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MEMORANDUM

TO: Senator Yancey McGill
Senator Mike Fair
Senator Joel Lourie
Senator Ray Cleary
Senator Tom Davis

DATE: April 5, 2013

FROM:  Senator Hugh K. Leatherman, Sr., Chairman

SUBJECT: S. 535 Special Subcommittee

S. 535, "The Clemson University Enterprise Act", has been assigned to Finance Committee. As you are aware, this legislation provides unilateral authority to the Board of Trustees to transfer substantial portions of Clemson's operations, including personnel and state assets, to a separate and distinct "Enterprise Division" within the University. In addition, the proposal would exempt Enterprise activities from numerous state laws and processes relating to procurement, capital planning, construction, and human resources that apply to each of the State's public colleges and universities. Given these factors, I believe it prudent to create a special subcommittee to carefully review this legislation. I have asked Sen. Cleary to chair this subcommittee and appreciate each of you agreeing to serve.

Because this legislation is not without some precedent (the General Assembly approved creation of a separate "Hospital Authority" at MUSC more than a decade ago), I ask that your review consider how the proposal compares or differs from precedent and the extent to which it focuses on graduate level research and economic development activities of the University. I also request that you pay special attention to issues related to procurement and competitive bidding, as well as to matters related not only to fiscal and physical capital, but human capital as well, including anticipated grievance rights for employees that would be transferred to the Enterprise. Lastly, because State tax dollars, student fees and public assets are involved, I ask that whatever level of regulatory relief the subcommittee advances on behalf of Clemson, if any, that your recommendations not sacrifice necessary accountability and transparency in the process.

Thank you again for your willingness to serve on this special subcommittee and for your attention to its important subject matter. The Finance Committee looks forward to receiving your report and recommendations. In the meantime, if you have any questions, feel free to contact Mike Shealy or Craig Parks of my staff.