

University of South Carolina
BOARD OF TRUSTEES

April 17, 2013

The University of South Carolina Board of Trustees met on Wednesday, April 17, 2013, at 1:55 p.m. in the Board Room at 1600 Hampton Street.

Members present were: Mr. Eugene P. Warr, Jr., Chairman; Mr. John C. von Lehe, Jr. Vice Chairman; Mr. Chuck Allen; Mr. Robert "Eddie" Brown; Mr. J. Egerton Burroughs; Mr. Mark W. Buyck; Mr. Thomas C. Cofield; Mr. A.C. "Bubba" Fennell; Dr. C. Edward Floyd; Mr. Toney J. Lister; Mr. Miles Loadholt; Mr. Hubert F. Mobley; Ms. Leah B. Moody; Dr. C. Dorn Smith, III; Mr. Thad H. Westbrook; Mr. Mack I. Whittle, Jr.; Mr. Charles H. Williams; and Dr. Mitchell M. Zais. Mr. William C. Hubbard and Mr. William W. Jones, Jr. were absent.

Also present were faculty representative Dr. Sandra J. Kelly and student representative Chase Mizzell. Mr. Allen introduced his daughter, Callie Nicolette Allen, a sophomore at the University majoring in public relations with a minor in fashion.

Others present were: President Harris Pastides; Secretary Amy E. Stone; Vice President for Academic Affairs and Provost Michael D. Amiridis; General Counsel Walter "Terry" H. Parham; Chief Financial Officer Edward L. Walton; Vice President for Student Affairs and Vice Provost for Academic Support Dennis A. Pruitt; Interim Vice President for Development and Alumni Relations Susan Lee; Vice President for Information Technology and Chief Information Officer William F. Hogue; Vice President for Human Resources Chris Byrd; Interim Vice President for Communications Wes Hickman; Palmetto College Chancellor Susan A. Elkins; USC Upstate Chancellor Tom Moore; Vice Provost and Executive Dean, Palmetto College, Chris P. Plyler; USC Lancaster Dean Walter Collins, III; College of Arts and Sciences Dean Mary Anne Fitzpatrick; College of Mass Communications and Information Studies Dean Charles Bierbauer; College of Hospitality, Retail, and Sport Management Dean Brian Mihalik; Associate Vice President for Business and Finance Leslie Brunelli; Associate Vice President for Business and Finance and Medical Business Affairs Jeffrey L. Perkins; Senior Vice Provost and Director of Strategic Planning Christine W. Curtis; Vice Provost and Dean of Undergraduate Studies Helen I. Doerpinghaus; Associate Dean for International Programs and Continuing Education, College of Engineering and Computing, Hanif Chaudhry; Director of Facilities Planning and Programming and University Architect Derek S. Gruner; Executive Associate Athletics Director Kevin O'Connell; Interim

Dean, Mary Black School of Nursing, USC Upstate, Katharine M. Gibb; Professor and Chair of the Department of Sport and Entertainment Management, College of Hospitality, Retail, and Sport Management, Andy Gillentine; Vice Chancellor for Information Technology, USC Aiken, Ernest Pringle; Director of State Relations Trey Walker; Associate Director of Planning and Assessment Cameron Howell; Special Assistant to the President J. Cantey Heath Jr.; University Technology Services Production Manager Matt Warthen; Board staff members Debra Allen and Terri Saxon; and members of the media.

Chairman Warr 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; and a quorum was present to conduct business. Mr. Hickman introduced Thad Moore and Amanda Coyne with *The Daily Gamecock*; Patrick Obley with *The State*; and David Cloninger with *Gamecock Central*. Chairman Warr invited Dr. Andy Weems with the Baptist Collegiate Ministry to deliver the invocation.

Chairman Warr stated that there was a need for receipt of legal advice, and to discuss personnel matters that included recommendations for honorary faculty titles, honorary degree nominations and appointments with tenure, as well as contractual matters related to gift naming opportunities that were appropriate for executive session.

Chairman Warr called for a motion to enter Executive Session. Ms. Moody so moved and Dr. Smith seconded the motion. The vote was taken and the motion carried.

Chairman Warr invited the following persons to remain: Trustees, President Pastides, Secretary Stone, Mr. Parham, Mr. Walton, Mr. O'Connell, Mr. Walker, Dr. Amiridis, Dr. Doerpinghaus, Mr. Gruner, and Mr. Hickman.

