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University of South Carolina

BOARD OF TRUSTEES

June 26, 2009

The University of South Carolina Board of Trustees met on Friday, June 26, 2009, at 11:05 a.m. at the 1600 Hampton Street Board Room.

Members present were: Mr. Miles Loadholt, Chairman; Mr. Samuel R. Foster II, Vice Chairman; Mr. Herbert C. Adams; Mr. Chuck Allen; Mr. Arthur S. Bahnmuller; Mr. James Bradley; Mr. Mark W. Buyck, Jr.; Dr. C. Edward Floyd; Mr. William C. Hubbard; Mr. William W. Jones, Jr.; Mr. Toney J. Lister; Mr. Michael J. Mungo; 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. Ms. Darla D. Moore and Dr. James H. Rex were absent. The student representative, Ms. Meredith Ross, was also present; the faculty representative, Dr. Robert G. Best, was absent.

Others present were: President Harris Pastides; Secretary Thomas L. Stepp; Executive Vice President for Academic Affairs and Provost [Interim] and Vice President for Planning William T. Moore; Vice President for Information Technology and Chief Information Officer William F. Hogue; Vice President for Human Resources Jane M. Jameson; Interim Vice President for Advancement Michelle D. Dodenhoff; Vice President for Student Affairs and Vice Provost for Academic Support Dennis A. Pruitt; General Counsel Walter (Terry) H. Parham; Special Assistant to the President J. Cantey Heath; Vice Provost and Executive Dean for System Affairs and Extended University Chris P. Plyler; Chancellor of USC Beaufort Jane T. Upshaw; Chancellor of USC Upstate John C. Stockwell; Dean of USC Sumter C. Leslie Carpenter; Dean of USC Union Hugh C. Rowland; Dean of the College of Arts and Sciences Mary Anne Fitzpatrick; Dean of the College of Nursing Peggy O. Hewlett; Dean of the College of Social Work Dennis Poole; Executive Vice Chancellor for Academic Affairs, USC Aiken, Suzanne Ozment; Vice Chancellor for Business and Finance, USC Aiken, Virginia S. Hudock; Vice Provost for Faculty Development Christine W. Curtis; Vice Provost for Academic Affairs and the Dean of Undergraduate Studies Helen I. Doerpinghaus; Director of Athletics Eric C. Hyman; University Treasurer Susan D. Hanna; Associate Vice President for Finance and Budget Director, Division of Business and Finance, Leslie Brunelli; Associate Vice Provost for Academic Resources, Edward L. Walton; Director of the Alumni Association Marsha D. Cole; Executive Associate Athletics Director for External Affairs, Kevin O'Connell; Associate Athletics Director for Facilities and Operations Jeff Davis; Chief Financial Officer, Department of Athletics, Jeff Tallant; Director of Marketing, Department of Athletics, Jeff Crane; Assistant Athletics Director for Major Gifts Bryan Risner; Deputy Athletics Director Marcy Girton; Executive

Assistant, Office of the President, Pam Pope; Executive Assistant to the President for Equal Opportunity Programs Bobby Gist; Assistant Provost for Academic Programs Kristia H. Finnigan; Director of the Department of Internal Audit Alton McCoy; Director of Periodicals, University Publications, Chris Horn; Faculty Senate Chair-Elect and Professor in the Department of Sociology, College of Arts and Sciences, Patrick D. Nolan; The Rev. Tim Stewart, Baptist Collegiate Ministry; Associate Director of Governmental Affairs and Legislative Liaison Casey Martin; Director of Governmental and Community Relations and Legislative Liaison Shirley D. Mills; USC Columbia student Brionna Dickerson; Director of Media Relations, Division of University Advancement, Margaret Lamb; University Technology Services Production Manager, Wesley Reardon; and Board staff members Terri Saxon, Vera Stone, and Karen Tweedy.

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.

