the rise, and approximately 2,600 students will use the renovated dining hall.

Commissioner Teppara motioned for approval, and Commissioner Bryson seconded. The motion passed unanimously.

E. Medical University of South Carolina

i. Project H51-9875 – Acquisition of College of Health Professions A, B, Ashley Rutledge Garage, and Donation of 12 Properties: Change Source of Funds

The Medical University of South Carolina (MUSC) sought a recommendation from the Committee on Finance and Facilities to change the source of funding for its already approved request to acquire 13 properties for \$15.0 million, which was approved by the Commission at its November 2023 meeting. After receiving Commission approval, MUSC was asked to change the proportion of financing coming from hospital clinical revenue by the Joint Bond Review Committee (JBRC), and the university complied. This request was simply to approve this Change of Funds request to match the funding allocation approved by JBRC and the State Fiscal Accountability Authority in late 2023. Commissioners had no questions regarding this request.

Commissioner Teppara motioned for approval, and Commissioner Zais seconded. The motion passed unanimously.

F. Spartanburg Community College

i. Project H59-6273 – P Dan Hull Building Reroof Project: Increase Budget

Spartanburg Community College sought a Phase II request from the Committee on Finance and Facilities to replace the roof on its 94,000-square foot P Dan Hull Building, which houses its industrial technology programs. The college plans to replace the roof with a Thermoplastic Olefin (TPO) membrane warrantied for 20 years. The total project cost is \$2.3 million, which is being funded primarily from state appropriations; only the phase one

budget was funded from college plant funds. Commissioners inquired about the number of students that use the building. College staff stated approximately 120 students use the building daily. Secondly, Commissioners asked about the 36-percent increase; inquiring if this was mostly attributed to building cost. The college stated the consultant gave an estimated range of \$1.8 million - \$2.3 million to account for change in costs for materials. Commissioners also made an inquiry regarding the balance of the college's plant fund upon approval of this project. The institution responded that the balance of the plant fund will be approximately \$4.0 million. Lastly, Commissioners asked how much SCC received in state allocated dollars in Fiscal Year 2021-22. The institution responded that it received \$13.5 million.

Commissioner Zais motioned for approval, and Commissioner Teppara seconded. The motion passed unanimously.

G. Trident Technical college

i. Project – H59-6224 – Berkeley Campus Renovation – Transportation and Logistics Center: Increase Budget

Trident Technical College sought a recommendation from the Committee on Finance and Facilities for a Phase II request to renovate an existing 74,000-square foot structure and build an 11,500-square foot addition to create a new Transportation and Logistics Center at its Berkeley Campus. The total cost is \$37.5 million, of which \$29.0 million is being funded by state appropriations with the remainder coming from college funds. Commissioners asked about the age demographic the college enrolls in its commercial driving program. The college stated it is seeing varying ages enrolling in its commercial driving program. Commissioners inquired about the balance of the college fund account upon approval of this project. The college stated the account would have a balance of approximately \$9.0 million. The college further stated that it has approximately \$15.0 million from prior fiscal years.

Commissioner Teppara motioned to approve, and Commissioner Zais seconded. The motion passed unanimously.

H. Winthrop University

i. Project – H47-9579 – Music Conservatory & Byrnes Auditorium Renovation: Phase II Budget Increase

Winthrop University sought a recommendation from the Committee on Finance and Facilities to increase its already approved Phase II budget by approximately \$640,000 to renovate the university's music conservatory and Byrnes Auditorium. The Commission originally approved Phase I in July 2016, but due to a contractor-caused fire, the university needed to put the project on hiatus while it repaired affected areas. Winthrop came back before the Commission in February 2022 to restart the project and seek approval for construction. This increase is related to increasing the scope of the project due to newly available funds. The increase is being funded wholly by state appropriations. Commissioners asked if there would be any increase to student tuition in connection with this project. Winthrop staff stated there would be no increase to student tuition. Commissioners voiced concern about the university's enrollment and asked that the institution provide an update on enrollment numbers. Commissioners inquired as to whether Winthrop University was working towards receiving a bond rating. University staff stated that debt has been issued for several of its recent projects and will be issued for several upcoming projects. The institution further stated that it is working with its financial analyst to put a model in place and will inform the Committee of its debt prior to requesting recommendation for approval for upcoming project. Commissioners inquired as to whether the institution has been working with one of the major bond rating agencies. Institution staff replied that it was not sure to which agency its chief financial officer has been speaking but would get that information and

report back to the Committee.

Commissioner Teppara motioned to approve, and Commissioner Dyer seconded. The motion passed unanimously.

5. Other Business

A. Proposal to Update Policy Manual for Phase I Land Acquisitions (Action Item)

Georges Tippens presented a proposal to update the Finance and Facilities Policy Manual for the purpose of giving staff authority to approve Phase One Land Acquisitions for projects that are fully funded by state funds. Mr. Tippens stated this will allow institutions to begin investigative studies of land and/or buildings in a timelier manner. This change in policy will align with the current Joint Bond Review Committee's and State Fiscal Accountability Authority's current policies on Phase One land and/or building acquisitions.

Commissioners had a brief discussion regarding how this change in process will assist the institutions in procuring land and/or buildings, and ultimately will be a great service to the state.

Upon conclusion of discussion amongst the Committee regarding this update to the policy manual, Mr. Tippens stated that final acquisitions would still come before the Committee for recommendation of approval.

Mr. Tippens also noted that other changes to the policy included updating language to conform with provisos that allow institutions authority to conduct their own projects up to \$5 million for research institutions, and up to \$2 million for all other institutions. Other changes included updating commission and committee members.

Commissioner Dyer motioned for approval of the updated Finance and Facilities Policy Manual, and Commissioner Teppara seconded. The motion passed unanimously.

Prior to moving to the next agenda item, Mr. Tippens asked if the Committee would like to discuss a draft proviso that would double the threshold to allow institutions to conduct their own projects without bringing those projects before the committee. Commissioners stated that no action was required for this item and had no concern regarding the draft proviso to raise the thresholds.

B. Permanent Improvement Project Staff Approvals

Scheri Eichelberger gave an update on staff approvals for the months of December and January. CHE staff approved approximately 40 projects, one being a \$30.0 million project for the University of South Carolina, which attended the meeting to give further information to the Committee.

C. University of South Carolina Rural Health Brain Center Presentation

The University of South Carolina presented information regarding this project. University staff stated it chose to re-purpose its Medical Park 15 building, a 4-story building, 75,000-square foot building. This building will house technology that will help diagnose Dementia and Alzheimer's Disease quicker than that of current technology. Institution staff stated that it currently has three satellite clinics and plan to have five more up and running in the next five years.

D. CHE Quarterly Report (Quarter 2)

Bryce Wilson gave an update on the Commission on Higher Education's second quarter budget.

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E. Other Business – Public Comment

Mr. Brant Branham commented that he appreciated the Committee's thoughts regarding the proposed proviso to raise the threshold which would allow colleges and institutions to conduct projects without coming before the Commission and other committees.

Mr. Branham also commented on the nimbleness of institution foundations regarding acquiring land and buildings. Mr. Branham asked the Committee to assist institutions in getting the properties back to the universities and colleges from their respective foundations. Lastly, Mr. Branham asked the Committee to think about the difference between improved property, which involves liability, cost, and ownership versus unimproved property that is not contaminated.

When there were no more comments or remarks, Chair Batson adjourned the meeting at 12:11 p.m.