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University of South Carolina

BOARD OF TRUSTEES

December 13, 2011

The University of South Carolina Board of Trustees met on Tuesday, December 13, 2011, at 10:05 a.m. in the 1600 Hampton Street Board Room.

Members present were: Mr. Miles Loadholt, Chairman; Mr. Eugene P. Warr, Jr., Vice Chairman; Mr. Herbert C. Adams; Mr. Chuck Allen; Mr. J. Egerton Burroughs; Mr. W. Lee Bussell, Sr.; Mr. Mark W. Buyck, Jr.; Mr. Thomas C. Cofield; Dr. C. Edward Floyd; Mr. William C. Hubbard; Mr. William W. Jones, Jr.; Mr. Toney J. Lister; Mr. Hubert F. Mobley; Ms. Leah B. Moody; Mr. Thad H. Westbrook; Mr. Mack I. Whittle, Jr.; and Mr. Charles H. Williams. Dr. C. Dorn Smith III; Mr. John C. von Lehe, Jr.; and Dr. Mitchell M. Zais were absent.

The faculty representative, Dr. Sandra J. Kelly, and the student representative, Mr. Joe Wright, were present.

Others present were: President Harris Pastides; Secretary Thomas L. Stepp; Vice President for Academic Affairs and Provost Michael D. Amiridis; Chief Financial Officer Edward L. Walton; Vice President for Student Affairs and Vice Provost for Academic Support Dennis A. Pruitt; Vice President for Research Prakash Nagarkatti; Vice President of Development and Alumni Relations Michelle D. Dodenhoff; Vice President for Human Resources Chris Byrd; Vice President for Communications Luanne Lawrence; General Counsel Walter (Terry) H. Parham; University Treasurer Susan D. Hanna; Vice Provost and Executive Dean for Extended Campus Chris P. Plyler; Senior Vice Provost and Director of Strategic Planning Christine W. Curtis; Associate Vice President for Finance and Budget Director, Division of Finance and Planning, Leslie Brunelli; Associate Vice President for Business and Finance and Medical Business Affairs Jeffrey L. Perkins; Associate Vice President for Student Life and Development, Division of Student Affairs, Jerry Brewer; Associate Vice President for Facilities Tom Quasney; Dean of USC Lancaster John Catalano; Dean of USC Sumter C. Leslie Carpenter; Executive Dean of the South Carolina College of Pharmacy Joseph T. DiPiro; Dean of the College of Engineering and Computing Anthony Ambler; Dean of Arnold School of Public Health G. Thomas Chandler; Dean of the School of Music Tayloe Harding; Dean of the College of Hospitality, Retail, and Sport Management Brian J. Mihalik; Secretary-Elect Amy E. Stone; Executive Dean and Senior Associate Dean for Graduate Education Roger Sawyer; Associate Dean in the College of Engineering and Computing Hanif Chaudhry; Professor and Chair of the Department of Mechanical Engineering, College of Engineering and Computing, Jamil A. Khan; Associate Professor and

Program Director, Integrated Information Technology, College of Hospitality, Retail, and Sport Management; Director of Academic Programs Kristia H. Finnigan; Director of State Relations Trey Walker; Associate Athletics Director Marcy Girton; Director of Capital Budgets and Financing, Division of Finance and Planning, Charlie Fitzsimons; Director of Governmental and Community Relations and Legislative Liaison Shirley D. Mills; Special Assistant to the President J. Cantey Heath, Jr.; Controller Patrick M. Lardner; Director of Video Productions, Office of Creative Services, Division of Communications, John H. Brunelli; Associate Dean for Academic Affairs and Associate Professor in the Department of Educational Leadership and Policies, College of Education, and Faculty Athletics Representative, Zach Kelehear; Executive Assistant, Facilities Planning and Construction, Donna Collins; The Reverend John Cook, Campus Minister, Presbyterian Student Association; Outgoing Chairman of the Lancaster County Higher Education Commission Charles A. Bundy; Vice Chairman of the Lancaster County Commission for Higher Education Bruce Brumfield; USC Columbia Student Government Association Vice President Emily Saleeby; President of the Graduate Student Association Andrew Dorsey; Wife of Chairman Miles Loadholt, Ann Loadholt; Wife of Trustee Toney J. Lister, Cynthia Lister; Director of the Office of Media Relations Margaret Lamb; University Technology Services Production Manager, Justin Johnson; Board staff members Terri Saxon, Vera Stone and Karen Tweedy; and members of the media.

Chairman Loadholt called the meeting to order and stated that notice of the meeting had been posted and the press notified as required by the Freedom of Information Act; the agenda and supporting materials had been circulated to the members; and a quorum was present to conduct business.

