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University of South Carolina

BOARD OF TRUSTEES

Executive Committee

April 11, 2008

The Executive Committee of the University of South Carolina Board of Trustees met on Friday, April 11, 2008, at 11:15 a.m. in the 1600 Hampton Street Board Room.

Members present were: Mr. Herbert C. Adams, Chairman; Mr. James Bradley; Dr. C. Edward Floyd; Mr. Miles Loadholt; and Mr. Michael J. Mungo. Mr. Mack I. Whittle, Jr. was absent. Other Trustees present were: Mr. Arthur S. Bahnmuller; Mr. William L. Bethea, Jr.; Mr. Mark W. Buyck, Jr.; Mr. John W. Fields; Mr. William C. Hubbard; Mr. William W. Jones, Jr.; Mr. Toney J. Lister; Mr. Eugene P. Warr, Jr.; and Mr. Othniel H. Wienges, Jr.

Others present were: President Andrew A. Sorensen; Secretary Thomas L. Stepp; Executive Vice President for Academic Affairs and Provost Mark P. Becker; Vice President for Research and Health Sciences Harris Pastides; Vice President and Chief Financial Officer Richard W. Kelly; Vice President for Student Affairs and Vice Provost for Academic Support Dennis Pruitt; Dean of the School of Medicine Donald J. DiPette; Vice President for Human Resources Jane M. Jameson; Vice President for Information Technology and Chief Information Officer William F. Hogue; Vice Provost and Executive Dean for System Affairs and Extended University Chris P. Plyler; Vice President for Advancement Brad Choate; General Counsel Walter (Terry) H. Parham; Associate Vice President of Finance and Budget Director Leslie Brunelli; Chancellor of USC Aiken Thomas L. Hallman; Dean of USC Salkehatchie Ann Carmichael; Dean of USC Sumter Leslie C. Carpenter; Assistant Dean for Academic Affairs, USC Union, Hugh C. Rowland; Vice Provost for Academic Affairs William T. Moore; Vice Provost for Faculty Development Christine Curtis; USC Campus Dean of the South Carolina College of Pharmacy Randall C. Rowen; Dean of the College of Arts and Sciences Mary Ann Fitzpatrick; Dean of the Moore School of Business Hildy Teegen; Dean of the College of Mass Communications and Information Studies Charles Bierbauer; Associate Dean of Academic Affairs, Arnold School of Public Health, Gregory A. Hand; Assistant Professor and Interim Associate Dean of Academic Affairs, College of Nursing, Mary Foster Cox; Director of Athletics Eric Hyman; Assistant Treasurer Susan D. Hanna; Executive Director of the USC Alumni Association Marsha A. Cole; Director of Facilities, Division of Business and

Finance, Tom Quasney; Director of the Department of Internal Audit Alton McCoy; Associate Director of Governmental Affairs and Legislative Liaison Casey Martin; Interim Director of Campus Planning and Construction and Manager of Construction Administration, Division of Facilities, Michael Thomas; Chief Operating Officer of Specialty Clinics and Instructor in the Department of Internal Medicine, School of Medicine, Alfred A. Dunn; Broadcast Journalist, Office of Media Relations, Frenche Brewer; Campus Planning and Construction Executive Assistant Donna Collins; Director of Public Information, USC Lancaster, Shana Funderburk; Student Government Association President Andrew Gaekle; Trustee Emeritus Donald A. Bailey; Chair of Development Foundation, Office of University Foundations, Thomas E. Suggs; USC Alumni Association President-Elect Amy Stone; Reverend Frank W. Anderson, Chair of Carolina Campus Ministries; Director of University Communications, Division of University Advancement, Russ McKinney, Jr.; University Technology Service Production Manager Justin Johnson; Board staff members Terri Saxon, Vera Stone, and Karen Tweedy; and members of the media.

Chairman Adams called the meeting to order and asked Mr. McKinney to introduce members of the media who were in attendance. Chairman Adams 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 members of the Committee; and a quorum was present to conduct business.

Chairman Adams stated that there was a contractual, personnel matter which was appropriate for discussion in Executive Session. Mr. Bradley moved to enter Executive Session. Mr. Loadholt seconded the motion. The vote was taken, and the motion carried.

Chairman Adams invited the following persons to remain: Secretary Stepp, Ms. Jameson, Mr. Parham, and Ms. Tweedy.

Return to Open Session

I. Review of Scholarship Expenditures: Chairman Adams called on Mr. Kelly who reported that efforts were being continued to improve both the quantity and quality of the student base at the University.

Under the leadership of Mr. Wienges, the Board had established a fee, part of the cost of a Carolina/Clemson ticket, to fund scholarships but with a portion going into a quasi endowment. Currently, that endowment was slightly over \$2.4 million and generated approximately \$110,000 per year in interest earned income. Since the home Carolina/Clemson games generated these scholarship funds every other year, the Board had allowed a similar fee to be imposed on the Carolina/Georgia game, providing scholarship funding annually as opposed to bi-annually. He stated that this revenue was needed to continue to support scholarship awards.

Mr. Kelly had recommended to President Sorensen that the Administration request the Board to authorize the interest income generated for the Carolina/Clemson quasi endowment as a part of our yearly funding of scholarships on an annual basis. In addition, this would allow the University to maintain a strong scholarship corpus which would remain untouched, but at the same time make additional, critical scholarship awards each year. Dr. Sorensen concurred.

Finally, Mr. Kelly stated that Mr. Wienges had requested that the Board delay taking Action on this agenda item today and that it be carried over.

