

University of South Carolina  
BOARD OF TRUSTEES

Ad Hoc Committee on Strategic Planning

December 18, 2012

The Ad Hoc Committee on Strategic Planning of the University of South Carolina Board of Trustees met at 9:00 a.m. Tuesday, December 18, 2012, in the 1600 Hampton Street Board Room.

Members present were: Mr. Mack I. Whittle, Jr., Chairman; Mr. William C. Hubbard; Mr. William W. Jones, Jr.; Mr. Miles Loadholt; Ms. Leah B. Moody; Mr. Thad H. Westbrook; and ex officio members Mr. Eugene P. Warr, Jr., Board Chairman; and Mr. John C. von Lehe, Jr., Board Vice Chairman.

Other Trustees present were: Mr. Chuck Allen; Mr. Robert "Eddie" Brown; Mr. J. Egerton Burroughs; Mr. Mark W. Buyck, Jr.; Mr. Thomas C. Cofield; Mr. A.C. "Bubba" Fennell; Mr. Toney J. Lister; Mr. Hubert F. Mobley; Dr. C. Dorn Smith III; Mr. Charles H. Williams; and Dr. Mitchell M. Zais. Dr. C. Edward Floyd was absent.

Also present were faculty representative Dr. Sandra J. Kelly and student representative Kenny Tracy.

Others present were: President Harris Pastides; Secretary Amy E. Stone; Vice President for Academic Affairs and Provost Michael D. Amiridis; Chief Financial Officer Edward L. Walton; Vice President for Human Resources Chris Byrd; Vice President for Development and Alumni Relations Michelle Dodenhoff; Vice President for Communications Luanne Lawrence; 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; General Counsel Walter "Terry" H. Parham; Athletics Director Ray Tanner; USC Aiken Chancellor Sandra Jordan; USC Beaufort Chancellor Jane Upshaw; College of Arts and Sciences Dean Mary Anne Fitzpatrick; School of Music Dean Tayloe Harding; School of Medicine Dean Richard Hoppmann; Senior Vice Provost and Director of Strategic Planning Christine W. Curtis; Vice Provost and Dean of Undergraduate Studies Helen Doerpinghaus; Associate Vice President for Business and Finance Leslie Brunelli; Associate Vice President for Business and Finance and Medical Business Affairs Jeffrey L. Perkins; Director of State Relations Trey Walker; Director of Governmental and Community Relations and Legislative Liaison Shirley D. Mills; Associate Dean of the College of Engineering and Computing Jed Lyons; Vice Chair of the Regional Campuses Senate Chris Nesmith; Interim Chief Medical Officer, USC Columbia School of Medicine, William D.

Anderson; Associate Professor in the Department of Pharmacology, Physiology and Neuroscience, USC Columbia School of Medicine, David D. Mott; Chair of the Faculty Advisory Committee Dr. James Knapp; Director, Academic Programs and Academic Common Market Institutional Coordinator, Office of the Provost, Kristia H. Finnigan; Director of the Internal Audit Department Phil Iapalucci; Alumni Association Executive Director Jack Claypoole; Associate Director of Planning and Assessment Cameron Howell; Special Assistant to the President J. Cantey Heath Jr.; Director of News and Internal Communications Wes Hickman; University Technology Services Production Manager Justin Johnson; and Board staff members Debra Allen, Karen Tweedy and Vera Stone.

Chairman Whittle called the meeting to order and welcomed everyone. Mr. Hickman introduced members of the media in attendance: Andy Shain of *The State*.

Chairman Whittle 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; and a quorum was present to conduct business. He then called on Senior Vice Provost and Director of Strategic Planning Christine W. Curtis to provide an introduction to the committee's agenda topic.

#### I. Overview of USC System Strategic Planning

Dr. Curtis summarized the academic initiatives for the Columbia campus, emphasizing the University's commitment to seven focal areas: educational quality, leadership, innovation, diversity, access, global competitiveness and community engagement. The emphasis on each of these focal areas increases the educational experiences for the University's students while enhancing the University's reputation, she said.

