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University of South Carolina

BOARD OF TRUSTEES

December 12, 2005

The University of South Carolina Board of Trustees met on Monday, December 12, 2005, at 10:00 a.m. in the Capstone House Campus Room.

Members present were: Mr. Herbert C. Adams, Board Chairman; Mr. Miles Loadholt, Board Vice Chairman; Mr. Arthur S. Bahnmuller; Mr. Mark W. Buyck, Jr.; Dr. C. Edward Floyd; Mr. Samuel R. Foster, II; Mr. William C. Hubbard; Mr. William W. Jones, Jr.; Ms. Rita M. McKinney; Ms. Darla D. Moore; Mr. Michael J. Mungo; Mr. M. Wayne Staton; Mr. John C. von Lehe, Jr.; Mr. Eugene P. Warr, Jr.; Mr. Mack I. Whittle, Jr.; and Mr. Othniel H. Wienges, Jr. Mr. Toney J. Lister and Mrs. Inez M. Tenenbaum were absent. The faculty representative, Dr. C. Eugene Reeder, was also present; the student representative, Mr. Justin Williams, was absent.

Others present were: President Andrew A. Sorensen; Secretary Thomas L. Stepp; Executive Vice President for Academic Affairs and Provost Mark P. Becker; Vice President and Chief Financial Officer Richard W. Kelly; Vice President for Research and Health Sciences Harris Pastides; Vice President for Information Technology and Chief Information Officer William F. Hogue; Vice President for Student Affairs Dennis A. Pruitt; General Counsel Walter (Terry) H. Parham; Vice President for Human Resources Jane M. Jameson; Vice President for Medical Affairs and Dean of the School of Medicine Larry R. Faulkner; Interim Vice President for University Advancement Michelle D. Dodenhoff; Vice Provost and Executive Dean for Regional Campuses and Continuing Education Chris P. Plyler; Chancellor of USC Aiken Thomas L. Hallman; Chancellor of USC Beaufort Jane T. Upshaw; Dean of USC Lancaster John Catalano; Dean of USC Salkehatchie Ann Carmichael; Dean of USC Sumter C. Leslie Carpenter; Dean of USC Union James W. Edwards; Associate Provost for Institutional Outreach and Dean of The Graduate School Christine Ebert; Interim Dean of the College of Engineering and Information Technology Duncan A. Buell; Dean of the College of Nursing Peggy O. Hewlett; Executive Director of the Alumni Association, Division of University Advancement, Marsha Cole; Assistant Treasurer Susan D. Hanna; Associate Chancellor for Business and Finance, USC Aiken, Virginia S. Steel; Director of Facilities Operations, USC Aiken, Tony Ateca; Associate Dean for Clinical Research and Special Projects, School of Medicine, Stanley D. Fowler; Interim Associate Dean for Academic Affairs, College of Social Work, Terry Tirrito; Assistant to the Vice President, Division of Business and Finance, Ken Corbett; Professor in the Department of Chemical Engineering, College of Engineering and

Information Technology, John W. Van Zee; Roman Catholic Chaplain of the University Father Tim Lijewski; Executive Assistant, Campus Planning and Construction, Donna Collins; A. G. Edwards representative Dianne McNabb; Director of University Communications, Division of University Advancement, Russ McKinney, Jr. and members of the media.

Chairman Adams 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 Adams welcomed everyone and invited Board members to introduce themselves. Mr. McKinney introduced members of the media who were in attendance.

Mr. Adams invited Father Tim Lijewski, Roman Catholic Chaplain of the University, to deliver the Invocation.

Chairman Adams stated that there were personnel matters with respect to honorary faculty titles, transfer of tenure, an honorary degree nomination, mid-year tenure and promotion recommendations, as well as receipt of legal advice regarding the potential purchase of property which were appropriate for discussion in Executive Session.

Mr. Bahnmuller moved to enter Executive Session. Mr. Whittle seconded the motion. The vote was taken, and the motion carried.

The following persons were invited to remain: Dr. Sorensen, Mr. Stepp, Dr. Becker, Mr. Kelly, Dr. Pastides, Dr. Hogue, Ms. Jameson, Dr. Pruitt, Ms. Dodenhoff, Dr. Plyler, Mr. Parham, Mr. McKinney, Mr. Rodgers, Ms. Tweedy, and Ms. Stone.