Return to Open Session

I. APPROVAL OF MINUTES

The following eight sets of minutes were on the Board Portal for review and were presented for approval:

- A. Academic Affairs and Faculty Liaison Committee, February 28, 2013
- B. Buildings and Grounds Committee, February 28, 2013
- C. Executive Committee, February 28, 2013
- D. Board of Trustees, February 28, 2013
- E. Joint Meeting of the Executive Committee and the Health Affairs Committee, March 21, 2013
- F. Audit and Compliance Committee, March 22, 2013
- G. Health Affairs Committee, March 22, 2013
- H. Academic Affairs and Faculty Liaison Committee, March 22, 2013

There were no additions, deletions or corrections to the minutes; therefore, they stood approved as distributed.

II. COMMITTEE REPORTS

- A. Academic Affairs and Faculty Liaison Committee
(The Honorable Thad Westbrook, reported)

The following personnel matters received all appropriate academic and administrative approvals and were presented without objection to the Academic Affairs and Faculty Liaison Committee on Friday, March 22, and, where appropriate, to the full Board in Executive Session.

1. Honorary Faculty Titles: The following six individuals will be awarded honorary faculty titles effective with their retirement.

For the titles Distinguished Professor Emeritus and Regional Campus Dean Emeritus:

Professor John Catalano

For the titles Distinguished Professor Emeritus and Dewey H. Johnson Professor of Economics Emeritus:

Professor Henry W. Chappell

For the title Distinguished Clinical Professor Emeritus:

Professor Clyde H. Flanagan, Jr.

For the title Distinguished Professor Emeritus:

Professor James C. Carper

Professor Harvey Varnet

For the title Professor Emeritus:

Professor Maitland A. Rose

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

2. Appointments with Tenure: On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Westbrook moved approval to award tenure to the following six individuals:

Dr. Robert Brame at the rank of Professor in the Department of Criminology and Criminal Justice, College of Arts and Sciences.

Dr. Susan A. Elkins at the rank of Professor of Education in the University of South Carolina's Extended University. She will serve as Chancellor of Palmetto College.

Dr. John Hoffmann at the rank of Professor in the Department of Criminology and Criminal Justice, College of Arts and Sciences.

Dr. Priyali Rajagopal at the rank of Associate Professor in the Marketing Department, Moore School of Business.

Dr. Richard M. Southall at the rank of Associate Professor in the Department of Sport and Entertainment Management, College of Hospitality, Retail, and Sport Management

Dr. Christopher Witko at the rank of Associate Professor in the Department of Political Science, College of Arts and Sciences.

Mr. Allen seconded the motion. The vote was taken and the motion carried.

3. Program Proposals: On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Westbrook moved approval the four program proposals as presented.

- a. Master of Science (MS) in System Design, College of Engineering and Computing, USC Columbia
- b. Ph.D. in Sport and Entertainment Management, College of Hospitality, Retail, and Sport Management, USC Columbia
- c. Associate of Science (A.S.) in Criminal Justice, USC Salkehatchie, USC Sumter and USC Union
- d. Master of Science in Nursing (M.S.N.) in Clinical Nurse Leader, USC Upstate

Mr. Lister seconded the motion. The vote was taken and the motion carried.

In addition, Mr. Westbrook reported, College of Mass Communications and Information Studies Dean Charles Bierbauer highlighted various activities within the college. This summer Associate Professor Van Kornegay would escort a group of students to Malawi in southern Africa to work with a non-governmental organization and to document their experiences.

Dean Bierbauer and another colleague would take 21 students to Munich and Berlin during Maymester where they would be involved in multimedia storytelling. Associate Professor Kendra Albright and Assistant Professor Karen Gavigan described their project involving the creation of a graphic novel to use as an intervention tool for the prevention of AIDS.

And, Executive Director of the South Carolina Center for Children's Books and Literacy and Director of Cockey's Reading Express Kim Jeffcoat reported on that very successful program, Cockey's Reading Express, which has visited all 46 South Carolina counties.

The Committee also heard from Dr. Nagarkatti who discussed the effects of the recent government sequestration in the area of research funding at the University.