Chairman Loadholt welcomed everyone and invited Board members and members of the University family to introduce themselves.

Mrs. Lamb introduced members of the media who were in attendance.

At Chairman Loadholt's request, The Reverend John Cook, Campus Minister, Presbyterian Student Association, delivered the Invocation.

Chairman Loadholt stated that there were personnel matters relative to recommendations for honorary faculty titles, honorary degree nominations, an appointment with tenure, and midyear tenure and promotion recommendations as well as contractual matters relative to gift naming opportunities which were appropriate for discussion in Executive Session.

Chairman Loadholt called for a motion to enter Executive Session. Mr. Bussell so moved and Mr. Whittle seconded the motion. The vote was taken and the motion carried.

Chairman Loadholt invited the following persons to remain: President Pastides, Secretary Stepp, Dr. Amiridis, Mr. Walton, Mrs. Stone, Dr. Curtis, Dr. Pruitt, Mr. Byrd,

Dr. Hogue, Dr. Plyler, Ms. Lawrence, Mr. Walker, Ms. Dodenhoff, University Chancellors,
Mr. Parham, Ms. Brunelli, Mrs. Hanna, Mr. Heath, Ms. Girton, Ms. Mills, and Mrs. Lamb.

Return to Open Session

I. APPROVAL OF MINUTES:

The following ten sets of minutes were circulated by email to the Board for review and were presented for approval:

- A. Buildings and Grounds Committee, October 7, 2011
- B. Audit and Compliance Committee, October 7, 2011
- C. Executive Committee, October 7, 2011
- D. Board of Trustees, October 7, 2011
- E. Board of Trustees, October 17, 2011
- F. Audit and Compliance Committee, November 16, 2011
- G. Academic Affairs and Faculty Liaison Committee, November 16, 2011
- H. Student-Trustee Liaison Committee, November 16, 2011
- I. Buildings and Grounds Committee, November 16, 2011
- J. Health Affairs Committee, November 16, 2011

There were no additions, deletions or corrections to the minutes; therefore, they stood approved as distributed.

II. COMMITTEE REPORTS:

- A. Audit and Compliance Committee:
(The Honorable J. Egerton Burroughs reported)

The Audit & Compliance Committee met on November 16th and heard the following reports:

1. External Auditor Selection Process: Mr. Walton reported that the University had utilized the services of Elliott Davis & Company as the external auditor and noted that the contract would expire on June 30, 2012. He recommended, and the committee approved, that the University pursue with the State Auditor, the possibility of extending the contract for an additional two years to ensure the continuity of very detailed work already in progress involving auditing of the University's financial statements, processes of the Audit and Compliance Committee and assisting with the implementation of internal control practices. The administration was seeking audit continuity during this period of change involving updated practices, systems, and personnel.

Mr. Walton advised, based on discussion on correspondence with the State Auditor, that a two year extension with a 5 percent reduction in costs was allowable now. Further, as much as three additional years with costs negotiable would be allowable within the legal and ethical standards of the profession.

On behalf of the Audit and Compliance Committee, Mr. Burroughs moved to approve extending the Elliott Davis & Company external auditor contract for an additional two years with a 5 percent reduction in costs and terminating with the audit for the fiscal

year ending June 30, 2013. Mr. Cofield seconded the motion. The vote was taken and the motion carried.

Dr. Jerry Odom, Executive Director of University Foundations, briefed the committee about the status of the various 501c3 foundations connected to the University. The Business Partnership Foundation served the Darla Moore School of Business solely, the Development Foundation was a real estate foundation, and the Educational Foundation was by far the largest foundation and included funds for Aiken, Beaufort, Sumter and Lancaster. These four foundations were contributors to the University Foundations' pooled investment portfolio.

Also, Dr. Odom reported on the various properties owned by the Development Foundation; he reviewed the 2011 Board and Donor Designated Expenditures. The University Endowment, he stated, totaled nearly \$500 million this year.

Mr. Jeff Perkins, Associate Vice President for Business and Finance and Medical Business Affairs, reported that the USC School of Medicine had a separate educational trust which was included as a component unit in the USC financial statements.

An audit was issued August 12th and an unqualified opinion was given. Also received was a "no comments or notes" report from the audit itself. Overall, the Educational Trust had net assets of nearly \$24.8 million.

The USC School of Medicine Educational Trust had a separate defined contribution retirement plan which was also audited. The assets in that retirement plan were approximately \$18 million.