Chairman Loadholt called on Mr. Hyman who introduced Ms. Brionna Dickerson, recipient of the Brad Davis SEC Female Community Service Leader of the Year Award which was considered the 2<sup>nd</sup> highest award given by the SEC; it also included a \$6,000 scholarship. He noted that Ms. Dickerson was a four-year Gamecocks women's basketball letter winner as well as a two-year starter team captain. She finished her senior year as Carolina's leading scorer averaging over 13 points per game. Accomplishments included: three time member of the SEC Academic Honor Roll; member of the National Society of Collegiate Scholars; three time member of the Dean's List; member of the University's Presidents List; graduated from the South Carolina Honors College in May with a degree in Business Administration; named to the 2007-2008 SEC Community Service Team; lectured to area youth groups including the Boys and Girls Clubs; and served as a mentor in the Jump Program aiding young children with homework and advising them about social concerns. Mr. Hyman characterized Ms. Dickerson as "one of our best and brightest" student athletes. In response, the Board extended a round of applause to her.

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

At Chairman Loadholt's request, The Reverend Tim Stewart, Baptist Collegiate Ministry, delivered the Invocation.

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

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

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

Return to Open Session

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

- A. Ad Hoc Committee on Development, April 7, 2009
- B. Buildings and Grounds Committee, April 7, 2009
- C. Executive Committee, April 7, 2009
- D. Board of Trustees, April 7, 2009

Since there were no additions, deletions or corrections to the minutes, they stood approved as distributed.

II. COMMITTEE REPORTS:

- A. Intercollegiate Athletics Committee:  
(The Honorable Herbert C. Adams reported)

The Intercollegiate Athletics Committee met on June 11<sup>th</sup>. Mr. Hyman reported on student academic and athletic accomplishments, and the athletics department's current activities. The department's goal was to build a nationally prominent program and win championships both on the field of competition and in the classroom. During the past five semesters USC placed the highest number of student-athletes on the SEC commissioner's academic honor roll. Currently, the women's basketball recruiting was ranked 4<sup>th</sup> nationally.

Mr. Hyman gave an update on the Yearly Equitable Seating Plan (YES), noting that the current YES Plan revenue projection was \$6.8 million, compared to the previously anticipated revenue of \$4 million.

Mr. Tallant presented an overview of the FY 2009-2010 Athletics Department Budget. The proposed budget was approved by the Committee for inclusion in the University's FY 2009-10 budget recommendation of the Executive Committee.

- B. Fiscal Policy Committee:  
(The Honorable Eugene P. Warr, Jr. reported)

The Fiscal Policy Committee met on June 11<sup>th</sup> and approved the Designated Fund Budget for FY 2009-2010. The budget was recommended to the Executive Committee and was included in the proposed budget scheduled for consideration later in the meeting.

The Committee also approved the proposed Internal Audit budget, which was included as part of the overall FY 200-2010 University budget proposal, as recommended by the Executive Committee for Board consideration.

The USC Press audit had been resolved since the last meeting. Two outstanding findings in the Honors College audit and six in the USC Upstate audit were in the process of being resolved.

Comprehensive audits of the following areas were conducted: Consolidated Services; Contract between USC and Centerplate; and Athletics Department.

One finding in the Consolidated Services audit involved the need for the development of a University-wide policy to govern the disposal of computer hard

drives to eliminate the risk of compromising personal or confidential information. The Purchasing Department was working with the Office of Information Technology to ensure proper disposal of hard drives to accomplish all security concerns.

The Contract Between USC and Centerplate audit revealed that that contractual obligations were being met in accordance with the terms of the contract; and that there were no findings.

Five findings in the Athletics Department audit were in the process of being resolved. They included the untimely repayment of travel advances, a procurement not approved according to University Policy, the delayed signing of the CSTV Contract, ticket reconciliation, the need for a revised "Returned Checks" policy and the enforcement of the policy.

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

The Academic Affairs and Faculty Liaison Committee met on June 11<sup>th</sup>, and approved the following personnel matters, which had received all appropriate academic and administrative approvals. They were presented to the full Board in Executive Session earlier in the meeting and recommended to the Board for approval.

1. Honorary Faculty Titles: Eleven requests for honorary faculty titles were mailed with the materials for this meeting. The following individuals will be awarded titles effective with their retirement:

For the title "James F. and Maude B. Byrnes Chair of International Studies Emeritus" and Distinguished Professor Emeritus:

Professor Donald Puchala

For the title Distinguished Professor Emeritus:

Professor Celso De Oliveira  
Professor C. Blease Graham  
Professor John Jakubs  
Professor Clarke Millette  
Professor Konstantin Oskolkov  
Professor Patrick Scott

For the title Professor Emerita:

Professor Betty G. Davis

For the title Professor Emeritus:

Professor H. Thorne Compton  
Professor David Hill  
Professor Stanley Levine

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

2. Tenure and Promotion Recommendations: Two lists of tenure and promotion recommendations were mailed with the materials for this meeting.