She indicated that fundamental measures of academic excellence would be captured through the Academic Dashboard. The educational quality measures include the number and quality of the student body, student success as gaged by retention and graduation rates, student to faculty ratio, research excellence, and faculty excellence and productivity. The University would focus on leadership by offering access to leadership development opportunities that advance creative problem solving, promote leadership of others and make positive differences in the community. USC Connect supports such efforts by integrating learning within and beyond the classroom, she said, providing students options for development leadership capabilities through community service, global study, professional and civic engagement and research.

In the area of innovation, she cited the collaborations, education, workforce development and outreach, research and innovation that are leading to a positive economic impact through USC McNair:

Aerospace Innovation and Research. In the area of diversity, she noted that USC has been named one of the nation's top universities for diversity and inclusivity, having received the 2012 Higher Education Excellence in Diversity Award – the only South Carolina institution recognized and one of only two SEC institutions to receive this distinction.

In the area of access, Palmetto College extends the University system's reach and will provide affordable and accessible baccalaureate degrees. She then noted the focal area of global competitiveness, identifying the five top countries in which University students pursue study abroad programs, with more than half of the students participating in study abroad programs coming from the business college, while engineering attracts the most international students to the University campus to study.

For the final focal area, community engagement and service, the University seeks to establish itself as the primary partner for dealing with critical concerns facing the citizens of South Carolina.

## II. Academic Dashboard – Status and Strategies for Meeting Performance Targets

Mr. Whittle called on Provost Amiridis to address the academic dashboard for USC Columbia. The Provost described the academic dashboard as a set of metrics that allows the University to document and monitor progress, to compare and contrast with other institutions, to set targets for the future, to develop strategies to achieve the set targets, and to allocate resources to support the strategies that are developed.

He identified the dashboard parameters for students as being: total undergraduate enrollment, average SAT score, freshman-sophomore retention rate, and the six-year graduation rate. The parameters for faculty are student-to-faculty ratio, research expenditures, national honors and awards, and doctoral degrees. The Provost identified two comparison groups: a peer group consisting of Rutgers University, and the universities of Connecticut, Georgia, Kentucky and Tennessee; and a peer-aspirant group consisting of Indiana University and the universities of Maryland, Missouri, North Carolina and Virginia.

He discussed the University performance for four student-based parameters, two of which focused on incoming students and two on student outcomes. He discussed the strategies that have been put into place to meet targets set by the University and the success to date in achieving those targets.

The goal is to establish an undergraduate student-centered culture driven by data-based decisions that recruits, retains and graduates students at progressively higher rates each year, he said, citing the Gateway Bridge Program and USC Connect as vital elements. He also discussed average SAT scores from 2001, with projections through 2015, noting the importance of South Carolina Honors College, Capstone Scholars and USC's improved reputation as a national University. He explored the freshman-

sophomore retention rate since 2000, with projections through 2014, noting the importance of managing self-destructive behaviors, dis-engagement, and misbehavior in the first six weeks and first year.

University 101, USC Connect, the Career Center, Standardized Advisement, Cross-College Advisement and Graduation Planning Services have been important factors in improving retention rates. The creation of a summer-mester and a four-year college culture will be vital for continued improvement in the University's six-year graduation rate, he said, showing a chart of rates since 1995 as compared with the University's peers and peer-aspirant groups.

In addition, he discussed the parameters focused on the performance of the faculty and their importance in advancing the University and its reputation. These parameters include student to faculty ratio, which is being addressed through the Faculty Replenishment Initiative, and research performance for which the Office of Research has developed strategies to stimulate research growth and extramural funding. Provost Amiridis concluded with faculty parameters involving faculty reputation through national honors and awards and Ph.D. production, a parameter essential to the Carnegie designation of an institution with a "very high research activity." He described the key strategies to improve each of the faculty areas in order to meet University targets.

The academic dashboard, he concluded, gives the University and the Board of Trustees a concrete means to monitor performance and to advance the institution to higher levels of performance.