He said that an estimated average of 8.4 percent had been calculated to determine how sequestration may impact funding from federal agencies. This translates into an estimated loss of \$12 million, which may continue in the future. In response to sequestration, the University would attempt to collect indirect costs and return them to the infrastructure. In addition, the University would try to provide bridge funds to the faculty so that they could successfully compete for original sources of funding using interdisciplinary research that focused on problems or opportunities unique to the state or region. Dr. Nagarkatti said that this approach would help offset some of the loss that the University would experience as it worked toward reaching its \$300 million research goal.

Provost Amiridis distributed a document to the Committee that listed new and terminated programs during the past three years. Mr. Westbrook noted that the explanations for terminated programs were relatively similar: low enrollment, no enrollment or replaced by another program because the current one was outdated.

B. Buildings and Grounds Committee
(The Honorable Toney J. Lister reported on behalf of William W. Jones, Jr.)

The Buildings and Grounds Committee met earlier in the day, and the following items required Board approval. Mr. Lister stated that the University declared its official intent, pursuant to Federal Regulations, to reimburse itself from the amounts of proceeds of the tax-exempt bond issue.

1. Project Approvals:

a. College of Mass Communications Broadcast Studio (Phase II): On behalf of the Buildings and Grounds Committee, Mr. Lister moved to fund Phase II design and construction for a total project budget of \$1,500,000 funded with Institutional Funds. Mr. Buyck seconded the motion. The vote was taken and the motion passed.

b. Sumwalt College Laboratory Renovations (Phase II): On behalf of the Buildings and Grounds Committee, Mr. Lister moved to fund Phase II design and construction for a total project budget of \$1,934,000 funded with Institutional Funds. Dr. Smith seconded the motion. The vote was taken and the motion passed.

c. Greene Street/Bull Street Pedestrian Safety Improvements: On behalf of the Buildings and Grounds Committee, Mr. Lister moved to establish and fully fund this project with a budget of \$475,000 to be funded with Renovation Reserve Funds. Ms. Moody seconded the motion. The vote was taken and the motion passed.

2. Gift Naming Opportunities: On behalf of the Buildings and Grounds

Committee, Mr. Lister moved to approve those gift namings as recommended by the Gift Naming Opportunities Committee and distributed in the Board materials.

- a. College of Arts and Sciences:
 - “The Fannie Phelps Adams Alumni Room” in the Booker T. Washington High School

- b. School of Law:
 - i. “The Professor Gregory B. Adams Faculty Office”
 - ii. “The Chappell Smith & Arden Clinic Interview Room”
 - iii. “The Distinguished Professor Emeritus John P. Freeman Faculty Office”
 - iv. “The McCravy, Newlon & Sturkie Law Firm, P.A. Study Room”
 - v. “The Dr. Celeste and Mr. Charles W. Patrick, Jr. Classroom”
 - vi. “The Ethan, Kay, Malachi, Jackson, Noah, and Julia Kay Ware Study Room”
 - vii. “The Judge Karen J. Williams Ceremonial Courtroom”

- c. USC Lancaster:
 - i. “The Duke Energy Gallery”
 - ii. “The Lindsay Pettus Gallery”
 - iii. “The Red Rose Gallery”

Mr. Whittle seconded. The vote was taken and the motion passed.

C. Audit and Compliance Committee
(The Honorable Hugh Mobley reported on behalf of J. Egerton Burroughs)

The Audit and Compliance Committee met on March 22, 2013, and received a report from Elliott Davis on three audits with year ended June 30, 2012.

Management Letter for FY2012 University Audit: The good news was that in association with the financial statement audit, only one issue was identified in the management letter; and it was being addressed. The current and prior year’s issues will be addressed once the University’s new general ledger and Enterprise Resource Planning (ERP) system becomes operational.

Innovista Garages (Horizon and Discovery), Financial Statements for Years Ended June 30, 2012 and 2011: Financial statements were prepared on the Horizon and Discovery garages to present the financial position and cash flow of only that portion of the business-type activities of the University that was attributable to the transactions of the garages. The purpose of the engagement was to see to what extent the University was subsidizing the two garages; especially related to the debt service. It was the hope that the increase in the garage revenues would service their debt.