Return to Open Session

I. APPROVAL OF MINUTES: The following 9 sets of minutes had been circulated by mail to the Board for review and were presented for approval:

- A. Fiscal Policy Committee, October 27, 2005
- B. Buildings and Grounds Committee, October 27, 2005
- C. Executive Committee, October 27, 2005
- D. Board of Trustees, October 27, 2005
- E. Executive Committee, November 4, 2005
- F. Ad Hoc Committee on Advancement, November 17, 2005
- G. Student-Trustee Liaison Committee, November 17, 2005
- H. Health Affairs Committee, November 17, 2005
- I. Academic Affairs and Faculty Liaison Committee, November 17, 2005

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

II. COMMITTEE REPORTS:

- A. Ad Hoc Committee on Advancement:
(The Honorable Miles Loadholt reported)

The Ad Hoc Committee on Advancement met on November 17th.

Vice President for University Advancement Hudson Akin introduced Dr. Rob Moore from Lipman Hearne, Inc. The company was selected six months ago to assist the University with positioning and branding efforts. Dr. Moore explained that branding in higher education was more complex than in a commercial environment. Because higher education operated in a highly decentralized environment, the competitive interests of markets must be balanced to meet the institutional mission.

An overview of the survey results conducted with alumni, prospective students and corporate recruiters indicated that:

Ninety five percent of responding alumni would recommend Carolina; 90 percent were proud to be USC alumni.

Prospective students emphasized the importance of feeling at home on campus; they were also aware of the reputation of the Honors College and the Moore School of Business.

Corporate recruiters focused on the institutional response to specific industry and business needs and expressed a preference for a diverse student population; they observed that this feature was a real strength at Carolina.

Dr. Moore explained that the next step in the process was to develop a strategic brand platform and marketing plan; hold group discussions and meetings with faculty, staff and current students to ensure that promises were being made the University could keep; and clarify the marketing strategy. The marketing plan

development process should be completed by early spring, the external focus groups would be conducted in February and the marketing plan would be developed in March.

The Board of Trustees would be closely involved in the evolution of this plan because it would define the University over the next decade.

B. Student-Trustee Liaison Committee:
(The Honorable Rita M. McKinney reported)

The Student-Trustee Liaison Committee met on Thursday, November 17th.

Prior to the formal meeting, students, Trustees and University officials had the opportunity to converse with each other at their individual tables during lunch.

Mr. Robert Gideon, SGA President of USC Upstate, gave a presentation about the Angel Tree Program on that campus. Annually, during the holidays an angel tree was assembled in the Student Life Center and various organizations, academic classes, and student groups sponsored children. Hanging on the tree were tags in the shape of garments designating items which were donated by these sponsoring groups. Mr. Gideon reported that more than 1,500 children had been sponsored through this program since its inception 11 years ago.

Following Mr. Gideon's presentation, representatives from the regional campuses discussed one highlight of interest. Students continued to be enthusiastically involved in the community and campus life. Their reports were very informative.

C. Health Affairs Committee:
(The Honorable Miles Loadholt reported)

The Health Affairs Committee met on Thursday, November 17th.

Dr. Pastides introduced Ms. Judy Smith, Executive Director of Health Sciences South Carolina, who updated the Committee about the progress of this collaborative. Members included the state's major health care organizations and the three research universities. It was hoped that this initiative would improve the status of the health of the people of South Carolina as well as their economic welfare. The potential economic impact on South Carolina was huge; the collective budgets of these institutions were approximately \$600-\$700 billion, larger than the budget of the state of South Carolina.

At the beginning of next year, Palmetto Health will demonstrate the first tangible evidence of the beginning of a Health Sciences South Carolina Endowed Chair with the opening of the McCausland Brain Imaging Center at Palmetto Health Richland. The organization had also funded a regenerative medicine proposal, a collaborative effort among USC, MUSC, Clemson University and the Greenville Hospital Systems.

In addition, USC had submitted endowed chair proposals; this year there would be one fully implemented program in clinical effectiveness and patient safety.

Mr. Loadholt stated that the next several items would require Board approval.

I. USC Health Sciences Endowed Chairs and Distinguished Professorships

Proposal: The Division of Health Sciences was proposing the establishment of two new honorary faculty titles to assist the University with the recruitment and retention of high quality health scientists. This proposal had received all appropriate academic and administrative approvals.