They have received all appropriate approvals and were presented to the Committee and to the Board without objection.

a. USC Columbia: From USC Columbia the names and brief curriculum vitae of those faculty members who were recommended for promotion to professor, promotion to associate professor with tenure, promotion to associate professor, tenure at associate professor, and tenure at librarian were listed in the materials distributed for the meeting.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval of these USC Columbia tenure and promotion recommendations as presented. Mrs. Stone seconded the motion. The vote was taken, and the motion carried. [Exhibit A]

b. University Campuses: From the campuses other than Columbia, the names and brief curriculum vitae of those faculty members who were recommended for promotion to professor, promotion to associate professor with tenure, promotion to Librarian and tenure at associate professor were also listed in the materials distributed for the meeting. [Exhibit A]

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval of these tenure and promotion recommendations as presented. Mr. Bahnmuller seconded the motion. The vote was taken, and the motion carried. [Exhibit A]

3. Appointments with Tenure: The following two requests for appointments with tenure were mailed with the meeting materials. They received all appropriate approvals and were presented to the Committee and to the Board in Executive Session without objection.

a. Dr. Sei-Hill Kim would be awarded tenure at the rank of Associate Professor in the School of Journalism and Mass Communications.

b. Dr. Brian Mihalik would be awarded tenure at the rank of Professor in the School of Hotel, Restaurant, and Tourism Management, College of Hospitality, Retail, and Sport Management. He will serve as dean of that college.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval of these two requests for appointments with tenure as presented. Mr. Allen seconded the motion. The vote was taken, and the motion carried.

4. Department Name Change: Department of Earth and Ocean Sciences:

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval of this department name change as presented. Mr. Adams seconded the motion. The vote was taken, and the motion carried.

5. Program Name Changes:

a. Master of Arts, with a major in Theatre

b. Master of Fine Arts, with a major in Theatre

c. Master of Arts in Teaching, with a major in Theatre

d. Master of Science, with a major in Athletic Training

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval of the program name changes as presented. Mr. Whittle seconded the motion. The vote was taken, and the motion carried.

6. Request for Approval of a "Professor of Distinction":

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval of this request as presented. Mr. Mungo seconded the motion. The vote was taken, and the motion carried.

7. USC Columbia Faculty Manual Changes: Proposed changes to the USC Columbia Faculty Manual were mailed with the meeting materials. These changes received all appropriate academic and administrative approvals.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval of the proposed changes to the USC Columbia Faculty Manual as stated in the meeting materials. Mrs. Stone seconded the motion. The vote was taken, and the motion carried. [Exhibit B]

8. USC Aiken Faculty Manual Changes: Proposed changes to the USC Aiken Faculty Manual were mailed with the meeting materials. These changes received all appropriate academic and administrative approvals.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval of the proposed changes to the USC Aiken Faculty Manual as stated in the meeting materials. Mr. Adams seconded the motion. The vote was taken, and the motion carried. [Exhibit C]

9. University System Faculty Manual Changes: Proposed changes to the University System Faculty Manual were mailed with the meeting materials. These changes received all appropriate academic and administrative approvals.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval of the proposed changes to the University System Faculty Manual as described in the meeting materials. Mr. Allen seconded the motion. The vote was taken, and the motion carried. [Exhibit D]

10. 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:

G. Wayne Clough  
Donald L. Fowler  
Helen C. Harvey  
W. Brantley Harvey, Jr.  
Harriet H. Keyserling  
Brian P. Lamb  
Amy-Jill Levine  
June H. Murff  
Nikki Giles Setzler  
Donna Ingemie Sorensen  
Andrew Aaron Sorensen  
James Gustave Speth

Karen J. Williams

Mr. von Lehe seconded the motion. The vote was taken, and the motion carried.

In addition at the June 11<sup>th</sup> meeting, Dr. Hogue provided a progress, status, and outlook report of the OneCarolina program.

