LOWCOUNTRY GRADUATE CENTER
SUPERVISORY COUNCIL MEETING MINUTES

Monday, October 2, 2017
Randolph Hall 209B
College of Charleston

Supervisory Council Members Present:
Connie Book – Provost, The Citadel
Brian McGee – Provost, College of Charleston
Lisa Saladin – Provost, Medical University of South Carolina

LGC Staff and Other Guests Present:
Godfrey Gibbison – Dean, School of Professional Studies, College of Charleston
Nancy Muller – Director and Associate Dean of the Lowcountry Graduate Center ("LGC")

Call to Order:
Shortly after 3:30 p.m., McGee called to order the scheduled meeting of the LGC Supervisory Council ("The Council"). Those present gathered in the private office of Provost McGee. McGee acknowledged advanced, public notice of the subject meeting in accordance with FOIA of South Carolina. None of the press was present. Previously distributed to The Council were minutes of its March 21, 2017 meeting. By unanimous consent, the minutes were approved as submitted and will be filed with the resolution that McGee read aloud at the March meeting expressing thanks for service of prior LGC Board members.

Financials:
McGee asked Muller to walk through the salient line items comprising the proposed FY 2018 Budget. She explained that while *Personnel Expenses* reflect the elimination of Patty Simpson (student services liaison) and Chris Duncan (marketing communications & media relations) who left the LGC 4-6 weeks into the current fiscal year, payment of their substantial, accrued vacation including taxes is reflected in the FY 2018 projection. Muller remains the only FT LGC position; however, the LGC is continuing to fund 50% of several shared FT positions with the School of Professional Studies. The proposed budget reflects the $34,425 cost of the financial audit, although this FY 2018 expense is being paid, as shown, out of carryover funds because of the retrospective nature of the audit. The *Lease Payment* of $378,000 is the same as the actual amount paid to the College of Charleston in FY2015 and FY2016, as well as the budgeted amount for FY2017. Saladin asked if the lease payment is made on a per square foot basis of usage. McGee explained that at the previous International Boulevard location, the LGC paid 43% of the lease costs. Upon relocation, the question arose of allocation, and Muller generated several different possible bases for determining the amount owed. A series of conversations had resulted and documented in meeting minutes of an appointed task force. But a basis for the calculation was never resolved. He added that it is now in the common interests of the

three institutions to "manage down" all LGC expenses, including occupancy, so that more LGC funds are freed for new graduate program development by them under the new consortium agreement.

Muller shared that she and Gibbison met in early September with Sam Jones and Paul Patrick and discussed four items which Patrick, as the newly appointed chief financial officer of the College, promised to address in a matter of several weeks: 1) a written MOU including basis for determining future lease payments by the LGC to the College of Charleston; 2) a written determination of the amount and basis for administrative services by the College, such as procurement and HR; and 3) a determination of how assessment fees of other institutions will be invoiced and handled. Muller also requested of the two financial officers a statement at least annually of LGC net assets, including line item delineation of restricted fund balances such as for the non-recurrent $300,000 it had received from the state in FY 2015. In the proposed budget and pending resolution of these matters, Muller has included $27,500 for administrative services, on the basis that staffing and procurement are at a substantially lower level than when the higher, $55,000 line item charge was established approximately years earlier. There also are funds in the FY2018 proposed budget acknowledging the new requirement of the LGC to undertake research to produce an annual report of graduate offerings and unmet needs in the Lowcountry.

Because of the stipulation enacted by the LGC Board two years earlier that annual spending not exceed the LGC's revenues from fees and state appropriations in the same year, Muller explained she continues to propose a breakeven budget. This will allow $28,900 to be released to the three member institutions, much as "opportunity funds" were provided by the LGC 10-12 years earlier. The amount of $28,900 shown does not represent any LGC marketing expenses. Book asked why the figure was shown on the same line as $20,000 expended by the LGC in FY2015 and described as *New Program Launches.* Muller responded that in that year, the LGC expended $10,000 to promote the USC launch its new MS in Engineering Management; additionally, $10,000 was given to The Citadel for the development of a third graduate certificate program under the umbrella of its established MS in Project Management offering.

McGee suggested possibly increasing the budgeted $28,900 figure to $50,000, but Saladin objected, saying that her philosophy is not to put monies in a budget just to spend them. Book asked if the LGC board had enacted any policy or resolution regarding use of carryover funds. While unaware of any such resolution, Muller shared Sue Sommer-Kresse's vocalized rationale for safeguarding such a balance should the LGC lose annual appropriations through a line item state budget veto by the governor. Gibbison said this had been discussed many times in LGC board meetings predating the hire of Muller, as Kresse felt the need to have a cushion equivalent to a year's worth of salaries and other contractual expenses to allow a smooth transition if the LGC were being eliminated permanently without a veto override by legislators. McGee stated that if that were to happen, the Fiscal Agent would either absorb LGC employees or give them short-term employment. Book said she considered it prudent to carry only a semester's worth of salaries plus benefits for a "teach out" period. Gibbison disagreed, stating that a year's worth of personnel expenses is needed at a minimum. Muller said the additional rationale for protecting carryover funds is to also cover occupancy and relocation expense should the College of Charleston choose to fully utilize the current facility. She said a “best practices” goal for not for profits is one year’s worth of total operating expenses held in an endowment or foundation, recognizing that only a fraction of all 501c3 organizations actually succeed in attaining such a goal. McGee said the Supervisory Council should then look to FY2019 to establish a reserve plan and a minimum threshold to protect as policy. He then asked if there was unanimous consent of the group to approve the proposed FY2018 budget as presented. Without further discussion, the motion passed by unanimous consent.

