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University of South Carolina

BOARD OF TRUSTEES

Executive Committee

October 24, 2008

The Executive Committee of the University of South Carolina Board of Trustees met on Friday, October 24, 2008, at 12:30 p.m. in the 1600 Hampton Street Board Room.

Members present were: Mr. Miles Loadholt, Chairman; Mr. Herbert C. Adams; Mr. James Bradley; Dr. C. Edward Floyd; Mr. Samuel R. Foster II; and Mr. Michael J. Mungo. Other Trustees present were: Mr. Chuck Allen; Mr. Arthur S. Bahnmuller; Mr. J. Egerton Burroughs; Mr. William C. Hubbard; Mr. Toney J. Lister; Ms. Darla D. Moore Mrs. Amy E. Stone; Mr. John C. von Lehe, Jr.; Mr. Eugene P. Warr, Jr.; Mr. Mack I. Whittle, Jr.; and Mr. Othniel H. Wienges, Jr.

Others present were: President Harris Pastides; 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 Human Resources Jane M. Jameson; Vice President for Student Affairs and Vice Provost for Academic Support Dennis A. Pruitt; Vice President for Information Technology and Chief Information Officer William F. Hogue; Vice President for Strategic Planning William T. Moore; Vice Provost and Executive Dean for System Affairs and Extended University Chris P. Plyler; Interim Vice President for Advancement Michelle D. Dodenhoff; Dean of USC Sumter C. Leslie Carpenter; Dean of USC Union Hugh C. Rowland; General Counsel Walter (Terry) H. Parham; Director of the Budget Office, Division of Business and Finance, Leslie Brunelli; Director of Athletics Eric C. Hyman; Director of Innovista and Associate Vice President for Economic Development John Parks; Director of Accounting Services, Controller's Office, Mary T. Peak; Chancellor of USC Beaufort Jane T. Upshaw; Vice Chancellor for Business Affairs, USC Upstate, Robert Connelly; Vice Chancellor for Student Development, USC Beaufort, Doug Oblander; Vice Chancellor for Finance and Operations, USC Beaufort, Earle Holley; Associate Vice Provost for Academic Resources Edward L. Walton; Dean of the College of Nursing Peggy O. Hewlett; Dean of the School of Law Walter F. Pratt, Jr.; University Treasurer Susan D. Hanna; Vice Chancellor for Business Affairs, USC Upstate, Robert Connelly; Director of University Publications, Division of University Advancement, Lawrence W. Pearce; Director of Printing Services Don Pruitt; Assistant to the President and Athletics Director John D. Gregory; Chair of the Faculty Senate Robert G. Best; Campus Dean of the South Carolina College of Pharmacy Randall C. Rowen; Professor and Chairman of the Department of Educational Leadership and Policies, College of

Education, Kenneth R. Stevenson; Director of the Korean Doctor of Public Health Program, Health Services Policy & Management, WhieJong Han; Digital Print Manager, Printing Services, William Meares; Assistant Provost for Academic Programs, System Affairs and Extended University, Tammie Powell; Director of Extended Campus, System Affairs and Extended University, Aileen C. Trainer; Executive Assistant to the President for Equal Opportunity Programs Bobby Gist; President of the Student Government Association Andrew T. Gaeckle; Guest of board member Jim Bradley, Art K. Collier; Coordinator, Educational Administration Program, Zach Kelehear; Interim Director of University Communications, Division of University Advancement, Margaret Lamb; University Technology Services Production Manager Justin Johnson; Board staff members Terri Saxon, Vera Stone, and Karen Tweedy.

Chairman Loadholt called the meeting to order and asked Ms. Lamb to introduce members of the media who were in attendance. Chairman Loadholt 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 Loadholt stated that there were contractual matters which were appropriate for discussion in Executive Session. Mr. Adams moved to enter Executive Session. Mr. Foster seconded the motion. The vote was taken, and the motion carried.

Secretary Stepp stated that at Board members' places was a replacement contract for Coach Johnson which had previously been distributed to them by fax.

Chairman Loadholt invited the following persons to remain: President Pastides, Secretary Stepp, Dr. Moore, Dr. Becker, Mr. Kelly, Dr. Pruitt, Ms. Jameson, Dr. Hogue, Dr. Plyler, Ms. Dodenhoff, Dr. Booze, Mr. Parham, Ms. Brunelli, Mr. Walton, Mr. Gregory, Ms. Hanna, Ms. Mills, Mrs. Martin, Ms. Lamb, Mrs. Saxon, Ms. Stone, and Ms. Tweedy.