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

The Executive Committee met on June 11<sup>th</sup>, and earlier today, and approved employment contract amendments for USC Upstate Head Men's Basketball Coach Edward G. Payne and USC Columbia Head Football Coach Stephen O. Spurrier.

1. University Mission Statement: The Board was provided a copy of the proposed University mission statement, which the Executive Committee had approved during its June 11<sup>th</sup> meeting.

University of South Carolina Mission Statement

The primary mission of the University of South Carolina is the education of the state's diverse citizens through teaching, research, creative activity, and service. Founded in 1801, the University of South Carolina system is the largest university in the state, serving more than 41,000 students from its flagship Columbia campus, three senior campuses (Aiken, Beaufort, and Upstate), and four regional campuses (Lancaster, Salkehatchie, Sumter, and Union).

The University of South Carolina offers degree programs at the associates, bachelors, masters, and doctoral levels. Through the primary method of classroom and laboratory instruction and through a secondary method of distance education delivered by the internet, teleconference, streaming video and DVD, degree programs are offered in the areas of liberal arts and sciences, education, engineering and computing, hospitality retail and sport management, mass communications and information studies, public health, and professional programs such as law, medicine, nursing, pharmacy, and business.

Recognized by the Carnegie Foundation as a top research and service institution, nationally ranked in start-up businesses, and conferring nearly 40 percent of all bachelors and graduate degrees awarded at public institutions in South Carolina, the University has a profound relevance, reach, and impact on the people of its state. The University of South Carolina provides all students with the highest-quality education, including the knowledge, skills, and values necessary for success and responsible citizenship in a complex and changing world, through engagement in nationally and internationally ranked research, scholarship, service, and artistic creation.

Mr. Adams moved to approve the University mission statement as presented. Mr. Whittle seconded the motion. The vote was taken, and the motion carried.

2. Employment Contract: President Pastides presented to the Executive Committee in Executive Session on June 11<sup>th</sup>, the specific proposal for Eric Hyman's contract extension. The proposed terms were discussed in Executive Session of the full Board earlier in the day. Athletics Department administrator employment agreements in excess of one year required approval of the full Board.

Mr. Adams moved to approve a 5 year extension of Eric Hyman's employment agreement as Athletics Director; said extension would begin July 1, 2010 and end June 30, 2015. All other terms, conditions and benefits contained in Mr. Hyman's employment agreement would continue unchanged during the period of the extension, including annual contributions into a tax-deferred retirement account. Mr. Hyman's rights to the retirement account would vest if he remained as Athletics Director through June 30, 2015.

Mr. Allen seconded the motion to approve Eric Hyman's contract extension as presented. The vote was taken, and the motion carried.

3. FY 2009-2010 Budget: On June 11, 2009, the Executive Committee, with most of the members of this Board present, unanimously approved the proposed FY 2009-2010 budget.

Over the last few weeks, the Administration had been working with members of the Board about the concepts contained in the comprehensive budget document. Members were presented an initial draft and direct briefings.

Chairman Loadholt stated that the proposed budget had been responsibly formulated and shaped by input from the Board as the process had evolved. It had received intense scrutiny.

On behalf of the Executive Committee, Mr. Bradley moved the adoption of the operating budget for FY 2009-2010, as presented in the materials for this meeting, including tuition and fee schedules, the housing budget, and associated fee schedules, the athletics budget, and the designated funds budget. Mr. Jones seconded the motion.

Chairman Loadholt called on President Pastides. He stated that his instructions to his team were to develop a budget based on the following values: to preserve the University's core mission of outstanding teaching, research and service; to uncompromisingly maintain and advance the high quality of a Carolina education; to ensure for our faculty an excellent environment and support for our research and scholarship; to remain fully engaged in outreach and service; to maintain our impact; to protect health and safety of the students, faculty, staff, and visitors; and to improve our physical infrastructure.

President Pastides called on Dr. Moore to define specifics of the budget. The total projected revenue for all campuses for FY 2009-2010 was \$1,080,680,683. The USC

Columbia tuition and fees budget of \$331,019,759 was over 40 percent of the total budget. That figure was approximately \$30 million more than the previous fiscal year, was due to a 3.6 percent increase in tuition and fees, and an increase in enrollment.

