

**LOWCOUNTRY GRADUATE CENTER**  
**BOARD OF DIRECTORS MEETING MINUTES**

**September 28, 2016**

**Board Members Present:**

Connie Book – Provost, The Citadel  
Allison Dean Love – Board of Visitors, The Citadel  
Myron Harrington, Jr. – Board of Visitors, The Citadel  
Brian McGee – Provost, College of Charleston  
Randy Lowell – Board of Trustees, College of Charleston  
Cherry Daniel – Board of Trustees, College of Charleston (by teleconference)  
Lisa Saladin – Interim Provost, Medical University of South Carolina  
Barbara Johnson-Williams – Board of Trustees, Medical University of South Carolina (by teleconference)

**Ex-Officio Non-Voting Members Present:**

Godfrey Gibbison – Dean, School of Professional Studies, College of Charleston  
Nancy Muller – Director and Associate Dean, Lowcountry Graduate Center  
Terrye Seckinger – Board of Directors, South Carolina Commission on Higher Education

**LGC Staff and Guests Present:**

Chris Duncan – LGC Manager of Marketing and Media Relations  
Donna Johnson – LGC Business Manager  
Patricia Simpson – LGC Student Services Coordinator & LGC Board Secretary  
Sue Sommer-Kresse – Consultant to the College of Charleston

**Welcome and Announcements:**

At 2:10 p.m., Board Chair McGee called the meeting to order and welcomed especially the new members of the LGC Board (the “Board”) Saladin and Lowell. He duly noted that advanced public notice had been given of the meeting with its agenda, in accordance with the state’s FOIA. Acknowledging Board members Daniel and Johnson-Williams participating by telephone, McGee confirmed a quorum for conducting Board business.

**Board of Action: Approval of Minutes**

The Board minutes were unanimously approved, as previously distributed electronically, of the June 29, 2016 LGC Board of Directors meeting. Approved minutes of the Academic Affairs meeting on June 1, 2016 were distributed to Board members, noted by McGee as having been provided to the Board for information only.

## **LGC Director Report:**

### **Background:**

Nancy Muller gave a report to update, in particular, the new Board members on the history of the LGC. Following full recovery from the deep economic recession, the CRDA and the Charleston Metro Chamber of Commerce updated their 2016 Talent Gap statistics identifying hundreds of job postings unfilled in accounting and software engineering. The highest paying jobs, revealed in July by Avalanche Consulting, are being filled by more highly educated, imported talent. Muller added a recent *Post & Courier* report revealing the need for as many as 23 new schools to be built in Berkeley County alone over the coming 20 years, as evidence of anticipated growth in population of the metro area.

The visionaries of the LGC's creation 16 years ago were former Mount Pleasant Mayor and now deceased Harry Hallman and former State Senator Arthur Ravenel. The vision of the LGC, off the Peninsula, was about serving the community needs, its citizens and employers. Muller noted its successes in recent years, having aligned the LGC's target sectors for new graduate programs based on published research and economic data with those of the CRDA and formed three separate advisory councils that represent the metro area employers:

- K4 – 12 Teacher Education and Administrative Leadership
- Healthcare Management and Community Wellness
- Advanced Manufacturing, Engineering Services, and IT Support

### **Program Enrollments at the LGC:**

Muller noted that the LGC's efforts to provide the graduate level educational programming required to meet the region's growing needs have not always been supported by its founding member institutions. By illustration, she quoted past examples of denials by leadership of access by other qualified institutions to the LGC facility, including USC Darla Moore School of Business, Anderson University, Embry-Riddle Aeronautical University, and Charleston Southern University. Additionally, she mentioned that nearly a year has passed since the College of Charleston was asked to add a graduate cohort at the LGC location, but there still is no plan or timetable. Also mentioned was The Citadel's literacy education for teachers program. She added concern from a very recent conversation with The Citadel faculty that its Project Management program is being taken online. (This was subsequently refuted by Provost Book upon her arrival to the meeting that the subject program with F2F instruction would remain at the LGC regardless of The Citadel's addition of online offerings.) Displaying a table with five-year enrollments by program, Muller illustrated that LGC founding member institutions have reduced their programming at the LGC. Consequently, College of Charleston graduate student enrollment at the facility has tumbled by half over the period, causing a 26% decrease in aggregate class enrollments since the LGC moved into double-the-square footage space in August 2014. Although the LGC remains program-starved especially in engineering and high tech realms relative to local marketplace needs, Muller said she remains optimistic about the LGC's future, with this enrollment report serving as the rationale for the revised Consortium Agreement drafted by herself and Gibbison and incorporating input from others received to date.