### III. Financial Planning

Mr. Whittle called on Chief Financial Officer Ed Walton to outline measures that the University must take as it moves forward after enduring extensive budget cuts from the state during the current recession. Mr. Walton's presentation centered on discussing the history, state of current affairs, and what the University must do to finance the priorities established by the President and the Provost. He stressed the necessity of managing the University effectively and efficiently in light of the "fierce competition for limited state resources."

"With prices effectively tied to cost inflation and enrollments aggressively competed," Mr. Walton said, "cost controls and system efficiencies, thought traditionally unattractive, become essential necessities to higher education effectiveness." Thus, he said, "planned and deliberate coordination of efforts between university governance and administration, and between campuses, administrators, and regulators is more critical today than ever before."

He noted the need will be to focus on the University's mission and that "the necessities of our business future will require that auxiliaries and supporting organizations not only stand-alone but also

financially support core campus mission activities.” The Columbia Campus strategy, he said, always focuses on academic priorities and applies existing resources to those priorities. He described it as a three-legged financing stool: tuition prices, enrollment, and cost containment. It is necessary, he said, to contain expectations and enhance private fundraising and development while protecting state appropriations and the South Carolina Education Lottery Scholarships. He then provided statistics showing space as maxed out for academic needs on the Columbia Campus and that a number of requests have not been addressed by the Legislature. He further noted that the Legislature has been provided copies of the University’s five- and ten-year plans for dealing with its facility needs through renovation and repurposing. Ultimately, Mr. Walton indicated that revenue is going to decrease and that expenses will have to decrease since there is no way to generate the accelerated revenue growth levels achieved in the past. Even maintaining the University’s current status will be difficult, he said, because of inflation.

The short-term strategy would be to match tuition price growth to market expectations, to increase enrollment in upper-class and graduate programs, and to reduce and eliminate non-essential costs. The long-term strategy includes: expand market reach, increase market share, re-engage the South Carolina General Assembly, increase capacity including academic facilities and faculty, reduce and eliminate costs and manage market and financing risks. There are some opportunities to change the business, he said, recognizing initiatives defined by the President as Palmetto College, which allows the University to compete for online teaching space across the state, grow local markets and access the broader markets.

Mr. Walton also identified the President’s “On Your Time” initiative that he said would probably be the most important factor. If the University is unable to build new facilities, it must use facilities that are underutilized during the summer on the traditional calendar. “If we can figure out how to change the calendar and offer education ‘on your time’ for students, then we can satisfy what is becoming an increasing demand, lower our cost of attendance because our fixed costs would remain almost the same. If we can lower the cost of attendance, then we can lower the cost long term to students.”

In response to questions, Mr. Walton indicated that public-private partnerships would offer a chance to save tax-payer risks and University risks while generating revenue that would provide a new stream of revenue to fund the core mission. In response to a question about the cost of state regulations, Mr. Walton offered the example of the housing master plan with \$220 million in housing construction over the next 10 years and the estimate for the cost of the regulatory processes of \$17.5 million.

Mr. Burroughs commented on how effective it was to see a blended presentation of an operating budget and a capital budget with a strategic plan, noting how sobering the presentation was. He further

noted how well the presentation tied the whole process together and illustrated the critical nature of properly allocating capital and funding resources. Mr. Whittle noted that the purpose of the dashboard was to be able to bring such issues back to the Board approximately every six months to help Board members understand what needs to be done.

President Pastides indicated that the Board had been given a look at what goes on in the University's strategic meetings of the Administrative Council and Executive Council. He further indicated where new funds might come, noting global opportunities and the value of Palmetto College's online offerings and the concept of "On Your Time." President Pastides also noted the importance of philanthropy to higher education. Mr. Jones then indicated that thought must be given the same issues as they related to all of the University's campuses.

IV. Adjournment

There being no other matters to come before the Committee, Chairman Whittle noted that the information presented was for information, with no action required, and declared the meeting adjourned at 10:55 a.m.

Respectfully submitted,



Amy E. Stone  
Secretary