State appropriations for USC Columbia was \$123,233,053 and for the University System \$176,169,279 which represented approximately 16 percent of the University System total funds budget.

Dr. Moore displayed a chart reflecting annual state appropriations since 1957, and emphasized that in FY 2003, the University experienced a crossover point at which tuition and fees became a greater source of revenue than state appropriations; the gap had increased over time. He particularly noted that in 1973 in "real terms" or inflation adjusted terms, the state appropriation was approximately equal to the amount for FY 2009. The highest level of state appropriations was in 1980, at 82 percent, with 18 percent tuition and fees, and since that time the numbers have almost reversed.

Dr. Moore showed a graph of expenditures budgeted for FY 2010 by campus, and by category. Adding the Instruction amount as well as Student Services, Academic Support and Fellowships and Scholarships, that total was approximately 56 percent of the University System's budget. Of significance was the fact that these expenses directly related to the University's primary mission of teaching and helping students.

Dr. Moore reviewed components of the proposed operating budget for FY 2010 for the Columbia Campus. Listed under the heading of Academic Programs and Services for a total of \$3,065,000 was the Faculty Excellence Initiative previously supported at \$2 million a year; in view of the budget pressure, the amount was reduced to \$1.25 million a year. That figure was sufficient to hire between 12-15 new faculty.

Also included in the Academic Programs and Services heading was \$1,365,000 for Academic Enhancement to be allocated by the Provost for various academic initiatives; \$340,000 for the increased cost of periodicals and scientific journals at the University Libraries; and \$110,000 for Undergraduate Research for the Magellan Scholars Program.

A total of \$1,172,414 was requested for the area of Academic Support and Student Affairs Programs. That figure included funding for four percent Fee Waivers, Student Affairs, and Research Computing.

The General Institution Costs and Central Operations heading was \$3,502,586 which included a \$1,779,788 increase in utilities due to the inflation from South Carolina Electric and Gas. That figure represented 23 percent of the total increase in tuition for the Columbia Campus of \$7.74 million. Also under this heading was new funding for Law Enforcement and Safety (\$250,000); Environmental Health and Safety (\$100,000); Facilities (\$562,200); Board of Trustees, General Counsel, and Finance Operations (\$648,630); and Student Activities (\$161,968). The total new Columbia

Campus funding request for all three headings was \$7,740,000.

The recommended increase per semester in tuition and fees for full-time resident undergraduate and the non-resident General University Scholarship students was \$159; for the non-resident undergraduate student \$412; for the resident graduate student \$176; for the non-resident graduate student \$372; for the non-resident Departmental Scholarship student \$233. All increases represented a 3.6 percent increase from FY 2009.

The full-time undergraduate non-resident athletic scholarship student tuition and fees was actually decreased by \$295. This decrease was part of a six year program to move this scholarship toward the non-resident departmental scholarship rate, which was scheduled to be achieved in two more years.

The School of Law tuition increase for full-time resident students would be \$593 per semester, a 6.6 percent increase; for non-resident students \$1,197 a 6.7 percent increase; and for non-resident scholarship students \$657.

The School of Medicine full-time resident students would pay an additional \$1,226 per semester in tuition and fees, a 9.9 percent increase; the non-resident rate increase was \$302, a one percent increase; and the non-resident scholarship rate increase would be \$1,533 a 15 percent increase.

Dr. Floyd questioned how many students paid the non-resident tuition rate. Ms. Brunelli responded that 40 percent of the non-resident undergraduate students and fewer than ten non-resident medical students actually paid the non-resident rate.

Dr. Moore listed the Senior and Regional Campuses tuition and fee increases per semester for full-time students: USC Aiken \$184 resident, \$368 non-resident (4.9 percent); USC Beaufort \$125 resident, \$262 non-resident (3.6 percent); USC Upstate \$150 resident, \$300 non-resident (3.6 percent); Regional Campuses Resident under 75 credit hours \$132 resident, \$312 non-resident (5 percent); and 75 or more credit hours, \$220 resident, \$404 non-resident (5.8 percent). Dr. Moore clarified that student in the 75 or more credit hour category, were generally in a four-year degree program which were available on the two-year campuses.