Return to Open Session

I. Contracts Valued in Excess of \$250,000:

A. Medical & Dental Educational Institute - Seoul, South Korea:

Chairman Adams called on Mr. Parham, who stated that before each member was a renewal of an agreement between the USC School of Public Health and the Medical and Dental Educational Institute (MDEI) in Seoul, Korea. Under this agreement, the School of Public Health's Department of Health Services Policy and Management would make available its Doctor of Public Health degree to a third cohort of students consisting of Korean health care professionals including physicians, dentists, and senior hospital administrators. The cohort would have between six and twelve students.

The Doctor of Public Health degree was a 4-year program and would begin in spring 2009. The School of Public Health faculty or adjunct faculty would be responsible for all academic aspects of the program, including coursework, instruction and research.

As in the past, all applicants for the program must be admitted by USC's Graduate School and meet all traditional admissions requirements. In addition, applicants must demonstrate basic competency for English language instruction or already have a degree from a US institution. In addition, they were expected to have worked in mid-level management or in a policy position in a health-care facility for at least three years. All admitted students were subject to all USC rules, policies and procedures.

The Doctor of Public Health program these students would undertake was the same as was offered on the Columbia campus. Mr. Parham stated that this was a 61 credit hour program (49 hours of coursework) and included an oral examination and a dissertation requirement (12 hour). If a student completed the program, they would be awarded a USC Doctor of Public Health degree.

In exchange for making the Doctor of Public Health degree available in Korea, the Medical and Dental Educational Institute would pay \$56,000 per student. If the students came to USC at any time, they would be responsible for their own travel, living and meal expenses. If a student did not complete the program within four years, and wanted to continue in the program, they would be personally responsible for all tuition, fees and other costs at the same rate as any other graduate students.

Mr. Parham stated that Dr. WhieJong Han, Director of the Korean Doctor of Public Health (DrPh) program, was available to answer any specific questions.

Mr. Adams moved to approve the contract as described in the materials distributed for this meeting. Mr. Bradley seconded the motion. Chairman Loadholt called for questions.

Mr. Mungo inquired as to the cost of the program and whether the University would lose any money. Mr. Parham responded that he had been advised that the program was a break-even proposition. The School of Public Health would not lose any money; however, because of current low enrollment, the University would not make any money either.

Dr. Han added that the cost of the Korean program included faculty travel to Korea and faculty and staff salaries.

Mr. Mungo requested that the motion be amended to include that the program must be financially self-sufficient.

The committee accepted the amendment.

Mr. Adams moved to approve the contract as described in the materials distributed for this meeting with the condition that the program must be financially self-sustaining. Mr. Bradley seconded the motion. The vote was taken, and the motion carried.

B. Lease of 1601 St. Julian Place - Speech and Hearing Center:

Chairman Loadholt called on Mr. Parham who reported that the USC Department of Communication Sciences and Disorders was an academic unit of the Arnold School of Public Health. The department operated a Speech and Hearing Research Center that provided quality diagnostic and treatment programs for individuals with communication disabilities. The Center was also essential for the clinical training of Master's students; and was located at 1601 St. Julian Place in Columbia, South Carolina.

Mr. Parham stated that for Board consideration today was a renewal of the Center's lease agreement for a new five year term expiring March, 2013. Under the terms of the Lease, the Center would continue to lease 5,200 square feet of space. The rental amount would be \$78,000 during the first year (which was \$15.00 per square foot), increasing by two percent per year thereafter (so that the Center would pay \$84,448 annually - or \$16.24 per square foot in year 5).

The Center would pay the rental in equal monthly amounts of \$6,500. In addition, the Center was responsible for any increase in property taxes on the property above the amount assessed for 2008, and any increase in insurance costs incurred by the landlord over the insurance costs set for 2008. The cost of the lease was paid for by University (A-funds). However, the Center would generate revenue from patient care which would offset the cost of operations.

Mr. Mungo commented that he had requested for a number of years that the University get rid of all rental property that was \$15.00 per square foot because that was way too much money and he hoped the new President would make an effort to ensure that the University did not enter into leased property agreements.

President Pastides responded that this would be the last contract the committee would see for this property at St. Julian Place. In addition, the long-term plan was to relocate the tenants but the University was not prepared to do so at this time. He would also review all other lease agreements as well.

Mr. Mungo moved to approve the contract as described in the materials distributed for this meeting. Dr. Floyd seconded the motion. The vote was taken, and the motion carried.