Mr. Iapalucci distributed the Internal Audit Tracking Report to members and explained that considerable progress had been made regarding the open items and distribution of the Prudential funds was nearly complete.

Mr. Iapalucci was satisfied with management's responses to the audit report for Aiken. In the future, plans were to adopt an audit reporting format that will include an IT footprint, background of the department and relevant financial information to provide context to the audit.

2. Implementation of Whistle Blower Policy (BTRU Policy #1.22
Reporting of Violations of State and Federal Laws or Regulations:

Mr. Iapalucci distributed an outline of the University's approach toward implementing a Whistle Blower Policy. He noted that a website had been created to handle the process internally. Steps in addressing a concern or issue will first begin with the immediate supervisor or a higher level of appropriate administration.

If those options were not possible, the USC Integrity Line, a confidential website to discuss concerns about questionable or unethical behavior was available. A person was given the option of either submitting the report electronically which would be directed to the General Counsel's Office or printing the report and mailing it to that office.

In addition, regular reports will be given to the Committee about the USC Integrity Hotline which will include broad categories regarding the nature of the complaints and the manner in which they had been addressed. The internal hotline may be replaced at a later date by a third-party service provider. Further, the internal site will facilitate conversion to a third-party host.

On behalf of the Audit and Compliance Committee, Mr. Burroughs moved approval to implement the Whistle Blower Policy. Mr. Adams seconded the motion. The vote was taken and the motion carried.

Mrs. Susan Hanna, Treasurer of the University, reviewed the expense reports from the Board and President's office. She explained that two types of funds were available to those offices: (1) "A" funds which were part of the current unrestricted fund category. They were derived from state appropriations and tuition and fees and were the general operating funds for the unit and were governed by the state procurement code. (2) Designated Funds or "R" funds were also part of the unrestricted fund category. They were derived from auxiliary enterprises and, in these particular cases, vending and concessions. The funds were controlled by the Board of Trustees and approved annually in June.

The majority of "R" funds expenditures were for University advancement and development functions; the "A" funds expenditures were for operating purposes.

The committee held its Fall Retreat on October 28th and heard very informative reports from staff and others on the following items: Organizational Effectiveness and Communications processes from the 2010 retreat, Consideration of Best Practices for Governance and Standards in Internal Audit, Analysis and Discussion of 2011 Financial Statement, Unrestricted Net Assets and Capital Renewal Plan, and Economic Outlook. The committee also received a report on the USC School of Medicine and a comprehensive update on the OneCarolina project. Plans for next year's schedule, meetings and retreats were discussed.

A summary of the retreat with planned follow-up items was included in the materials and inserted for the record. [Exhibit A]

B. Academic Affairs and Faculty Liaison Committee:
(The Honorable William W. Jones, Jr. reported)

The following personnel matters received all appropriate academic and administrative approvals and were presented without objection to the Academic Affairs and Faculty Liaison Committee on Wednesday, November 16th, earlier today, and, where appropriate, to the full Board in Executive Session.

1. Honorary Faculty Titles: Seven (7) requests for honorary faculty titles were e-mailed with the materials for this meeting. The following individuals will be awarded titles effective with their retirement:

For the titles Distinguished Professor Emeritus and Donald H. Kramer Professorship in Accounting Emeritus:

- Professor Robert Leitch

For the title Distinguished Professor Emerita:

- a. Professor Marsha Dowell
- b. Professor Danielle Raquidel
- c. Professor Linda Saucier
- d. Professor Charlene Walton

For the title Professor Emerita:

- Professor Catherine Talley

For the title Professor Emeritus:

- Professor Thomas Stanford

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval of these seven honorary faculty titles as presented. Mr. Allen seconded the motion. The vote was taken and the motion carried.

2. Appointment with Tenure: On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval to award tenure to Dr. Dan Cacuci at the rank of Professor in the Department of Mechanical Engineering, College of Engineering and Computing. He will also serve as the Center of Economic Excellence Endowed Chair in Nuclear Science and Energy. Mr. Adams seconded the motion. The vote was taken and the motion carried.

3. New Programs:

- a. Accelerated Master of Business Administration, USC Columbia
- b. Master of Health Information Technology, USC Columbia
- c. Master of Science in Engineering Management, USC Columbia
- d. Master of Science/Master of Engineering in Aerospace Engineering, USC Columbia

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved to approve these four new programs as described in the materials that were e-mailed to Board members. Mr. Bussell seconded the motion. The vote was taken and the motion carried.

4. New Dual Degree Program:

- Doctor of Pharmacy (PharmD) and Master of Public Health (MPH) in General Public Health, USC Columbia: On

behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved to approve the new dual degree program as e-mailed. Mr. Mobley seconded the motion. The vote was taken and the motion carried.