Athletics Department NCAA Agreed Upon Procedures, Year Ended June 30, 2012: The NCAA Bylaws require that certain financial procedures be performed related to the Athletics Department. In the past, the University had included this process in the full University Financial Statement, which met

NCAA requirements. It had been determined that it would be more effective, and more in the spirit of the NCAA Bylaws, to use the agreed-upon procedures format, which was more specific. This was the first year the University had engaged Elliott Davis to perform the function. The positive news was that based on the procedures performed, no compliance issues were found.

The Director of Internal Audit presented the results of internal audits for the Union Campus, Distributed Learning, Strom Thurmond Wellness and Fitness Center and the Aiken Athletic Department Agreed Upon Procedures, as well as the Tracking Report of outstanding audit issues.

The Committee was provided the 1st and 2nd Quarter Board and President Expenditures Report and the preliminary 2013-2014 Internal Audit Plan.

Also in the meeting, Board Chairman Warr announced the appointment of the Search Committee for Internal Audit Director. Those appointed were:

Gene Warr – Board of Trustees Chairman
John von Lehe – Board of Trustees Vice Chairman
Egerton Burroughs – Audit and Compliance Committee Chairman
Bubba Fennell – Member
Hugh Mobley – Member

D. Health Affairs Committee
(The Honorable Dr. C. Dorn Smith, III, reported)

– University of South Carolina School of Medicine Greenville Request to

Establish a Reserve Fund: The Committee met on March 22, 2013. In response to concerns about whether the USC School of Medicine Greenville was using state or other funds, the Committee approved an amendment to the operational agreement to establish a 90-day operating funds reserve fund to be maintained in a University distinct account in order to avoid questions regarding the funding source during the procurement processes.

On behalf of the Health Affairs Committee, Dr. Smith moved to approve an amendment to the University of South Carolina School of Medicine Greenville operating agreement to establish a 90-day reserve fund as described. Mr. Whittle seconded. The vote was taken and the motion passed.

E. Student-Trustee Liaison Committee
(The Honorable Leah B. Moody reported)

For several years, Student Government Association (SGA) officers from all campuses gave brief reports at each Committee meeting. This had been a good experience. However, starting with the April 17 meeting, in an effort to allow campuses to provide more substantive reports, only two campuses were featured – a two-year and a four-year campus. This type of rotation will continue at future Committee meetings.

During the April 17 meeting, SGA Presidents Rosie Curiel from USC Salkehatchie and Gregory Williams from USC Upstate provided informative reports highlighting numerous activities and accomplishments on their campuses. Also at the meeting, University Registrar Aaron Marterer presented an overview of “Self Service Carolina: Registration and Financial Aid Utility.” This overview updated student leaders on the introduction of new student information software that will replace the old VIP system. The new Banner system will modernize how students register, apply for financial aid, and perform other student-based functions.

F. Executive Committee
(The Honorable Eugene P. Warr, Jr., reported)

During its meeting earlier in the day, the Executive Committee approved contracts valued in excess of \$250,000. Included was a new four-year Athletics employment contract for Head Women’s Soccer Coach Shelley Smith that ends December 31, 2016, at a base salary of \$120,000. The Executive Committee also approved an amendment to the University’s AT&T Wi-Fi Agreement that covers the cost for equipment, installation and management of an additional 225 wireless access points at a cost of \$12,308 per month. This brings the total wireless access points on campus to 3,618. This amendment will result in a savings of \$460,209.60 during the remainder of the contract with AT&T.

1. Contracts:

The following contracts, with values exceeding \$750,000 also were approved by the Executive Committee earlier today for recommendation to the full Board for action.

a. Athletics Employment Contract: A three-year extension of the Athletics Employment Contract for Head Women’s Basketball Coach Dawn Staley that provided for an annual base salary of \$350,000. The contract also called for annual media compensation of \$500,000 with an incremental increase of \$25,000 per year through March 2019, as well as creation of a tax deferred compensation plan in the amount of \$50,000 per year and in which Coach Staley would become vested and entitled to the benefits if she was employed as the Head Women’s Basketball Coach on March 31, 2019. The contract extension also had a new buyout schedule.

