The Health Affairs Committee of the University of South Carolina Board of Trustees met on Thursday, September 14, 2006, at 2:00 p.m. in the 1600 Hampton Street Board Room.

Members present were: Mr. Toney J. Lister, Chairman; Mr. Arthur S. Bahnmuller; Mr. William L. Bethea, Jr.; Mr. William W. Jones, Jr.; Mr. M. Wayne Staton; Mr. John C. von Lehe, Jr.; Mr. Eugene P. Warr, Jr.; Mr. Herbert C. Adams, Board Chairman; and Mr. Miles Loadholt, Board Vice Chairman. Dr. C. Edward Floyd was absent. Other Trustees present were: Mr. Samuel R. Foster, II and Mr. John W. Fields.

Others present were: President Andrew A. Sorensen; Secretary Thomas L. Stepp; 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; Associate Provost for Budget and Operations William T. Moore; Vice Provost and Executive Dean of Regional Campuses and Continuing Education Chris P. Plyler; Dean of the College of Nursing Peggy O. Hewlett; Dean of the College of Social Work Dennis Poole; Dean of Nursing, USC Upstate, Marsha Dowell; Head of Nursing, USC Aiken, L. Julia Ball; Interim Program Director for Nursing, USC Beaufort, Susan C. Williams; Executive Dean of the South Carolina College of Pharmacy Joseph T. DiPiro; Interim Dean of the School of Medicine Richard A. Hoppman; Interim Dean of the College of Pharmacy Randall C. Rowen; Director of the Budget Office Leslie Brunelli; Public Information Officer, Office of Media Relations, Karen Petit; Director of University Communications, Division of University Advancement, Russ McKinney, Jr.; Board staff members Terri Saxon, Vera Stone and Karen Tweedy; and members of the media.

Mr. Lister called the meeting to order, welcomed those present, and asked everyone to introduce themselves. Mr. McKinney introduced members of the media who were in attendance.

Mr. Lister stated that the agenda had been posted and the press had been notified as required by the Freedom of Information Act; the agenda had been circulated to the Committee members; and a quorum was present to conduct business.

Mr. Lister directed the attention of the Committee to the agenda and called on Vice President Harris Pastides.
Open Session

I. USC System Wide Nursing Education Initiative: Dr. Pastides made brief comments about the nursing initiative and stated that Dean Hewlett would provide more details as well as introduce her colleagues from the USC system.

Dr. Pastides stated that when the University created the Division of Health Sciences, he was aware of the cooperation and quality of the five health colleges at the Columbia campus, but what he did not know was that Carolina would also expand activities to include new partnerships throughout the University of South Carolina system. He also noted that efforts were underway to train additional nurses and to create a curriculum that would allow USC the flexibility and opportunity to train more nurses.

Dean Hewlett introduced her colleagues from the senior campuses Dr. Julia Ball, Head of Nursing, USC Aiken; Susan Williams, Interim Program Director for Nursing, USC Beaufort; and Dr. Marsha Dowell, Dean of Nursing, USC Upstate.

Dean Hewlett gave a progress report of the USC System Nursing Collaboration, USC Columbia Partnering with USC Salkehatchie and USC Lancaster and USC leading a statewide nursing collaboration called "One Voice-One Plan."

Dr. Hewlett stated that when she was hired, the USC College of Nursing was asked to look at different nursing collaborations around the state. In the spring of 2006, she reported to the board that there was a shortage of nurses across South Carolina and the nation. Since that time, a new RN national sampling had been conducted and the shortage of nurses was expected for South Carolina had now doubled. Also, by the spring, a shortfall of approximately 6,700 nurses was expected for South Carolina and by 2020 those numbers had been revised upward to more than 12,000 over a period of two years.

Dean Hewlett advised that she and her colleagues had been working to find solutions to this growing problem. One of the questions they had asked was, "how can we, within our own system, better utilize our resources of people, time, money and ideas?"

It was decided that USC would seek to increase enrollments across all the upper division programs immediately. Dean Hewlett stated that there was always a "bottleneck" at the junior year. Therefore, the College of Nursing was trying to get these well qualified students into the upper division program so they could complete their nursing courses and graduate. USC Beaufort and several other senior campuses were in the process of seeking funding to establish baccalaureate programs.

Dean Hewlett further stated that the Columbia campus had increased the upper division number by 16 this fall and had admitted another 32 students for spring. She again emphasized the nursing shortage nationwide and stated that in, South
Carolina alone; an additional 1,000 nurses must be produced per year to meet the current demand.