### **Public Awareness and Support:**

Muller reminded Board members of her responsibility for administrative oversight to operate the LGC in the most economic and effective way practical, according to the current Consortium Agreement. Doing this required rebooting efforts related to publicity to regain public exposure, following three years of silence. Urged by the Board, her first major accomplishment was successfully requesting and securing a \$300,000 state appropriation for marketing. She thanked Board member Love for encouraging her to outline and pursue a communications strategy for much needed exposure to elected officials, presenting in person for the first time in 2015 before the House Ways & Means Subcommittee on Higher Education, in addition to meeting several times with the Commission on Higher Education (CHE). She complimented staff colleague Duncan for his diligent effort in launching a more highly functional web site and ramping up publicity through a record number of news releases. Having the ability to create awareness of its varied programming is vital to the LGC's future success, she said, under the proposed, new Consortium Agreement previously mentioned.

### **Financial Reporting and Operating Management Efficiency:**

The LGC's financial report shared with the Board shows a one-time downward adjustment in 2016 of \$96,726 from the LGC's fund balance. Seeking an explanation for the adjustment, Muller contacted Gary Glenn, CHE interim executive director, as no detail was readily available from the College of Charleston as the LGC's fiscal agent. He explained the state had reduced pro rata appropriations through a series of across the board budget cuts due to state tax revenue shortfalls because of the deep economic recession. The first budget cut was in September 2009 in the amount of \$43,428. The second budget cut was in December 2009 in the amount of \$51,612 for a total of \$95,040 in budget cuts for the LGC. McGee reported he went to Steve Osborne to see if the College of Charleston could restore the \$95,000 back to the LGC to make it whole again. Osborne explained that because the cut was ordered by the Legislature, the College of Charleston could not absorb the fund balance adjustment. Muller noted there still remains a difference of \$686 in the fund balance adjustment to be explained by the College of Charleston. Muller said that had there been an independent audit of the LGC seven years ago, this accounting error would have been unearthed, quickly corrected, and reported to the Board in a timely fashion. She said she had never been able to view a complete balance sheet since being hired. Muller said that the College of Charleston, as the LGC's fiscal agent, can deduct funds for what the College considers its needs for lease payments, utilities, and personnel expenses, despite her repeated requests for a rationalized formula based on the LGC's actual use of the facility.

She expressed concern about the co-mingling of the LGC's funds with the needs of the College of Charleston over the years, quoting from approved Board meeting minutes in 2009 the then director Godow telling the LGC Board he "had happily used a disproportionate share of LGC funds in order to make the creation of new positions possible," admitting that the split of percentages of salaries between the LGC and the College of Charleston of shared personnel reflected neither student services or use of the facility. She said she supports the concept of job-sharing for operating efficiencies but that it should be allowed only with full disclosure, financial

justification, documentation in job descriptions and performance reviews, and with agreement of all parties including the employees themselves. She and Gibbison had worked together to disentangle personnel expenses between the two entities. She added, however, that the \$55,000 administrative fee charged to the LGC lacks documentation of its source or rationale and thus in need of being updated.

She concluded by stating it is time to move forward, with transparency, and also greater flexibility and inclusiveness such as the proposed new Consortium Agreement would allow.

McGee said that there should have been an agreement about occupancy and a Memorandum of Understanding (MOU) for administrative expenses. Seckinger asked if there has ever been an audit of the LGC, to which McGee replied that it is included in the College of Charleston's routine audits. Seckinger asked if the College considers the LGC a part of the College of Charleston or a separate entity, to which McGee replied a separate entity. He added that it is the position of the College of Charleston that funds appropriated by the state for the LGC have to be used for the expressed purpose of the LGC. Saladin stated that the LGC needs a Memorandum of Understanding (MOU) for more transparency. She urged the Board to move forward with its meeting agenda.