On behalf of the Executive Committee, Chairman Warr moved to approve the employment contract for Coach Dawn Staley. Mr. Fennell seconded the motion. The vote was taken and the motion passed.

b. Foundation Gift: On behalf of the Executive Committee, Chairman Warr moved approval for the University to accept as a gift from the USC Development Foundation ownership of a 1991 Beechcraft King Air 350, valued at approximately \$1.2 million. He further moved

that the University be authorized to undertake all necessary maintenance on the airplane as required by the manufacturer and the Federal Aviation Administration for certificated aircraft. Mr. Buyck seconded the motion. The vote was taken and the motion passed.

c. Graham Arader Gift Agreement: Mr. W. Graham Arader, III, wished to establish The W. Graham Arader, III Collection at the University to use maps, historic and natural history prints, natural history woodcuts, engravings, lithographs, and watercolors to engage students and enhance their learning experience. To accomplish this he will place on loan to the University through June 30, 2033, his world-class Arader Collection valued at \$30 million. At that time, the collection would become the property of the University. The Arader Collection would be available to the public for exhibition, display, study and research.

On behalf of the Executive Committee, Chairman Warr moved approval of the Graham Arader Gift Agreement. Dr. Smith seconded the motion. The vote was taken and the motion passed.

d. Institute for Public Service and Policy Research Lease: This contract was a lease agreement with Baker and Baker to house the Institute for Public Service and Policy Research in Suite 400 of 1400 Pickens Street. The lease will run from September 1, 2013, to August 31, 2020, at a cost of \$12.30 per rentable square foot or \$99,766 per year. In addition, there would be an annual cost of \$2 per rentable square foot for utilities, bringing the total seven-year cost of the lease to \$811,916. The lease can be cancelled with a 30-day written notice if appropriations, revenue, income, grants or other funding were sufficient for the Institute to carry out its programs, including payment of the lease.

On behalf of the Executive Committee, Chairman Warr moved approval of the lease agreement with Baker and Baker to house the Institute for Public Service and Policy Research at 1400 Pickens Street. Mr. von Lehe seconded the motion. The vote was taken and the motion passed.

2. USC Upstate Off-Cycle Fee Request:

Chancellor Moore submitted a request to the Executive Committee to reduce tuition and housing rates at USC Upstate for the 2013 Maymester, Summer I and Summer II terms. He asked to implement a 28 percent reduction in the credit-hour rate, bringing it to \$289 for in-state students and \$587 for out-of-state students. He also asked for a 19 percent reduction in the housing rate in order to offer a \$1,000 flat fee for summer housing in The Villas. These requests were endorsed by Upstate's Faculty Senate, Student Government Association, academic deans and leadership and the campus' executive cabinet. Chancellor Moore said that reduced summer tuition would benefit

students and the campus in several ways, indicating that USC Upstate was implementing multiple strategies to increase enrollments and to increase net tuition revenue per course offered this summer relative to prior summer terms.

On behalf of the Executive Committee, Chairman Warr moved to approve the USC Upstate fee request. Mr. Lister seconded the motion. The vote was taken and the motion passed.

III. PROPOSED BYLAWS UPDATE

Chairman Warr called on Mr. Parham who reviewed the draft of the proposed Bylaws as approved by the Executive Committee on February 28, 2013. Mr. Parham said Bylaws Draft 7 was included in the Board's agenda materials. This draft contained changes discussed at length at the February Board meeting. At that time, the Executive Committee approved the amendments that were found in Draft 7 and submitted them to the full Board where they have been laying on the table in accordance with Board of Trustee policy prior to consideration.

Mr. Parham explained that in addition to making grammatical and stylistic changes throughout the document, there were five categories of major changes in the Bylaws that were to be considered. The first category was creation of a new article for the Bylaws – Article 3 on Page 9 of Draft 7 entitled “Individual Trustee Responsibilities.” There was a great deal of discussion about this at the February Board meeting that resulted in the amendment as drafted by Mr. Hubbard, which shortened what was a significantly longer proposal. The amendment outlined individual trustee responsibilities by calling on Trustees to recognize their individual responsibilities as a fiduciary of the University, their governance responsibilities to the University, their responsibility to avoid conflicts and self-dealing, and to notify the Chairman of the Board and the President of any credible information that could bring discredit upon the University or damage to the University's reputation.

The next category (Article 8, Section 3) of changes dealt with naming rights. Mr. Parham said the modification changed the authority of the Board to name facilities in two main ways. First, it allowed the Board to name something in honor of a past campus dean without waiting one year after the individual's death. Currently, the Bylaws provide that in order to name something for someone the individual must be deceased for a year. This provision added campus deans to the category that lists past presidents and past chancellors. The amendment also would allow the Board to name something for a person who was employed by the University for not less than 15 years and in that service “their exceptional leadership and unique successes on behalf of the University in his or her field of endeavor have been recognized nationally and have enhanced significantly the reputation and goodwill of the University in the local

community, the state and the nation.” Under this category, an individual must no longer be employed in the University position for which he or she was being honored and approval required a two-thirds vote of the Board of Trustees.