On behalf of the Health Affairs Committee, Mr. Loadholt moved approval of the USC Health Sciences Endowed Chairs and Distinguished Professorships proposal as amended and described in the materials distributed for this meeting. Mr. Mungo seconded the motion. The vote was taken, and the motion carried.

II. Departmental Name Change: School of Medicine: Department of Pathology and Microbiology change to Department of Pathology, Microbiology, and

Immunology: The School of Medicine was requesting that the name of the Department of Pathology and Microbiology be changed to the Department of Pathology, Microbiology, and Immunology. This request had received all appropriate academic and administrative approvals.

On behalf of the Health Affairs Committee, Mr. Loadholt moved approval of this name change request as described in the materials distributed for the meeting. Dr. Floyd seconded the motion. The vote was taken, and the motion carried.

D. Academic Affairs and Faculty Liaison Committee:
(The Honorable John C. von Lehe, Jr. reported)

The Academic Affairs and Faculty Liaison Committee met on Thursday, November 17th. The following items were approved for recommendation to the Board:

1. Honorary Faculty Titles: Four requests for honorary faculty titles were mailed with the materials for this meeting. They had received all appropriate approvals and were presented to the Committee and to the Board in Executive Session without objection.

The following individual would be awarded the title Dean Emeritus and Distinguished Professor Emeritus at retirement:

- Dr. Farid Sadik

The following individual would be awarded the title Distinguished Professor Emeritus effective with his retirement:

- Dr. Harvey Allen

The following individual would be awarded the title Emerita Professor effective with her retirement.

- Dr. Margaret Burggraf

The following individual would be awarded the title Librarian Emerita effective with her retirement.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. von Lehe moved approval of these four honorary faculty titles. Mr. Wienges seconded the motion. The vote was taken, and the motion carried.

2. Transfer of Academic Appointments and Tenure: The following two requests to transfer academic appointments and tenure were mailed with the materials for this meeting: the academic appointment and tenure of Dr. Rhonda Jefferies and Dr. Susan Schramm-Pate would be transferred from the Department of Educational Leadership and Policies to the Department of Instruction and Teacher Education in the College of Education.

These requests had received all appropriate academic and administrative approvals.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. von Lehe moved approval of these transfers of academic appointment and tenure as described in the materials distributed for the meeting. Mr. Warr seconded the motion. The vote was taken, and the motion carried.

3. Midyear Tenure and Promotion Recommendations: Two recommendations for tenure and promotion on the Columbia campus were mailed with the materials for this meeting. They had received all appropriate approvals and were presented to the Committee and to the Board in Executive Session without objection.

- a. George Androulakis would be promoted to Associate Professor with tenure in the College of Arts and Sciences
- b. Marna Hostetler would be awarded tenure at the rank of Librarian in the Division of University Libraries

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. von Lehe moved approval of these two tenure and promotion recommendations. Mr. Staton seconded the motion. The vote was taken, and the motion carried.

4. New Center Proposal: Center for Fuel Cells - College of Engineering and Information Technology, USC Columbia: The College of Engineering and Information Technology had requested the establishment of the Center for Fuel Cells. This request had received all appropriate academic and administrative approvals.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. von Lehe moved approval of the establishment of the Center for Fuel Cells as described in the materials distributed for the meeting. Mr. Bahnmuller seconded the motion. The vote was taken, and the motion carried.

Ms. Moore inquired about the number of various centers at the University and whether this particular one was needed. Dr. Pastides responded that the Center for

Fuel Cells provided an important opportunity for the University to affirm that it was one of the nation's top performers in the area of fuel cell research.

Dr. Pastides further noted that he and Provost Becker were currently reviewing evaluations of centers on campus; as recommended by the Strategic Directions and Initiatives Committee in 2002, every three years all centers will be reviewed and a determination will be made about which ones will continue to exist.

Dr. Sorensen stated that he had requested former Provost Odom to conduct an inventory of all the centers; as a result, some were eliminated. When applying for NIH or NSF funding, typically a center proposal was more likely to receive attention. He asked Dr. Pastides and Dr. Becker to prepare a report about University centers and present their findings to the Academics Affairs and Faculty Liaison Committee.