**Consortium Agreement:**

McGee stated the Board can recommend a Consortium Agreement to the three presidents but the presidents would ultimately make the decision. The Board was reminded that on midnight Friday, September 30, 2016, the existing Consortium Agreement expires. He said we have five options to consider for a consortium agreement:

- Option #1      Renew the 2012 Consortium Agreement
- Option #2      Gibbison's and Muller's original June draft of a new Consortium Agreement
- Option #3      Revised Draft of the Gibbison and Muller Consortium Agreement, redistributed in early September with edits after meeting with the provosts of the three stakeholder institutions for their input/agreement
- Option #4      McGee's proposed Post Consortium Agreement operated with three public universities, with a different board and elected chairmanships
- Option #5      Audrey Savage's recommendation that the LGC be operated as a center of the College of Charleston

Gibbison explained the items changed in his and Muller's Consortium Agreement Draft immediately following the September 13, 2016 Academic Affairs Meeting. Seckinger noted that they had done what the Board charged them in June to do, giving the full Board 12 days to

consider the revised draft. Muller questioned if the Board could even consider Option #5 since it is not in the form of an Agreement document in writing. Seckinger said that under Article 17.1 of the current Consortium Agreement, the Board must have delivery of documents for consideration and vote within three calendar days. She had received McGee's emailed proposal #4 only two days ago. McGee concurred and said his draft was therefore off the table. Book then joined the meeting at 3:20 p.m. McGee asked if any Board member supported renewal of the existing Consortium Agreement as is but there was none voiced, effectively removing Option #1 from the table of consideration. There was general consensus that the current Agreement is not viable. This left only Option #3 on the table and discussion continued.

Love asked if the attorneys and their respective college presidents had seen the document. McGee said that President McConnell knows there is an ongoing process and is looking for a recommendation from the LGC Board. Book said that Gen. Rosa has talked to President McConnell but is not a fan of Option #2. Book added that she is not a fan of the LGC as a 501c3. She said all the other edits made to Option #3 are good. She favors expanding the Board but doesn't want other institutions having a vote on the Academic Affairs Committee. She thinks there should be an actual application when an institution wants to offer a program at the LGC, including some published data on the quality of the institution.

Saladin asked if Option #3 adequately addresses the Purpose of the LGC, adding that the most important voice is the community's voice. Gibbison commented the current structure of the Board is very inward thinking, but that the non-member institutions could be made non-voting members of the Academic Affairs Committee. He added that Project Management and the MSW programs are propping up the LGC. Muller said it is important to give other institutions a seat at the table if we hope to engage them to offer programs. At the present time, they don't feel welcomed, quite the contrary. She pointed to the openness of the University Center of Greenville and thus its flourishing program enrollments, generating excess cash. Lowell said that "Associate" needs to be more tightly defined in the language of Option #3. Gibbison asked if anything else needed changing, and no one offered further edits.

Seckinger said the structure simply needs to address workforce development needs. Collaboration is needed, but under the current structure we have a monopolistic scenario. She said that if the Board can't reach agreement on what to do, she recommends that the LGC be shut down. Myron asked what would happen if the Consortium went away, whether the remaining funds would be given by the Legislators to the three member institutions. Book said the monies should be used to support the facility and repurposed to incentivize the institutions to bring programs to the LGC. McGee said that even if the extension of the Agreement expires before a new one is finalized and approved, just as last year, everyone on the staff will still get paid for their work.

Love made the Motion: I move that we approve this document in concept, pending legal review and subject to such adjustments as captured by these meeting minutes, for consideration as recommended to and accepted by the three member institution presidents.

Main Motion dies for lack of a second.

McGee said he will review the Option with President McConnell, sharing discussion at this meeting.

**Other Business – Occupancy Expense:**

Muller reminded the Board that the LGC does not have a working, written agreement with the College of Charleston, so we do not know what our future occupancy expenses will be.

McGee made the Motion: I now move that the Governing Board approve an independent audit of all financials of the LGC from 2001 to the present, with the LGC Governing Board allocating up to a maximum expense of \$50,000 for its completion and to be supervised by a member of the LGC governing board who is a voting member but not affiliated with the College of Charleston.

Motion Seconded by Love

Book asked if the College of Charleston performs an annual audit, to which McGee affirmed it does. Book asked if it included the fiscal responsibility of the LGC, and McGee responded that the audit covers all the books but does not single out the LGC. Book then asked to make an amendment to the Motion that the records of the annual audits already conducted be made available to the auditors in their third party review so as to conserve the spending of funds. The motion passed, with one objecting vote by Harrington who said he did not think such an audit was necessary. Love recommended that Harrington be named to supervise the audit, and he agreed, adding he would need help to do that.

Sommer-Kresse said she has observed the LGC for 15 years, and there has never been a question about the competency of the fiscal agent. Muller stressed that she never questioned the competency of the fiscal agent and had not used that word anywhere in her director's report. What have been missing, she stated, are adequate disclosure, documentation, and written agreements between the two entities.

Seckinger said the carryover funds should be returned to the state. Lowell stated that the College of Charleston cannot absorb the LGC's fund balance.

There being no further discussion or business, McGee adjourned the meeting at approximately 5:00 p.m.