Mr. Mungo asked why residents of certain Georgia counties were able to receive the USC Aiken and USC Beaufort in-state rate. Dr. Pastides explained that USC had reciprocity between South Carolina and Georgia for border counties.

Mr. Bradley asked the projected enrollment for Fall 2009. Dr. Pruitt replied that total enrollment was estimated at 19,500 which included freshman enrollment between 3,900 and 3,950.

Mr. Wienges stated that "anything that could be done to get a veterinary school in South Carolina" would be greatly appreciated. He asked President Pastides to contact the President of the University of Georgia to explore establishing a South Carolina veterinary school.

Dr. Floyd expressed his concerns about the Athletics Department's Football Yearly

Equitable Seating (YES) Program because of negative responses he was receiving from people in his area. He asked the bottom line of revenue from the YES Program, minus the decrease in ticket sales and Gamecock Club revenues. Mr. Tallant responded that it was still too early to determine total ticket sales, but that currently over \$12 million had been collected and \$17 million was budgeted. However, the current figure did not include ticket sales to visiting teams. He added that to-date, approximately \$6.3 million had been raised through the YES Program, but the Gamecock Club revenues were down \$1 million. Mr. Tallant clarified that currently they were at a \$2 million budget positive income stream because the YES Program was in existence.

Mr. Bahnmuller asked how many season football tickets had been sold thus far. Mr. Hyman responded that they had sold approximately 80 percent of the available tickets.

Mr. Bradley stated that he felt they had deviated from the business at hand, which was approval of the University's Budget, and requested that the Board move forward and act on the motion on the floor. Dr. Floyd responded that he had more questions with the Athletics Department portion of the budget, and proceeded to ask Mr. Tallant for more clarity, especially related to their bond indebtedness.

Dr. Floyd asked for a report at a future date on how much money the Athletics Department contributed to the academic units of the University, compared to other institutions.

Mr. Mungo stated that there was approximately two months before the first home football game this year, during which time more tickets could be sold. Mr. Hyman responded that they were working to sell more tickets.

Mr. Adams requested at the August 2009 Board of Trustees meeting that an update on the YES Program be provided, in addition to Dr. Floyd's request regarding the Athletics Department's contributions to the academic units.

Mr. Allen asked Mr. Hyman to expand on the effect of the economic decline on athletic ticket sales around the country. In Mr. Hyman's response he noted that in addition to the drop in ticket sales, giving was also down.

Mr. Mungo called for the vote. President first thanked Dr. Moore, Ms. Brunelli, and Mr. Walton for their work on the Budget, which he said honored the University's values. USC's tuition increase was "among the lowest of any public university or college in the state of South Carolina."

Mr. Bradley congratulated President Pastides on his "fine leadership."

The vote to approve the FY 2009-2010 Budget was taken, and the motion carried.

[Exhibit E]

### III. REPORT OF THE ALUMNI ASSOCIATION:

Chairman Loadholt called on Mrs. Stone, who provided the following report:

At our last meeting I reported to you that through our partnership with the Bookstore, we were greatly increasing the number of graduate members into the Carolina Alumni Association. Through the Grad Fair program, we basically had one-stop

shopping. A senior could go and take care of all of their needs for graduation, and purchasing an Alumni Association membership was part of that process. I am extremely pleased to report to you that we completed that with a record number of new Graduate members, 2,222 new members came into our Association.

Some people actually think that work slows down around our Campus during the summer. I don't think there is anyone in this room that would believe that, you are all much closer to the truth. But, I want to assure you that our Alumni staff is working diligently this summer preparing for the coming academic year while also participating in some activities around campus and beyond. Each day this month we have staff and alumni greeting students and their families at orientation and that will continue into next month. These are incoming freshman and transfer students. We provide cold lemonade during the hot afternoons and spend the mornings recruiting members into our Student Alumni Association. Student members comprise the largest student organization on campus. They learn first-hand the value of belonging to our Association. We anticipate that we will have well over 4,000 student members by the time classes begin.

During the summer we also organize and participate in a number of Summer Send Off events. We currently have 13 planned for this summer, several here in South Carolina, some in North Carolina, Boston, Knoxville, Philadelphia, and Washington DC. Bob Best's daughter, Cami, and her husband will host the event in Washington. These events, made possible through the enthusiastic participation of our alumni volunteers in each location, give not only the parents and the incoming freshmen a network of friends and supporters prior to their actually arriving on campus, but they also communicate the tremendous value and the reach of the alumni network.