In addition, Secretary Stepp noted that certain types of funding were only available to centers; changing the name would provide grant eligibility.

Mr. von Lehe also commented that it was much easier to receive funding for something which was specifically identified.

5. Name Change: Children's Law Office, School of Law: The School of Law had requested that the name of the Children's Law Office be changed to the Children's Law Center. This proposed name change had received all appropriate academic and administrative approvals.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. von Lehe moved approval of this name change as described in the materials distributed for this meeting. Mr. Hubbard seconded the motion. The vote was taken, and the motion carried.

VI. Removal of Honorary Degree Candidate From the Table: On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. von Lehe moved to remove the name of the following honorary degree candidate from the table: Corrine Boggs "Cokie" Roberts. Ms. Roberts would receive an honorary degree at commencement exercises later today. Mr. Buyck seconded the motion. The vote was taken, and the motion carried.

In addition, Dr. Russ Pate, NCAA/SEC representative for the University, briefed the Committee about the new NCAA system to monitor the academic progress of student athletes at all institutions. And, faculty liaison representatives updated the Committee about activities in their areas.

F. Executive Committee:
(The Honorable Herbert C. Adams reported)

The Executive Committee met on Friday, November 4th and earlier today.

During the November 4th meeting, the Committee approved a contract with Paciolan, Inc. for the purchase of hardware and software necessary to implement a new athletics ticket system. During the Executive Committee meeting earlier today,

the Committee approved a renewal contract with the Institute for Scientific Information to provide Internet access to the Web of Science for all University campuses and a grant agreement between USC Beaufort and Beaufort County to develop the South Campus.

The following items were approved for recommendation to the Board:

1. USC Aiken Convocation Center Budget Increase: At the request of Chancellor Hallman, the Executive Committee, with the concurrence of the Chairman of the Buildings and Grounds Committee, approved a budget increase for the previously approved project to construct a new Convocation Center at USC Aiken. The additional funds would be used to furnish required elements such as athletic flooring systems, arena seating and bleachers, the arena sound system, parking and road connectors, landscaping and irrigation, and custom cabinets and lockers.

Mr. Adams called for a motion to increase the budget for this project by \$2,300,000 funded with \$900,000 in Bookstore Revenue; \$900,000 in USC Aiken Institutional Capital Project Funds (ICPF); and \$500,000 in USC Aiken appropriations. This increase would result in a total project budget of \$25,720,000 funded with \$7,430,000 in County Funds; \$6,320,000 in USC Aiken Institution Bonds; \$6 million in Capital Improvement Bonds; \$2,075,000 in USC Aiken Institutional Capital Project Funds (ICPF); \$1,250,000 in USC Aiken appropriations; \$1 million in Private Funds; \$900,000 in Bookstore Revenue; and \$745,000 from the City of Aiken. Mr. Whittle seconded the motion. The vote was taken, and the motion carried.

2. Arena Athletics Facilities Revenue BAN: The University requested approval to refund and refinance the Athletics Facilities Revenue Bond Anticipation Notes relating to the arena which were issued on March 17, 2005. The bond would mature on March 16, 2006.

The University anticipated issuing Athletics Facilities Revenue Bonds sufficient to pay the principal and interest due on this issue. This resolution provided for issuance in an amount not to exceed the current amount outstanding. It was projected that the University would pay down the arena BANs based on the approved schedule.

Mr. Adams called for a motion to approve the Bond Resolution to refund and refinance the Athletic Facilities Revenue Bond Anticipation Notes relating to the arena as presented. Mr. Mungo seconded the motion. The vote was taken, and the motion carried. [Exhibit A]

3. Stadium Athletics Facilities Revenue BAN: The University requested approval to refund and refinance the Athletics Facilities Revenue Bond Anticipation Notes relating to the stadium which were also issued on March 17, 2005 and would mature on March 16, 2006.

The University anticipated issuing a separate series of Athletic Facilities Revenue Bond Anticipation Notes sufficient to pay the principal and interest due on this issue. The proposed resolution provided for issuance of BANs not to exceed the current amount outstanding. It was anticipated that the University would reduce the BAN relating to the stadium based on the approved schedule.