C. Internet Access to Academic Journals: Chairman Loadholt called on Mr.

Parham who reported that this agreement was between the Thomas Cooper Library and Springer Science and Business Media LLC.

Springer owned and operated an on-line periodical service that provided subscribers with electronic access to Science and Social Science periodicals.

The term of the agreement was three years. The Library would pay \$398,030.30 in year 1; \$419,921.96 in year 2; and \$443,017.66 in year 3 for a total of \$1.26 million over the three year term. These amounts represented subscription fees to approximately 222 journals and periodicals. In addition, these funds would be paid from the Library Materials budget which was already on hand.

Mr. Parham reported that in exchange for these payments of \$1.2 million, the University would be granted access to an additional 1,008 journals and publications at no additional charge. He commented that, if the library had to pay for these additional subscriptions, it would cost approximately \$1.8 million annually for just those thousand based on an average subscription price of approximately \$1,800 per publication.

Under the terms of the agreement, all USC Columbia faculty, staff and students including the School of Medicine and the Law School had remote access to all of these on-line publications from their home or office for research purposes without having to go to the Library.

Mr. Parham stated that the reason the University was afforded this additional access to 1,000 publications was because the University was a member of a consortium of approximately 30 universities that shared access to these additional subscriptions.

SGA President, Andrew Gaeckle made inquiry as to whether these on-line periodicals would replace PASCAL (Partnership Among South Carolina Academic Libraries) or were compatible to PASCAL. Mr. Parham responded that this was the same concept and both were designed to allow on-line access from remote locations as opposed to going to the Library. These were additional subscriptions; he was not sure if there would be an overlap, but he would find out and get back with him.

Mr. Adams moved to approve the contract as described in the materials distributed for this meeting. Mr. Bradley seconded the motion. The vote was taken, and the motion carried.

D. Contract Amendment - Head Baseball Coach Ray Tanner: Chairman Loadholt called on Mr. Parham who reported that the Athletics Department was requesting Board approval to amend Head Baseball Coach Ray Tanner's contract in two respects. First, extend the term for one additional year beginning July 1, 2012 and ending June 30, 2013. Coach Tanner was currently in the fourth year of a seven year contract approved by this Committee on June 14, 2005.

Second, to increase Coach Tanner's guaranteed outside compensation from ISP, the Athletics Department's broadcast rights holder, to \$125,000. This represented a \$25,000 increase to Coach Tanner's current guarantee of \$100,000 approved by this Committee on

June 14, 2005.

Mr. Parham stated that these funds were paid by ISP directly to Coach Tanner. The Athletics Department guaranteed these payments and would make up the difference if Coach Tanner received less than the guaranteed amount in any year.

Mr. Foster moved to approve the contract as described in the materials distributed for this meeting. Mr. Adams seconded the motion. The vote was taken, and the motion carried.

E. Printing Equipment: Chairman Loadholt called on Mr. Parham who reported that USC Printing Services was requesting Board approval to lease two new printers: a Xerox iGen 110 Digital Production Press, and a Xerox DocuColor 252 digital color printer.

These printers would replace two existing color printers located in the main Print Shop and in the Russell House Quick Copy Shop that the Department had been leasing for the past five years. These existing printers produced an average of 118,550 copies per month and 16,575 copies per month, respectively, which was far more than the specified maximum monthly volume for each printer. Therefore, both printers were often down for maintenance and could not keep up with required workloads.

Both of the two new printers would be leased for a period of 60 months. The total cost to the University would be approximately \$1,871,772, which included both the monthly rental amount plus maintenance costs (which consisted of both a basic maintenance charge plus a per copy maintenance charge).

Mr. Parham stated that the total cost of \$1,871,772 equated to \$31,196.20 per month. He stated that Printing Services would pay for the new printer leases with funds it currently had on hand and with revenue it would generate from additional workload it could undertake because of the new printers.

Printing Services was currently paying \$31,483.18 per month to lease the two printers that were being replaced. Printing Services expected a slight savings of \$286.98 per month, or \$17,218.80 over the 60 month term, as a result of entering into the new leases. Therefore, no additional funds would be necessary.

Finally, Mr. Parham stated that if the Board approved the two leases before them today, Xerox had also agreed to give Printing Services ownership of two other Xerox black/white printers that Printing Services was currently leasing from Xerox and had three more years left on the leases.

Mr. Bradley made inquiry as to whether the contract had received competitive bids. Mr. Parham responded that Mr. Larry Pearce and Mr. Don Pruitt were both very familiar with the market and the needs of the department and he was sure that they had checked with the competitors. He deferred to Mr. Pruitt, who stated they had contacted several competitors, including Hewlett Packard, Indigo, and Kodak and none of their equipment met their department's needs nor was compatible with what they currently had.