Chairman Adams asked how many students progressed to upper division at the end of their two years. Dean Hewlett responded that during the past several years that number had been approximately 50 percent or 112 students; the University did not have adequate space to admit larger numbers.

Dr. Hewlett commented that they hoped to streamline prerequisites for a seamless articulation across the USC System. There were different prerequisites for the nursing program on all of the USC campuses and this issue would be resolved. A recommendation would be submitted for consideration so that a student on any of the campuses would be able to transfer easily. In addition, many nurses in the state were required to earn a Masters degree before they could teach in a nursing program in South Carolina. Therefore, the University was searching for ways to offer both the Masters and PhD non-Columbia campuses by next semester.

The College of Nursing was also seeking to design a model for patient simulation that was system wide. This would allow the University to reduce the number of contact hours between the faculty and the students and many of the clinical skills could be taught in that type of environment. In addition, the College was considering ways to establish a centrally located USC Nursing continuing education system.

Mr. Bahnmuller was concerned about the number of nurses who would actually be retained in the workforce in South Carolina due to higher paying jobs in other states. In conjunction with that concern, Mr. Foster asked if there were incentives to retain candidates in the state. Dean Hewlett responded that there were models around the country that the University could possibly consider.

Dr. Pastides thanked the nursing team and commented that their cooperation was unprecedented throughout the system. He stated that Dean Hewlett and the team had treated this problem like a “homeland security issue” because they were talking about nothing less than revising curriculum on four campuses in order to provide the flexibility required.

USC Columbia’s partnering with USC Salkehatchie and USC Lancaster was another recommendation. Dean Hewlett remarked that she had been approached by colleagues at Salkehatchie who had been pressed by their local community to find ways to draw nurses into more rural communities; this had been a real challenge. Many of those students were not able financially to come to Columbia and there were adult students who had other obligations. Therefore, rather than starting a new program, the University wanted to look at how to reach two goals.

Under consideration, therefore, was the possibility of combining the Columbia campus resources with those of the regional campuses. Students at USC Salkehatchie
and USC Lancaster would enter a pre-nursing program; only nursing faculty hired through external funding would be needed to teach those classes. Once students met the criteria for upper division admissions, the number would increase. Clinicals would be taught in the rural communities and the regional campuses already had in place the infrastructure, the buildings and parking. Dean Hewlett noted that the Duke Endowment had given the Salkehatchie campus enough funding through an Allendale Hospital grant to begin this program.

Dean Hewlett explained that when she came to South Carolina, she was concerned that a statewide coordinated, comprehensive nursing workforce plan had not been developed. She had pushed hard to have a group of key stakeholders meet together. As a result, approximately 90 people, including representatives from the legislature, various state offices, the South Carolina Hospital Association and all USC nursing deans, had participated in a nursing Shortage Summit on August 2nd; Dr. Marsha Dowell was one of the co-chairs. From that meeting, a document entitled “One Voice – One Plan” was formulated.

Dr. Sorensen thanked Dean Hewlett and Dr. Pastides for their efforts.

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

II. Duke Endowment/HSSC Update: Mr. Lister called on Vice President Pastides who introduced Randall Rowen, Interim Dean of the College of Pharmacy; Joseph Dipiro, Executive Dean of the South Carolina College of Pharmacy and Richard Hoppman, Interim Dean of the School of Medicine. Dr. Pastides stated that the S.C. College of Pharmacy had their largest class ever and was working toward accreditation.

Dr. Pastides reported on the grant from the Duke Endowment. He stated that Health Sciences South Carolina was a unique collaborative consortium of three research universities and the four largest teaching hospitals in the state. Each of the six partners had pledged to commit $2 million annually toward the creation and the maintenance of Centers of Economic Excellence. As a result, these universities would become better known nationally and world-wide for the quality of their clinical research; equally important would be workforce development. New jobs would be created as a result of the application of clinical research and the large number of patients who lived in diverse communities.

Dr. Pastides stated that the lottery program had appropriated $33 million to the six Centers of Economic Excellence for a total of $71 million. Of that total, $33 million would be generated from the lottery program and $38 million would be pledged by the Health Sciences South Carolina partners as well as federal grants, equipment and in-kind services. Dr. Pastides stated that this was a great track record for such a short period of time.
In the near future, letters of intent will be submitted for healthcare facilities design and the South Carolina Center for Older Adults’ Independence. It was hoped that the healthcare facilities design would embody the hospital of the future. Members of the University faculty were in the process of developing material to coat the inside of emergency rooms, surgical suites and maternity units so that bacteria and viruses would be less likely to adhere to the surfaces. South Carolina would have the only center of this kind.