Mr. Adams called for a motion to approve the Bond Resolution to refund and refinance the Athletic Facilities Revenue Bond Anticipation Notes relating to the stadium as presented. Mr. Mungo seconded the motion. The vote was taken, and the motion carried. [Exhibit B]

4. USC Aiken Housing Revenue Bond: The University requested approval of a Housing Revenue Bond Resolution that provided for the issuance and sale of a series of revenue bonds to be designated Series 2006A in the principal amount not exceeding \$14,500,000 to finance the purchase of Pacer Commons and upgrades to Pacer Downs on the Aiken Campus.

Mr. Adams called for a motion to approve a Housing Revenue Bond Resolution to finance the purchase of Pacer Commons and upgrades to Pacer Downs on the Aiken Campus as presented. Mr. Loadholt seconded the motion. The vote was taken, and the motion carried. [Exhibit C]

III. REPORT OF THE ALUMNI ASSOCIATION: Mr. Adams called on Ms. McKinney who reported that a key component of the recently adopted Alumni Association strategic plan was membership development. In November, a one-day workshop was held for the Association's Board of Governors and staff to discuss membership goals. A goal of doubling the membership during the next five years had been established. At the workshop, a representative from the Ohio State Alumni Association was present to assist the University with strategies to reach that goal.

Ms. McKinney stated that the Carolina Action Network "Day at the State House" was scheduled for March 28th and everyone would receive an invitation to the event. She thanked Chris Plyler for the regional campuses support of this program; several campuses were planning to bring bus loads of groups to the State House on that day.

For several years, the Alumni Association had partnered with the Athletics Department to sponsor pre-season preview events for football and basketball. On January 26th, the Alumni Association will conduct a similar event for baseball with Coach Tanner and the players. Lastly, the Alumni Association and the Gamecock Club will co-sponsor a one-day, round-trip air charter for the Independence Bowl trip to Shreveport, Louisiana.

Mr. Adams stated that this report was received for information.

IV. REPORT OF THE PRESIDENT: Mr. Adams called on President Sorensen who reported that Michelle Dodenhoff had agreed to serve as Interim Vice President for Development; Mr. Akin's last day was November 30th. He thanked her for agreeing to

serve in this position until a successor was selected. Dr. Sorensen commented that Dean Joel Smith was chairing the search committee; three outstanding candidates will visit the campus. He hoped to make a recommendation to the Board within a week. He also advised that Dr. Becker was co-chairing the Law School dean search committee; several outstanding candidates had been identified.

Dr. Pastides had recently reported to Dr. Sorensen that the University had received more than \$166 million of external research funding last year, the highest ever in the history of this institution. For the first quarter of this fiscal year, the percentage had increased 19.7 percent over the preceding year. He commended Dr. Pastides and the faculty for their remarkable display of interest in securing support for research.

Dr. Sorensen briefly commented about interesting events occurring at various regional campuses. On Friday, there was a groundbreaking for the new Convocation Center at USC Aiken; Chairman Adams and Vice Chairman Loadholt had participated in the dedication ceremony. Several weeks ago, USC Beaufort had held a dedication ceremony for four new residence halls constructed on the new South Campus. USC Salkehatchie had received a generous grant from the Duke Endowment for its Leadership Institute; he thanked Dean Carmichael and faculty for making that possible.

Finally, Dr. Sorensen was looking forward to seeing many of the Board members in Shreveport on December 30th. Coach Spurrier was very excited about being a part of the USC family.

Mr. Adams stated that this report was received for information.

V. OTHER MATTERS: Mr. Adams recognized Mr. Mungo who expressed, on behalf of the Board of Trustees, appreciation for the success of the football team and coaches. He noted that the Athletics Department was experiencing difficulty selling their ticket allotment for the Independence Bowl game. He had recently discussed with Mr. Whittle, Mr. Loadholt and Dr. Floyd the possibility of each one buying 100 tickets @ \$40 per ticket to offer to service members in the area. Board members wishing to contribute any amount should forward their checks payable to the University of South Carolina to Secretary Stepp. Chairman Adams asked for 100 percent participation and he thanked Dr. Floyd, Mr. Whittle, Mr. Loadholt and Mr. Mungo for their leadership in this area.

Since there were no other matters to come before the Board of Trustees, Chairman Adams declared the meeting adjourned at 11:15 a.m.

Respectfully submitted,

Thomas L. Stepp
Secretary