Mr. Bradley moved to approve the contract as described in the materials distributed for this meeting. Dr. Floyd seconded the motion. The vote was taken, and the motion carried.

F. Conference Facility Rental Agreement: Mr. Parham reported that the Institute for HIV Prevention Leadership (IHPL) was located in the USC Arnold School of Public Health and was funded by the Center for Disease Control and Prevention through a cooperative agreement with the Association of Schools of Public Health. The mission of IHPL was to enhance HIV Prevention offered by community-based organizations that served communities and populations at risk for HIV and AIDS. They served those community-based organizations through the provision of comprehensive educational programs.

The agreement for Board consideration was a conference facility rental agreement between the IHPL and the Atlanta Marriott Northwest. The Marriott would serve as the host location for four weeks of on-site instruction, which was the educational programming offered by the Institute to assist these community-based organizations.

A cohort of 35 leaders of community-based organizations nationwide, plus 20 to 25 staff members were expected to attend the conference in Atlanta. These four weeks of instruction would take place in January, March, May and September 2009.

Mr. Parham stated that the agreement was standard, and that the institution would be billed for the individual's rooms, conference rooms, audio-video set-up, and meals. The entire cost of this conference and the Institute would be funded through a grant from the Center for Disease Control (CDC) in the amount of \$1.888 million.

Mr. Mungo moved to approve the contract as described in the materials distributed for this meeting. Mr. Foster seconded the motion. The vote was taken, and the motion carried.

Chairman Loadholt stated that the following two additional contracts were mailed to the committee under separate cover and were included for action.

G. Contract Amendment - Assistant Football Coach: Ellis Johnson:

Chairman Loadholt called on Mr. Parham who on behalf of the Athletics Department requested Board consideration for a proposed amendment to Assistant Football Coach Ellis Johnson's contract. The amendment would extend the term of the contract for one additional year. Currently, his contract was for three years and would expire on January 31, 2011. This amendment would extend Coach Johnson's contract through January 31, 2012.

Mr. Parham stated that no increase in compensation was being requested by the Athletics Department at this time, and that Mr. Hyman was available to answer questions.

Mr. Mungo commended Coach Johnson on his accomplishments and requested that Secretary Stepp write a letter of appreciation to Coach Johnson on behalf of the Board expressing their gratitude for the outstanding job he had done this year. Chairman Loadholt concurred.

Mr. Mungo moved to approve the contract as described in the materials distributed

for this meeting. Mr. Adams seconded the motion. The vote was taken, and the motion carried.

H. Memorandum of Understanding - Masters Degree in Educational

Administration: Chairman Loadholt called on Mr. Parham who requested Board consideration for a proposed Memorandum of Understanding (MOU) between the Extended Campus of the University of South Carolina, College of Education, and Lexington County School District One. This agreement was similar to others that had been approved by this committee in the past. It was one of several contracts that the College of Education was entering into with local school districts which was designed to address the critical shortage of principals and administrators in K-12 schools in South Carolina.

The College of Education was attempting to meet this need by making a Masters Degree in Educational Administration (M.Ed.) more readily available to current South Carolina public school teachers.

Under this MOU, the College of Education would offer the 12 course, 36 credit hour M.Ed. in Educational Administration to qualified teachers in Lexington County School District One. The courses would be offered through a blended learning program of on-line instruction and face-to-face instruction. The courses taught and the program offered were identical to the program that was offered to students who come to the Columbia campus to take the degree program.

Current Lexington County teachers interested in participating in the program must apply to the Graduate School and meet all admissions requirements. They would be subject to all USC Graduate School rules and regulations applicable to students.

In exchange for the College of Education offering this degree program to the School District, the District would pay the College of Education a flat fee of \$275,000 for a cohort of up to 25 students participating in the program. The installments would be paid as follows: \$68,750 on 1/5/2009; \$68,750 on 8/1/2009; \$68,750 on 1/5/2010; and \$68,750 on 8/1/2010.

Mr. Parham stated that the University would receive this \$275,000 regardless of how many of the 25 students completed the program in the two year period. The \$275,000 did not include the initial application fee, matriculation fees, change of status, late registration fees, or out-of-state cost differential of \$30.00 per credit hour.

Additionally, the MOU allowed for an additional two students over and above the 25; the initial cohort would not exceed 27. If the two additional teachers completed the program in the two year period, there would be an additional \$11,000 charge for the two additional students. If either of the students did not complete the program within the two year period, that student would be charged \$960.00 per course for the number of courses they completed. The cohort would begin classes in spring 2009.