The final section to be amended in this area of the Bylaws was inclusion at the request of the Board of a statement currently in the University’s gift agreements that the Board reserved the right to remove a person’s name from a building or facility if that person violated expected attributes of integrity, character and leadership.

The third modification was to Article 12 of the Bylaws (Page 30), entitled “University System and Governance.” In general, this modification would give recognition to Palmetto College, which has not been referenced in the Board of Trustee Bylaws. Now the duties and responsibilities of the Chancellor of Palmetto College would be referenced. Also in Article 12, under “Duties of the President,” was a proposed change to add that the President notify the Board of any credible information that could bring discredit upon the University or damage to its reputation. This provision was the mirror image of the responsibility included for individual trustees.

Mr. Parham said that in regard to the section relating to the President’s duties, Mr. Whittle thought the Board should review and consider whether or not the section was current and consistent with what other institutions in the country were doing. Mr. Whittle asked Mr. Parham to conduct a comparison with other institutions. Mr. Whittle also wanted the Board to consider the reorganization of the format to make the section a separate article. Mr. Parham said that Mr. Whittle had asked that following the April 17 vote the Bylaws be referred back to the Bylaws Review Group to pursue these items.

The fourth category of changes was to Article 15 (Page 37). This was a complete revision of the Board of Visitors (BOV) article in the Bylaws, changing the term of office of BOV members and to reconstitute the BOV as of September 1, 2013. In addition, the modification authorized the BOV to adopt its own bylaws subject to the approval of the Board of Trustees. In those bylaws, the BOV would articulate the specific duties and responsibilities of four standing committees. Mr. Parham recognized the work of Secretary Stone in the rewrite of this section of the Bylaws.

The last significant area of the Bylaws to be modified was inclusion of a Conflict of Interest policy in Article XVI (Page 40); a policy that had not previously been included. This was a recommendation of Wes Jones and Bill Bethea and the Executive Committee agreed. It will require the disclosure by individual Board members of potential conflicts, which occur if the University

contemplated entering into a transaction that might benefit an individual Board member. The Board member would be obligated to come forward and make known their potential interest in the transaction.

Following Mr. Parham's summary, Chairman Warr called for a second to the Executive Committee's motion for approval of the amendments contained in Draft 7 of the Bylaws update. Mr. Lister seconded the motion.

In response to a question from Mr. Allen about the change in terms of office for the Board of Visitors, Secretary Stone said the change was requested by the Board of Visitors. It was indicated that the change would allow for staggered terms, eliminating wholesale change in the composition of the group.

In response to a question from Ms. Moody about Board of Trustee committee mergers, Chairman Warr said that other changes such as restructuring of Board committees as well as Mr. Whittle's suggestions would be brought back to the Board after appropriate review.

The vote was taken and the motion passed.

Mr. Whittle asked about an existing Conflict of Interest policy for faculty and staff. Mr. Parham confirmed the University has a policy requiring all University employees to report to the Internal Auditor situations that represent a possible conflict of interest. Mr. Whittle suggested that the policy should be revisited with consideration given to include an annual reminder about the policy to employees.

IV. REPORT OF THE ALUMNI ASSOCIATION

Chairman Warr called on Mr. Brown who announced that LCK Construction Services was selected as the construction manager for the new Alumni Center. Mickey Layden, president of that firm, will personally manage the account. LS3P was named architect for the project, with Mary Beth Branham coordinating the work. The contractor request for proposals had been completed, with a short list of four contractors under consideration.

Mr. Brown stated that an operating agreement had been signed in December with the Midlands Authority for Conventions, Sports and Tourism. Also in December, a services agreement was signed with the University. A new 501(c)(3), USC Alumni Center Corp., a subsidiary of the USC Alumni Association, was created to meet various legal requirements. He said there continued to be meetings with the bank and that a loan commitment was expected by early June, with a loan closing prior to September. He again thanked everyone for their support.