5. Name Change: Addition of Mr. James Buchanan Duke to the South Carolina SmartState Endowed Chair for Healthcare Quality:

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved to add the name of Mr. James Buchanan Duke to the University of South Carolina SmartState Endowed Chair for Healthcare Quality. Dr. Floyd seconded the motion. The vote was taken and the motion carried.

6. USC Columbia Faculty Manual Changes: On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved to approve USC Columbia *Faculty Manual* changes as e-mailed. Hubbard seconded the motion. The vote was taken and the motion carried.

7. USC System Campuses Faculty Manual Changes: On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved to approve USC System Campuses *Faculty Manual* changes as e-mailed. Mr. Warr seconded the motion. The vote was taken and the motion carried.

8. Midyear Tenure and Promotion Recommendations: On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved to approve midyear tenure and promotion recommendations as e-mailed and approved by the Committee earlier today. Mr. Whittle seconded the motion. The vote was taken and the motion carried.

9. Removal of Honorary Degree Candidates from the Table: On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved to remove the names of the following honorary degree recipients from the table. Mr. Buyck seconded the motion. The vote was taken and the motion carried.

- a. Thomas J. Brokaw
- b. Tobin J. Marks
- c. George E. Pataki
- d. Thomas L. Stepp

C. Student-Trustee Liaison Committee:
(The Honorable Leah B. Moody reported)

The Student-Trustee Liaison Committee met on Wednesday, November 16th.

USC Columbia Graduate Student Association (GSA) President Andrew Dorsey gave a report on the GSA and presented a Resolution to the Committee entitled "Resolution of the Board of Trustees to Adopt the Mission and Goals of the GSA". The resolution described the structure of the Graduate Student Association. Its major goals were defined as 1) Graduate Student Advocacy; 2) Academic Enrichment; and 3) Graduate Student Support. The Resolution also defined the elections, officers, funding and administration of the Association.

- Resolution of the Board of Trustees to Adopt the Mission and Goals of the Graduate Student Association: On behalf of the Student-Trustee Liaison Committee, Ms. Moody moved to approve the Resolution to adopt the mission and goals of the GSA as presented. Mr. Westbrook seconded the motion. The vote was taken and the motion carried.

Student Government Association representatives from the regional campuses gave very informative reports from their respective campuses.

Also at the meeting, Mr. Jerry Brewer provided an update on the student athletic ticket distribution process. A student survey was conducted regarding the process and, as a result, focus groups had been formed to work with the Department of Athletics to consider other options for distribution. A recommendation will be provided to the Committee in the future.

D. Buildings and Grounds Committee:
(The Honorable Mark W. Buyck, Jr. reported)

The Buildings and Grounds Committee met on November 16th and the following items required Board approval.

1. Phase II Project Approval:

- South Tower Mechanical and Roof Replacements:

On behalf of the Buildings and Grounds Committee, Mr. Buyck moved to fund Phase II design and construction for a total project budget of \$6.7 million to be funded with Housing Maintenance Reserve Funds. Mr. Hubbard seconded the motion. The vote was taken and the motion carried.

The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amount of proceeds of the tax-exempt bond issue.

2. Project Budget Adjustments:

a. Horizon First Floor Laboratory Upfit: On behalf of the Buildings and Grounds Committee, Mr. Buyck moved to increase the existing budget by \$155,000 funded with Institutional Funds. Mr. Mobley seconded the motion. The vote was taken and the motion carried.

The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amount of proceeds of the tax-exempt bond issue.

b. 300 Main Street Fire Alarm Project: On behalf of the Buildings and Grounds Committee, Mr. Buyck moved to increase the existing budget by \$260,000 funded with Institutional Capital Project Funds. Mr. Allen seconded the motion. The vote was taken and the motion carried.

The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amount of proceeds of the tax-exempt bond issue.

c. PSC 210 Auditorium Classroom Enhancement: On behalf of the Buildings and Grounds Committee, Mr. Buyck moved to increase the existing budget by \$180,000 funded with Institutional Capital Project Funds. Mr. Adams seconded the motion. The vote was taken and the motion carried.

The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amount of proceeds of the tax-exempt bond issue.

3. Other Project Approvals:

a. Public Health Research Center Parking Lot Construction: On behalf of the Buildings and Grounds Committee, Mr. Buyck moved to establish and fully fund this project with a budget of \$350,000 to be funded with Institutional Funds from Parking and Transportation Services. Mr. Westbrook seconded the motion. The vote was taken and the motion carried.