Mr. Parham stated that there were representatives from the College of Education available to answer questions.

Mr. Mungo inquired about contract expenditures and whether USC would lose any money in the program. Dr. Ken Stevenson, Chair of the Department of Educational Leadership and Policies, College of Education, stated that the University had not lost money on similar contracts. In this particular contract there was a built-in mechanism to save money that might be used to continue research and development of the program. For example, the contract called for a facilitator, who was a local representative or someone with whom the University had contracted to offer support to the students. However, the department decided to have faculty members double as instructors and facilitators, saving the University approximately \$3,000 per course.

Mrs. Stone asked what other school districts the University was partnered with and if there was a plan to approach other districts this type of arrangement.

Dr. Stevenson responded that they were currently working with Beaufort and Horry counties, the Olde English Consortium (OEC), Lexington Two and Lexington Four, Lexington One, and Lexington Five, and were in discussions with Sumter District Two about another cohort.

Dr. Floyd made inquiry as to whether the cost varied for these students in comparison with the open enrollment of other graduates in this field of study on campus. Dr. Stevenson responded that the base cost for students was the same as for open enrollment students. The only difference with this model was that school districts would assume a portion of the tuition costs for the students from their districts.

Mr. Foster moved to approve the contract as described in the materials distributed for this meeting. Mr. Adams seconded the motion. The vote was taken, and the motion carried.

II. Food Service Plan, USC Beaufort: Chairman Loadholt called on Chancellor Upshaw who thanked the Chairman, the President Pastides and the other members of the Executive Committee for considering the off-cycle supplemental fee request for a food service plan for USC Beaufort. She stated that USC Beaufort was the only residential campus in the state of South Carolina that did not currently have a meal plan. This fee would allow them to remedy this missing element in their infrastructure.

The proposed plan would allow USC Beaufort to provide food service on their residential campus in Bluffton and a limited-hours coffee and sandwich shop on the campus in Beaufort. The impetus behind this project was to build opportunities for students to interact with each other as well as with faculty and staff. Student interaction in out-of-class settings with other students and faculty members was a fundamental component of a 21st century university experience - a fact that was well documented by the current research on student success. The food service venue would provide this opportunity for students on both the Bluffton and Beaufort Campuses.

The dining plan requested would require residential students to purchase 10 meals-per-week at \$850 per semester. Full-time commuter students were required to purchase 30

meals per semester for a fee of \$235. This fee would allow students to eat on campus at substantially below market prices.

Chancellor Upshaw stated that most of the Board members were familiar with the traditional residential meal plan; the commuter meal plan was new to South Carolina, but was not new to higher education. It had been implemented at the University of Alabama, Auburn University, University of Louisville, Kennesaw State and the University of Maryland Baltimore County, just to name a few.

She reported that the USC Beaufort students were very enthusiastic about the plan for food service and a resolution of support had been passed unanimously by the student senate. A recent student project in their business program surveyed students regarding this opportunity. The response was overwhelmingly in favor of campus dining for their institution. When they had met with students during this semester, they had discussed this opportunity. By far, the prevailing questions from the students were: "Can we buy more than 30 meals in a semester?; will the food service take cash?; and will we be able to buy cheeseburgers?"

Chancellor Upshaw reported that with the implementation of this fee, she realized that it would severely limit their capacity to increase the USC Beaufort tuition and fee schedule. However, their administration believed that having this infrastructure was so greatly needed that they were committed to maintaining their position of the lowest tuition for baccalaureate education in South Carolina including the meal plan fee. She stated that it was important to note that this fee did not add to USCB's cost of attendance. The meal-plan fee would allow USC Beaufort to compete for food dollars that the administration, in turn, would reinvest in a community building venue.

The model for building the facility to house USC Beaufort's residential campus food service mirrored the highly successful and proven model used to build their on-campus housing. The Beaufort/Jasper Higher Education Commission would build, own, and operate the facility on Beaufort/Jasper Higher Educational land. The fees would be used to retire the debt service. No state funds would be involved in the building or operation of this much needed project.

Mr. Mungo moved to approve the contract as described in the materials distributed for this meeting. Mr. Bradley seconded the motion. The vote was taken, and the motion carried.

Since there were no other matters to come before the Executive Committee, Chairman Loadholt declared the meeting adjourned at 2:15 p.m.

Respectfully submitted,

Thomas L. Stepp
Secretary