You should have received a schedule of these send-off events. President Pastides and I invite and strongly encourage you to participate in any and all that you can.

I will also mention that our own William Hubbard will receive the Distinguished Alumni Award at our Homecoming Gala on Friday, October 23<sup>rd</sup>. I hope that you will all put that date down and all of you will be in attendance to honor William that evening. There will be other recipients who be announced shortly.

Chairman Loadholt stated that the report was received as information.

#### IV. REPORT OF THE PRESIDENT:

Chairman Loadholt called on President Pastides, who gave the following report:

I start by thanking you, our Board of Trustees, for approving a budget that preserves the best that Carolina is known for, and keeps our University accessible and affordable for our state's residents. This year as you know has not been easy but we were able to navigate without a mid-year tuition increase or the widespread use of furloughs. Relatively few full-time staff members, and no full-time faculty, were affected by reductions in force. As I have said, over and over again, the morale of our students, faculty, staff and alumni has remained high and has given me great strength and resolve. So has the generous support provided by you, the Board of Trustees, especially as we have gained momentum in communicating to the General Assembly the myriad reasons why Carolina needs greater state support.

I am particularly optimistic about our future, knowing that our strategic planning process called *Focus Carolina* will light the path to our future and we can now already see the future more clearly. And today I announce the launch of the next phase of our system-wide strategic planning effort. It is called *Advance Carolina*.

This fall, we will shift into a portfolio of actions to carry out the best of the many goals and initiatives developed and proposed to date. These initiatives have come from the Executive Council, deans, faculty, staff, students, and alumni. They are system-wide and they will be shaped by guidance from our Board's Strategic Planning Committee and of course the full Board of Trustees. They will also incorporate wide ranging input from individuals who have submitted over 1,000 emails through our Carolina's Ideas program.

So what will "advance" Carolina? I offer you, here, only a brief outline of the platform that we have developed so far.

First, we will select initiatives from our *Focus Carolina* "Teaching and Learning" Committee that will ensure that we are educating for the future. This involves nothing less than a redesign of our core curriculum for undergraduates. And I truly believe that our new curriculum will receive outstanding reviews from our students, as well as from those who counsel high school students throughout South Carolina and the nation. Our exciting proposed curriculum, the Carolina Core as we call it, will be discussed with Chairman Jones and the Academic Affairs Committee at a future meeting.

Other initiatives center on learning beyond the classroom. We will be pioneering and extending programs such as those found in the Honors College, and our Magellan Scholars program, those that are receiving greater emphasis thanks to your approval of our conservative but strong budget. We have to and will improve academic support services to help retention and to promote success. We will expand career advising so that our graduates have a better path to the job market or to advanced degrees. We will improve the technology in our classrooms and enhance distance education to better reach our student population.

*Advance Carolina* will also improve the pace and the depth of our faculty's discovery, innovation and creativity.

We have gained much ground in the Faculty Excellence Initiative (FEI) and Centenary Programs, but now it's time to support our scholars to achieve their full potential.

A Presidential Advisory Council made up of key faculty scholars has been recommended by *Focus Carolina* to help provide that direction.

Graduate programs at Carolina deserve and will get renewed attention. We have combined Graduate School leadership function into the Vice President for Research, just like many of the nation's great Carnegie top ranked universities. We need to be more effective in evaluating the productivity of our doctoral programs, as well as many of our professional masters programs.

We will also advance by increasing emphasis on creative achievement of our faculty. The performing arts enrich our University and the State and, when carefully supported, lead to greater recognition and philanthropic support for the entire university.

Numerous other ways to *Advance Carolina* will be drawn from recommendations in three additional areas: engagement with our State and beyond; our external standing and reputation; and the quality of life in our eight universities, the eight stars that comprise the University constellation.

Thankfully, the State will soon be allocating the federal stimulus dollars. Without these, the next academic year could easily have been dubbed "Maintain Carolina."

I know that your appetite to know more and to weigh in on the specifics of *Advance Carolina* is high, and each of the Board of Trustees committees will have an important role to play in shaping our future.