Mr. Mungo made an inquiry as to whether the item was being delayed because of the corpus. Chairman Adams responded, "No, there was some debate regarding percentages of the income that the University would spilt toward scholarships." Therefore, this issue would be carried over to the June meeting.

II. SCCP Summer Tuition and Fees: Mr. Kelly reported that currently the South Carolina College of Pharmacy (SCCP) charged a program fee for students. This program fee was all-inclusive and did not allow for additional charges for courses inside the SCCP. For the Summer 2008 term, the College would like to begin assessing additional tuition for students who repeat courses.

The SCCP charged students tuition and fees based on their classification (resident, non-resident, and non-resident scholarship). All students in their first three professional years paid these tuition and fee amounts. However, there were some students who failed courses during the academic year and had to re-take courses during the summer to enable them to progress to the next year.

Mr. Kelly stated that the SCCP had requested the ability to bill for these summer courses in addition to the current summer program fee. The College prepared an analysis of the revenue that may be billed for the summer. Summer I alone could

generate up to \$60,000 in revenue. The College expected that Summer II would be similar and the total financial impact could generate as much as \$120,000. In addition, the College believed this figure may be a low estimate as the calculation was based on 100 percent of students classified as residents. Also, another important point to consider was that historically many SCCP students chose to take some courses during the summer to "lighten" their course load during the fall and spring semesters.

Mr. Kelly made reference to the fee schedule for Summer I and Summer II. Every student in the first three years of Pharmacy school was charged the summer fee, and students taking repeat courses during Summer I or Summer II would pay per credit hour for each repeat course in addition to the summer fee. Further, Mr. Kelly stated that per Dean Rowen, this method would put USC in alignment with the MUSC program, which they requested for FY 2007-08.

Mr. Kelly stated that, unfortunately, the USC tuition and fee system did not have a mechanism in place to track students who had failed courses. Therefore, the process of assessing the additional fee for the failed course would be a manual process. The Financial Services Accounts Receivable staff would require notification from the SCCP so that the add-on fee could be assessed. The SCCP would be responsible for notifying students of this change.

Mr. Bradley made a Motion to approve the South Carolina College of Pharmacy fees as distributed with the material for this meeting. Dr. Floyd seconded the Motion. The vote was taken, and the Motion carried.

III. Contract Approval Policy Modifications: Chairman Adams called on Mr. Loadholt.

Mr. Loadholt reported that Chairman Adams had asked him to Chair the Ad Hoc Committee on Bylaws and Policies. The purpose of the Committee was to review items such as the Bylaws and other policies. The Committee had reviewed the University's Signatory Authority Policy for approximately a year; it had been put through extensive internal review by all interested parties including the President's Administrative Council.

Mr. Loadholt stated that the basics of the policy remained exactly the same, but all titles had been modernized and the policy had been adapted to the current organizational structure of the University.

The thesis of the policy was that basic signatory authority rested principally with the President and the Secretary, with carefully defined exceptions.

However, the Ad Hoc Committee on Bylaws and Policies Committee suggested raising the dollar limit, which was set 20 years ago, for items requiring Executive

Committee approval from \$250,000 to \$1,000,000; there were no other substantive changes.

Mr. Stepp stated for the record that contracts between \$250,000 and \$1,000,000 would be reported to the Executive Committee.

Mr. Loadholt made a motion to adopt the Revised Authority to Sign Contracts Policy as unanimously recommended by the Ad Hoc on Bylaws and Policies Committee (with Mr. Stepp abstaining).

Discussion ensued. Mr. Mungo voiced concern about the Administration having signatory authority to "give away money of that magnitude." Also, he inquired about the rationale for the monetary change.

Dr. Floyd also voiced opposition; Mr. Hubbard suggested a \$500,000 maximum.

Chairman Adams stated that the reason for the change was from "an inflationary basis and the substantial increase in the number of contracts in excess of \$250,000." Mr. Mungo asked how many contracts were in excess of \$250,000 over the past year. Secretary Stepp responded that there had been 31 contracts approved by the Executive Committee for amounts between \$250,000 and \$1,000,000.

Mr. Mungo moved to table the motion. Mr. Bradley seconded the motion.

Secretary Stepp stated that there were approximately 150 to 200 changes in the contract signatory policy that were outdated. He stated that Mr. Mungo, Mr. Bradley and Dr. Floyd were only concerned about one item in the revised policy and asked if they wanted to abolish the entire revised policy. The three members responded that they did not, but only wanted to keep the Executive Committee approval level at its present level.

Mr. Mungo made a motion to amend Mr. Loadholt's motion. Mr. Mungo moved to adopt the modified contract approval policy as submitted in the materials for this meeting with one exception. The policy would remain the same in that contracts and agreements with a total value in excess of \$250,000 shall require the approval of a majority of the Executive Committee. Dr. Floyd seconded the Motion. The vote was taken, and the motion carried.

IV. Post-Presidency Employment Agreement with Dr. Sorensen: Mr. Adams stated that he had presented this Agreement to the committee in Executive Session.

Secretary Stepp stated that the Motion would include the transfer of tenure from the School of Public Health to the Department of Internal Medicine, School of Medicine. This one item would be voted on by the full Board later today because it required action by the full Board to transfer tenure.

Mr. Loadholt made a Motion to approve the Post-Presidency Employment Agreement with Dr. Sorensen as presented in Executive Session which included the transfer of tenure. Mr. Bradley seconded the Motion. The vote was taken, and the motion carried.

Since there were no other matters to come before the Committee, Chairman Adams declared the meeting adjourned at 11:45 a.m.

Respectfully submitted,

Thomas L. Stepp  
Secretary