The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amount of proceeds of the tax-exempt bond issue.

b. Jones Physical Sciences Center Sidewalk Repair: On behalf of the Buildings and Grounds Committee, Mr. Buyck moved to establish and fully fund this project with a budget of \$260,000 to be funded with Renovation Reserve Funds. Mr. Whittle seconded the motion. The vote was taken and the motion carried.

The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amount of proceeds of the tax-exempt bond issue.

c. Russell House Flooring Replacement: On behalf of the Buildings and Grounds Committee, Mr. Buyck moved to establish and fully fund this project with a budget of \$437,000 to be funded with Institutional Funds. Mr. Whittle seconded the motion. The vote was taken and the motion carried.

The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amount of proceeds of the tax-exempt bond issue.

d. Challenge Course Building and Fence Construction: On behalf of the Buildings and Grounds Committee, Mr. Buyck moved to establish and fully fund this project with a budget of \$450,000 to be funded with Institutional Funds. Mr. Whittle seconded the motion. The vote was taken and the motion carried.

The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amount of proceeds of the tax-exempt bond issue.

e. USC Upstate Cyrill Softball Stadium Field Repairs and Upgrades: On behalf of the Buildings and Grounds Committee, Mr. Buyck moved to establish and fully fund this project with a budget of \$325,000 to be funded with USC Upstate Institutional Capital Project Funds. Mr. Whittle seconded the motion. The vote was taken and the motion carried.

The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amount of proceeds of the tax-exempt bond issue.

4. Gift Naming Opportunities: On behalf of the Buildings and Grounds Committee, Mr. Buyck moved to approve those gift namings as recommended by the Gift Naming Opportunities Committee and distributed in the Board materials.

- a. Athletics Department:
 - i. "The Springs Brooks Plaza" at Williams Brice Stadium
 - ii. "The Rice Athletics Center"

- b. University Libraries:
 - "The Chester A. Wingate Study Room"

Mr. Bussell seconded the motion. The vote was taken and the motion carried.

Also in the meeting, the Committee was briefed on an Administrative Notification for the Beta Research Facility Construction (Horizon I). The project budget was increased by \$240,000 to fund additional work required for occupancy of the second and third floors. The increase was funded with Research University Infrastructure Bonds transferred from the Omega II Research Facility Construction (Discovery I) project. The increase resulted in a total budget of \$40,139,157 funded with \$10 million in State Institution Bonds, \$335,000 in Federal Funds, and \$29,804,157 in Research University Infrastructure Bonds.

E. Health Affairs Committee:
(The Honorable C. Edward Floyd reported)

The Health Affairs Committee met on Tuesday, November 16th and the following items require Board approval.

- 1. Memorandum of Understanding for Cooperation of Services Exchange between University of South Carolina School of Medicine-Greenville and Greenville Hospital System University Medical Center:
- 2. Memorandum of Understanding for Cooperation of Services Exchange between University of South Carolina School of Medicine-Greenville and Clemson University:

On behalf the Health Affairs Committee, Dr. Floyd moved approval of these Memoranda of Understandings as presented. Mr. Whittle seconded the motion. The vote was taken and the motion carried.

- 3. USC School of Medicine-Greenville Joint Board Liaison Committee Representation:

Dr. Floyd reported that the Committee elected himself, Mr. Whittle and Dr. Smith to represent the University of South Carolina Board of Trustees on the Joint Board Liaison Committee USC School of Medicine-Greenville.

On behalf the Health Affairs Committee, Dr. Floyd moved approval of these three appointments. Mr. Warr seconded the motion. The vote was taken and the motion carried.

Chair of the Department of Family and Preventive Medicine, USC School of Medicine, Elizabeth G. Baxley, explained in detail the Inter-professional Education in the Health Sciences program.

Dr. Jerry R. Youkey, Vice President of Medical and Academic Services and Dean of the USC School of Medicine-Greenville, provided a brief update regarding the USC School

of Medicine-Greenville. They had received preliminary accreditation in October 2011. The Committee was reminded of the "Beam Signing" celebration at the new facility for the University School of Medicine-Greenville on Friday, December 16th, and told that they would receive a formal invitation.

F. Ad Hoc Committee on Strategic Planning
(The Honorable Mack I. Whittle, Jr. reported)

The Ad Hoc Committee on Strategic Planning met at length on Tuesday, November 29th and received as well as studied very intensive information.

Dr. Christine Curtis presented an overview of Focus Carolina which was the University of South Carolina's Strategic Plan outlining key decision making for USC in the next decade and beyond. Focus areas were: quest for quality, leadership, innovation, diversity, access, global competitiveness, community engagement and achievement. Within each of these seven focus areas were goals which the University was committed to attaining.