The other center would care for the elderly, especially in rural populations. South Carolina’s universities and hospitals were coming together to develop a new model of elderly healthcare. Dr. Pastides commented that these two examples were breakthrough programs that would transcend the ability of any one of the partners to address.

Dr. Pastides reported that the Duke Endowment, the largest philanthropic organization in the Carolinas, had awarded a $21 million grant over three years to Health Sciences South Carolina. He stated that the grant would allow the consortium to match dollar for dollar with the lottery program; therefore, at a minimum, this would be a $42 million, three-year program.

Dr. Pastides reported that based on the reputation that our research foundation had developed as being a good fiscal agent and providing outstanding service to our faculty, the six institutions were leaning toward USC as the fiscal agent. The University would subcontract to the five partners so that they would receive an equitable share of the Duke award. Otherwise, the Duke Endowment would have had to develop six independent financial agreements with the partners.

In response to Mr. Bahnmuller’s inquiry about the composition of Health Sciences South Carolina, Dr. Pastides responded that USC, MUSC (Medical University of South Carolina), Clemson University and the four largest teaching hospitals (the hospital at MUSC; Palmetto Health; Greenville Hospital System; and Spartanburg Regional Healthcare System) were members.

Dr. Sorensen credited Dr. Pastides ability to negotiate as the catalyst which brought Health Sciences South Carolina into existence.

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

III. Other Matters: Report on the College of Pharmacy Budget: Mr. Lister called on Mr. Kelly who stated that Chairman Adams and President Sorensen had asked him to brief the Board on the financial issues associated with the South Carolina College of Pharmacy (SCCP).

Mr. Kelly gave a summary of SCCP accomplishments. He reported that an Executive Dean had been appointed and a joint curriculum had been approved. In addition, SCCP had launched a successful admissions process and the first class for the South Carolina College of Pharmacy was in place. There were over 700
applications, of which 190 students were admitted. Students were given a preference as to which campus they wanted to attend; 80 percent were willing to attend either Columbia or Charleston. This was an excellent class with a GPA of 3.6 and a PCAT of 75th percentile. The Columbia campus had 111 new students and MUSC had 80.

Mr. Kelly stated that for the previously existing classes, the second, third and fourth year pharmacy students were attending classes on the respective campuses at which they had initially started. Although the tuition paid by students was the same on each campus, the fees charged were different with variations in debt service, student activities and athletics among others.

In 2005/2006, total college Education and General (E&G) budgets were $2,865.00 for USC and $1,462.89 for MUSC. The most significant difference was the Institutional Bond Capacity Fee. The Pharmacy student at USC Columbia would generate $182.00 of institutional debt by comparison to MUSC’s $1,163.40. The reason for the difference was that MUSC pooled the money and redistributed it the way the University had done before adopting the Valued Center Management program, which returned the revenue immediately to the appropriate college.

Mr. Kelly reported that the total resources budget was $23,120,425 (USC $12,941,248 and MUSC $10,179,177). Various resources were shared. For example, the Executive Dean’s salary would be shared equally; USC would pay the salary and fringe benefits of the Director of IT and the Distance Educations Specialist. Greenville Hospital would pay for the Director of Communications, Business Manager, and Distance Education Classroom Equipment of $200,000 as well as SCCP retreats/events and miscellaneous expenses. The Faculty would be appointed by both campuses. The total expenditures were $23,005,244.

Mr. Kelly advised that a comparative tuition and fee study had been conducted for two semesters; Kentucky had the highest tuition rate and Georgia the lowest. South Carolina and Tennessee were very similar: $13,500 and $12,340, respectively.

A member of the Committee asked about current and future facilities. Mr. Kelly responded that space had been assigned to the College of Pharmacy in Columbia and Charleston and the growth of new faculty was being absorbed.

Mr. Bahnmuller asked about the average earnings for Pharmacy graduates. Mr. Kelly responded that, based on a survey, the average salary was approximately $87,000 per year.

Mr. Adams requested a pro forma over a 10-year time period showing projected productivity and goals.

Mr. Kelly stated that MUSC housed the joint admissions process; the $75 application revenue remained there. The tuition was $15,500 the first, second and
third year; for the fourth year, that figure was $13,500. A total of 278 students were enrolled in the USC program and 243 in the MUSC program.

Mr. Kelly summarized the distribution of funds between the institutions. He stated that 14 new faculty members had been hired, 9 of whom were on the USC campus. The administration had developed policies for the faculty and students and a joint board of oversight committee had been formed.

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

There were no other matters to come before the Committee, and Mr. Lister declared the meeting adjourned at 3:30 p.m.

Respectfully submitted,

Thomas L. Stepp
Secretary