Auditors Report:
Book reported that the accounting firm Finney, Greene & Horton LLC has completed its review of agreed upon procedures focused chiefly on the three years comprising FY 2014 – FY 2016, as contracted, and distributed its preliminary report. A meeting is scheduled for October 9th to discuss the findings and recommendations. Asked what changes or recommendations were made, Book said there were comments regarding the payment of occupancy expense and administrative fees to the College of Charleston, as well as a minor $74 overpayment of a payable. She will ask the accounting firm to pull out its recommendations for actions as bullet points easy to find in the final report. McGee expressed gratitude to The Citadel for marshalling the effort to undertake and complete the audit, recognizing the involvement of former LGC board member Harrington.

Research for the Annual Report:
Muller shared a handout in the meeting packet of materials outlining a plan of action for undertaking research to obtain input for the new annual report she is to produce under the new Consortium Agreement. Following some discussion, Book said she did not want the LGC to duplicate the CRDA’s “Talent Gap Analysis” since that is already in hand. Muller and Gibbison both commented that much of its last such analysis by Avalanche Consulting focused primarily on associate and undergraduate level degrees and skills sets – or on selective, more glamourous fields such as in life sciences.

Muller asked if she should target the areas spotlighted for priority in the CRDA’s 2016 “One Region” report or continue to focus on the three already identified by the LGC, recognizing considerable overlap between the two lists. Book said she liked the three targeted areas of the LGC: 1) advanced manufacturing, engineering services, and software development/IT; 2) K-12 teacher education and administrative leadership; and 3) healthcare management and community wellness. Saladin said that MUSC keeps a finger on the pulse of new trends and technologies in medical education and related fields and therefore does not expect the LGC to attempt the same. Book added that she was more interested in seeing enrollment reports such as the LGC routinely produced for board meetings. McGee said that the LGC should not include in its new annual report information that the CHE and CRDA already have generated and shared publicly. In the first year of such a report, to have a “baseline” of Burning Glass data regarding job postings in the area could be considered sufficient.

New Grant-Making Process With LGC Funds:
Discussion shifted to criteria for Supervisory Council approval of grant requests from the three member institutions. There was consensus on the following requirements/suitability for funding:

- Programs utilizing on-line, hybrid, or face-to-face instruction
- A new – or a substantially changed (i.e., impacting one-third or more of requirements) existing - graduate program of study, e.g., the addition of a new track or concentration, development of a new skills set, or creation of a new mode of delivery as defined by SACSCOC, etc. A program is considered a "new" program if still within its first three years, i.e., the threshold for reaching independent sustainability or suspension/termination
- The new program is needed in the Lowcountry, as demonstrated by local workforce imperatives or employment projections
- Credit-bearing, standalone graduate program of study culminating either in a graduate degree or certificate whose academic credits can or do count towards one or more graduate degrees

Eligible expenses covered may include:

- Direct expenses used in course development including stipends to faculty
- Direct marketing and advertising used in a new program's launch announcement and early program promotion
- Equipment expressly needed for a new program
- Temporary faculty or other staffing including administrative support
- $5,000 minimum request; $25,000 maximum request for any single program of study

Expenses incurred in the use of third parties or consultants cannot be covered by such grants from the LGC.

Gibbison urged the inclusion of industry experts chosen from among local employers in the decision-process, suggesting that for transparency at least two members of the grant-approving team be independent of the three institutions receiving benefit from the funding. Muller agreed and recommended pulling experts from one of the three advisory boards of the LGC since members are already engaged and familiar with the LGC. McGee disagreed. Alternatively, Muller suggested a representative from the Commission on Higher Education staff. McGee disagreed. Saladin suggested instead that a "Letter of Opinion" could be sought from one or more community experts and, only if such a Letter were supportive of the proposed new program, the Supervisory Council would then proceed with consideration for its approval of the grant.

Saladin said MUSC needs $100,000 to get a new program off the ground. Book added that The Citadel expects to spend $250,000 over three years to launch its new nursing degree. The Citadel's entire marketing budget is $900,000, so she expects future LGC grant funds to be used principally for course development rather than marketing per se. McGee said that the LGC should keep track of grants provided, by institution, to insure equity among the three in their access to such monies. Book said it should as well keep track of accountability as proof of concept viability. McGee commented this was unfortunately not done by the former LGC director in earlier years when “opportunity funds” were dispersed.

McGee expressed his intention of holding the next meeting of the Supervisory Council in January 2018, with a date/time/place to be determined.

Executive Session:
At 5:00 p.m., the group went into Executive Session for a brief discussion of personnel matters. At that time, Gibbison and Muller excused themselves.

The meeting was thereafter adjourned by McGee.

October 6, 2017