Other goals included improvement of student retention and on-time graduation, increasing access to the baccalaureate degree through USC's regional campuses, and engaging further with communities.

Provost Amiridis reviewed in detail the comprehensive dashboard which had been established to measure and monitor the University's progress in the various focus areas. These metrics will allow the University to document and monitor progress; compare and contrast with other institutions; set targets for the future; develop strategies to achieve these targets; and allocate resources to support these strategies.

He explained that a global research university was characterized by innovative teaching; robust research and community engagement and that the goal of the Office of the Provost was to enhance the quality of the University's academic programs.

The Committee heard an in-depth report from Huron Consulting Group about the potential formation of Palmetto College. By utilizing the existing regional campuses, Palmetto College had the potential of bringing more baccalaureate programs to qualified South Carolinians. It will be organized and governed as a separate college within the USC system. By having the existing four-year institutions confer these bachelor degrees, Palmetto College can utilize the current accreditation of the senior campus degree programs.

Distance education and other technological delivery methods will provide all South Carolinians with access to quality baccalaureate programs. Virtual locations will make it feasible to offer a wide range of majors and courses unlike a single location. Existing campuses will make an excellent "home base" for these students, for their library resources, for advising, and for some class work.

Anticipated was a potential student profile of adults who often juggled work and parenting; University non-completers or technical college grads; place-bound residents of marginalized communities; and first-time college families.

Ms. Brunelli and Mr. Walton presented an overview of the University's indebtedness. Mr. Walton commented that the Office of Business and Finance was preparing financial and physical plant metrics in a dashboard that reflected the economic productivity behind the University's academic and operational goals.

They were also producing the first comprehensive annual financial report to broaden the information for the President and the Board. Barclays will join them at the next meeting to discuss in depth about debt and capacity and market trends. The Committee was refining this information to work toward a Board of Trustees presentation in the near future.

G. Executive Committee:
(The Honorable Miles Loadholt reported)

The Executive Committee met on December 6th and earlier today; the following items were approved for recommendation to the Board for action:

1. Contracts Valued in Excess of \$750,000:

- Athletics Contract: Dr. Floyd moved approval of the amended employment agreement for Head Football Coach Steve Spurrier as described in the materials and distributed today. Mr. Adams seconded the motion. The vote was taken and the motion carried.

2. Softball Stadium Bond Resolution: Mr. Adams moved approval of an Athletic Facilities Revenue Bond Resolution authorizing up to \$9 million for construction of a new softball stadium. The authorized amount will provide approximately \$8 million toward construction costs and the necessary amount for capitalized interest, debt service reserve and issuance costs associated with the bonds. These bonds will be serviced with Net Revenues of the Athletic Department and the existing Admission Fee and Special Student Fee. Mr. Allen seconded the motion. The vote was taken and the motion carried.

3. Ratification of Titles: Mr. Buyck moved approval to ratify the following titles:

Secretary Emeritus for Thomas L. Stepp effective January 1, 2012

Distinguished Chancellor Emeritus for John C. Stockwell effective July 31, 2011

Mr. Adams seconded the motion. The vote was taken and the motion carried.

III. USC LANCASTER PRESENTATION: Chairman Loadholt called on Dean Catalano who commented that he had previously indicated to Board members that he would update them regarding the progress of the planned new classroom building at USC Lancaster. At that time, he had displayed a schematic for a 32,000 square foot classroom building with an

estimated cost of approximately \$7 million. He had also explained that the classroom building would meet all state guidelines including following state procurement code guidelines and that it would be completed by the summer of 2013.

Dean Catalano noted that the recent enrollment increases at USC Lancaster including a 10 percent increase in headcount and FTE this semester "make that opening date very important to us."

Dean Catalano advised that considerable progress had been made. The Architectural and Engineering Selection Committee had chosen Little & Associates, Inc. and design was nearing completion. A packet of information detailing the progress had been distributed at their places.

The completed building, Founders Hall, will contain over 40,000 square feet of classroom and faculty office space. The building will house 23 classrooms following a plan the Faculty Classroom Design Committee had proposed; 27 faculty offices; and an outdoor student area with a small tiered amphitheater which will also be used as an outdoor classroom.

The building will be LEED (Leadership in Energy and Environmental Design) certified as required by state code. It was hoped to have "bids in hand" in early February to break ground in late February or early March and to open Founders Hall in the late spring of 2013.