I also want to update you on our continuing review of the way our campuses are organized. We have already started our deliberations, and I will have a recommendation forthcoming to the Board of Trustees. I believe that we can educate even more South Carolinians within our comprehensive system, thereby upgrading our state's future, and at the same time reach for the highest levels of national and international impact and reputation in selected areas. But we need to organize and administer ourselves like the complex institution that we strive to be. We need to improve how we operate in order to do more and better.

We will also review, this year, our operating budget model that shows signs of stress and strain. We will develop improvements to foster better alignment of incentives, more efficient resource allocation, and we will also review how tuition and fees are set. We have been witnessing "fee creep" and now is the time to take a comprehensive look at what and how we charge our students and their

families.

As I close, I must say I'm already beginning to be filled with anticipation for the fall, I know it's a bit early but I'm feeling it... for Moving-In Day, for freshman convocation, to seeing the students I met last year and getting to know them even better. We'll have fewer new faculty to welcome this year but we will have some and welcoming them is always a great pleasure. And, how about the first kick off of our Gamecock football team in Raleigh on September 3<sup>rd</sup>, and here at our first home game on September 19<sup>th</sup>, and of course all the fall team sports and great cultural events that we have to look forward to.

Like the freshmen of last year, they and I will be returning as sophomores, wiser but not jaded. With my team, I am getting ready to start another cycle of the best enterprise that a person could hope to lead, an American university. And in particular the University of South Carolina and in the forthcoming year we will be ready to focus a little less on the financial crisis of the past year and to look more boldly ahead in order to *Advance Carolina*.

Mr. Chairman, that is my report.

Following President Pastides' report, Mr. Jones asked how the admission applications ranked this year as compared to last year. President Pastides responded that both the USC System and the Columbia campus had received the largest number of applications for Fall of 2009. However, due to the state of the economy, they were experiencing a larger "melt" from the original number of applicants who stay in the process.

Chairman Loadholt stated that the report was received as information.

Ms. Ross thanked President Pastides, on behalf of the numerous students and parents she had heard from, who were appreciative for his keeping the tuition increase low. President Pastides noted that the appreciation should extend to the Board, who ultimately approved the Budget.

V. Other Matters:

- Rick Kelly Resolution: Chairman Loadholt stated that a resolution honoring Rick Kelly for his service to the University had been set at their places. He said that Mr. Kelly could not be present, but asked that the Board approve the resolution by acclamation, and a copy of it would be presented to him at a suitable time.

Chairman Loadholt moved to approve the resolution for Rick Kelly by acclamation.

Mr. Adams seconded the motion, and the resolution was approved.

UNIVERSITY OF SOUTH CAROLINA  
BOARD OF TRUSTEES

Resolution

WHEREAS, Richard W. "Rick" Kelly has led a life of distinguished service symbolized by a career dedicated to the government and progress of the State of South Carolina including numerous capacities of increasing responsibility at the South Carolina Budget and Control Board, culminating in his role as its Executive Director;

WHEREAS, as a vital part of that career, he has served the University of South Carolina with distinction as vice president and chief financial officer since 2001;

WHEREAS, "Rick" Kelly is a 1977 graduate of the University who is known for his diligent work ethic, his keen and creative mind, and his abilities as a manager of large organizations; and

WHEREAS, he is a man who lives the principles of his faith and a personal life exemplified by service to others;

THEREFORE BE IT RESOLVED that the Board of Trustees, on this occasion of Mr. Kelly's retirement from State service, expresses its deep appreciation for his distinguished career to the State of South Carolina and especially for his years of service to his alma mater; and  
BE IT FURTHER RESOLVED that a copy of this Resolution, adopted this 26<sup>th</sup> day of June, 2009, be presented to Richard W. Kelly as a token of the high esteem in which he is held.

PRESENTED THIS 26<sup>TH</sup> DAY OF JUNE 2009  
AT COLUMBIA, SOUTH CAROLINA

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Board Chairman, Miles Loadholt

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University President, Harris Pastides

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Board Secretary, Thomas L. Stepp

Since there were no other matters to come before the Board of Trustees, Chairman Loadholt declared the meeting adjourned at 12:45 p.m.

Respectfully submitted,

Thomas L. Stepp  
Secretary