He stressed that no state or University money would be used to construct or furnish the building; the total anticipated cost of the project including furnishings was \$7 million; contingencies had been added at the contractor bid level, the construction level and the financing level. The Educational Foundation's 50th Anniversary Fundraising Committee had collected nearly \$3 million; the Lancaster County Commission on Higher Education will pay the remainder using funds generated by an increased millage amount collected by Lancaster County.

Dean Catalano stated that he had shared budget and cash flow projections with Vice Provost and Executive Dean for Extended Campus Chris Plyler; Chief Financial Officer Ed Walton; and Associate Vice President for Finance and Budget Director Leslie Brunelli who had expressed satisfaction that the budget flow projections were reasonable and that the campus would maintain a solid financial footing.

He stressed that the building and property on which it will be situated were owned by the USC Lancaster Educational Foundation.

Dean Catalano recognized Mr. Mobley whom, he noted, had been a major contributor to the building campaign as well as an important fundraising committee chairman.

Mr. Mobley introduced two special friends and neighbors from Lancaster whom he characterized as "being heavily involved with the University and specifically the Commission on Higher Education": incoming chairman of the Lancaster County Commission on

Higher Education, Bruce Brumfield, and outgoing chairman of the Lancaster County Commission on Higher Education, Charles Bundy. Mr. Bundy offered comments about the history of the Lancaster County Commission on Higher Education.

The Board extended a round of applause to both gentlemen.

IV. SECOND READING BYLAWS CHANGE - ARTICLE VII, SECTION 2:

Mr. Lister moved approval that Article VII, Section 2 of the *Bylaws* of the Board of Trustees of the University of South Carolina be amended to authorize the Board to acknowledge conspicuous service of a Chancellor of a component four-year institution within the University System by the special designation of a building, part of a building, outdoor space or other facility, as described in the meeting materials.

Mr. Mobley seconded the motion. The vote was taken and the motion carried.

V. REPORT OF THE ALUMNI ASSOCIATION: Chairman Loadholt called on Mr. Bussell who expressed that it was a great time to be a Gamecock alumnus. There was real excitement on all fronts.

The Alumni Association was well on the way to implementing the new strategic plan. All of the new committees were fully populated with talented and energetic volunteers.

The Board of Governors approved new bylaws at the most recent meeting which provided a new governance structure and greater flexibility. The new structure will enable the Association to better support the mission of the University through an enhanced alumni association.

The number of alumni involved had been expanded and included three distinct bodies. They were a Board of Governors with responsibility for Association Governance; a smaller Executive Council with responsibility for the operational affairs of the Association; and the Alumni Council, an expanded body with responsibilities for enhanced alumni engagement including representatives from all of the affiliate organizations as well as representatives of the newly formed Alumni Clubs.

Mr. Bussell announced that the City of Columbia Council had unanimously agreed to sell the Damon's site to the Alumni Association. Still required were negotiations with the current lease holder; a successful negotiation with this group would lead immediately to a closing on the property with the City and expedited fundraising efforts.

The Carolina Action Network will hold its annual Day at the Statehouse on February 8, 2012. More information about the event will be forthcoming; this announcement served as a "hold the date" on calendars.

The next meeting of alumni was scheduled in Orlando during the New Year's Weekend. He hoped everyone was planning to attend the Capital One Bowl Game on January 2nd.

VI. REPORT OF THE PRESIDENT: Chairman Loadholt called on President Pastides who made the following remarks:

Let me begin by expressing my appreciation for our Alumni Association. I believe we have the best alumni in the nation and we are building the best Alumni Association in the nation as well.

What a glorious day it was yesterday - another Carolina commencement. We conferred degrees to those present and those who could not be on approximately 2,500 students - the great majority of them South Carolinians - on toward a better future.

We had a distinguished speaker in Tom Brokaw who was humble and gracious and left with a far better impression of the state of South Carolina and certainly the University than he had had. We also had as a distinguished honoree and our own Secretary, Tommy Stepp. How wonderful it was to hear Mr. Brokaw defer, if you will, his own honor to say that he was the second most important individual to be receiving a degree from the University on that day. Tommy, it was a great day for the entire University and we stood tall with you.

It is that time of the season, of course, and it is the time of the season that I most enjoy being with our students. We had a beautiful tree lighting and holiday lighting festival on the Horseshoe that was well attended. It was a day of service. Joe Wright and I and other student leaders helped to preside. I attended the University 101 Peer Leader Dinner. Students who participate in the education of younger students, their classmates as peer leaders in our nationally recognized University 101 program.

We had the Presidential Ambassadors over to the House recently for a holiday get together - a smaller group and, again, student government leader Joe Wright is one of the cherished members of the Presidential Ambassadors.

But what a night it was when the Marching Band came to the House. We have not done that before. We had approximately 300 bright, bushy-tailed and very hungry students. This was not a marketing event for Britain's clothier, but I know they did a wild business in the week or two before with young men and ladies going to acquire sports jackets and ties and bowties and pants in, of course, the famous garnet and black colors.

We now recognize that service to the University by being part of our Marching Band is a significant mantle of responsibility. Each and every one of those young men and women is an ambassador of the University. I know they have heard, and you have told them many times, what a great thing it is to have seen their evolution into being not only as they always were one of the best marching bands, but now one of the loudest marching bands as well. We are so proud of them.

Mr. Whittle mentioned the work of the Strategic Planning Committee. I am very excited to come back to this Board in early 2012 with our proposal to create more baccalaureate bound experiences at our regional campuses. Let me compliment Mr. Bundy and Mr. Brumfield for their presentation. I could sense the enthusiasm in this room. We have phenomenal partners - people who relate to the greater University of South Carolina by virtue of the communities that they represent - the commissions, the partnership boards. And, I can tell you that there are still too many young people who receive their associate degree at a fine university like USCL and the others, but they continue to be place bound or economically bound. Someday the University of South Carolina will be conferring far more baccalaureate degrees because of this innovative proposal. I am very excited to share more of the details with you.

Dr. Floyd also mentioned the Beam Signing ceremony and I know several of you will be able to be there with us. What a great celebration and culminating event this will be with our partners at Greenville Hospital System. We are well on the way to beginning to meet the needs that this state has for more primary care practitioners. And this University will continue to look at the health sciences in nursing, in pharmacy, in social work and in medicine for how we can continue to train more South Carolinians who will be able to remain in the state and take care of our population.

And, finally, as Lee Bussell mentioned, New Years in Orlando. I have the same sense that he does. Our fans are particularly passionate because of the opportunity to have that historic 11th win. Nothing is assured. Of course, those 'Cornhuskers' will be ready for some warmth and partying in Orlando, but I think we will be up to the case. I spoke to the coach not too long ago and he said his game plan is going to be to get the team ready to bring its 'A game.' His opinion is that if his team can bring its 'A game' they could possibly beat anyone in the country. I think he is planning not to over coach but to help the team, in fact, prepare and be ready for a great

battle. And, we will be there with tens of thousands of Gamecocks to travel together for a great alumni weekend.

The Kennedys, Bill and Lou, will be ready to offer us a great celebration in their hometown. For so many years they have been talking about the Gamecocks to their friends and neighbors in Orlando, but for the first time they will be able to show us off.

I wish you the best of the holiday season, a safe and peaceful one, and look forward to working with you in 2012.

VII. OTHER MATTERS:

- Sigma Phi Epsilon Fraternity: Chairman Loadholt called on Dr. Pruitt who advised Board members that he had received news yesterday from the Sigma Phi Epsilon Fraternity Executive Director that the University of South Carolina Alpha Chapter of that fraternity had failed to fulfill commitments to its alumni or to its national fraternity; therefore, the National Fraternities Board of Directors had voted unanimously to withdraw the South Carolina Alpha Chapter from the University of South Carolina. That chapter will become inactive and will recolonize in 2015.

He characterized this event as a reflection of the crisis that higher education institutions were experiencing with "our male leadership." It had also been reported that K-12 males were displaying troubling behavior. That population segment, he advised, was emphasizing networking and social activities rather than more substantive pursuits.

"Women come to the University of South Carolina with a 16 point lower SAT score than men. But, women graduate 5 percentage points higher than do men at a 72 percent rate compared to 67 percent. So, we need to bring the men up to the standards of the women. We need to graduate them at a higher rate as well as improve their attitude and behavior and prepare them to be leaders."

VIII. ADJOURNMENT: Before adjourning the meeting, Chairman Loadholt made the following remarks:

The adjournment of this meeting truly is an end of an era.

On behalf of the Board of Trustees, I would like to offer a toast to someone who has meant a lot to me since I have been on the Board, Tommy Stepp, for a job well done.

The Board of Trustees and all present in the room gave Secretary Stepp a standing ovation.

Secretary Stepp thanked everyone.

It is a great honor to hold what I think is the most interesting job at the University. What a thrill it has been through thick and thin. How much you have taught me and I appreciate that very much.

Amy, you need to come try out this chair. It's time and I appreciate and love you all.

Since there were no other matters, Chairman Loadholt declared the meeting adjourned at 11:45 a.m.

Respectfully submitted,

Thomas L. Stepp
Secretary