The My Carolina student organization was now the largest student organization on campus with

5,500 members. Alumni Association clubs across the state and country held over 300 events in the past 12 months. There were 57 Alumni Association clubs, he said, nine in South Carolina, 47 across the United States and one in London. He thanked Board members for attending Carolina Day at the State House on February 6. The event attracted more than 400 participants and it had more than 12,000 hits on social media. Mr. Brown also said the Alumni Association was working hard on partnerships with the Board of Visitors, Dennis Pruitt and Student Affairs, Chase Mizzell and Student Government, the Gamecock Club and the Athletics Department.

The semi-annual Board of Governors meeting was well attended and he thanked everyone present who participated and made presentations. He then said that for the first time the association had hired a development officer, Polly Lafitte. He concluded his report thanking Ms. Moody who was scheduled as the guest speaker for the Black Alumni Association's Richard T. Greener Scholarship Banquet. He noted that statewide receptions had been scheduled with Dr. and Mrs. Pastides, that Fan Fest Events also had been scheduled across the state with Coach Spurrier and that the association would co-host a hospitality tent at the Heritage golf tournament.

Chairman Warr stated that this report was received as information.

V. REPORT OF THE PRESIDENT

Chairman Warr called on President Pastides who started his remarks with a statement of solidarity with the people of Boston. The events of the week were heinous, he said, noting that an attack on any American or any city was an attack on every American. He went on to announce that the University's nine students who were working at the marathon were all fine.

President Pastides, who presented at the Senate Finance Committee's Subcommittee on Higher Education on April 16, thanked the Board members along with Student Government President Mizzell and Secretary Stone who were in attendance, as were many other University officials. He continued:

"I gave them the good news, that you would have wanted me to, of course.

- That our research dollars are coming in at a rate of about one quarter of a billion dollars into the South Carolina economy each year.
- The good news about the South Carolina Honors College and IMBA program rankings and engineering rankings.
- That we now educate over 46,000 students from across the state of South Carolina.
- That we will be graduating nearly 10,000 students in commencement ceremonies coming up in just a few weeks.
- That we have the largest number of African American and Hispanic American students of any university in the state of South Carolina.
- That we funded 450 Gamecock Guarantee students this past year. These are students whose families earn \$20,000 or less a year and

the students receive a virtually free tuition package and the best news of all is that 96 percent of them progress from their freshman into their sophomore year. So they are a little low on their money, but they are not low on talent.

Then I proceeded with our requests, I won't go into detail, you all know them. I asked them to annualize the \$5 million that we received last year for Palmetto College; I asked them for \$5 million for On Your Time graduation to keep the faculty teaching and the dormitories open and student services servicing the students. I asked them to offer us Lottery Scholarship flexibility to allow students who wish to go to school during the summer to be able to use their Lottery Scholarship – it won't cost the State any more money, no student will get more money than he or she deserves, but he or she will be able to spread it out in different terms because we need to be less stodgy and more flexible.

I asked them to consider the lack of parity that we all know affects our three comprehensive universities in Upstate, Beaufort and Aiken. It is simply not fair that other universities receive more per South Carolina FTE than the University of South Carolina. And, finally, I told them that we were supportive of regulatory reform and that we want to work with them in the Senate and the House to find a path forward.

Tomorrow is a big day at this University. Tomorrow we launch Palmetto College at the State House. We'll be there beginning at 10 a.m. talking to legislators and thanking them. We expect leaders of the House and Senate to come over to get to know Chancellor Elkins even better. We are branding Palmetto College as the quality of USC online, with emphasis on the words quality and USC. This is a first rate public, online baccalaureate completion program. Chancellor Elkins has hit the ground running. We'll have an interesting announcement tomorrow, which I think will be greeted very favorably. Later in the day we will have USC Awards Day on the Horseshoe where hundreds of students, who are at the head of the class, will be receiving awards including the Steven Swanger Leadership Award and the Algernon Sidney Sullivan Award for male and female students. That will be a wonderful day on the Horseshoe.

So much more that I could tell you about two Goldwater Scholars and Fulbright recipients; but I want you to know that we're working to recruit our best class ever. We had over 6,000 visitors to our campus over what is spring break for most high schoolers in South Carolina and around the country. I break into as many of the tour groups as I can and I can tell you that from the reception that I get we are going to have a good yield this year. Good meaning a high yield. There is a lot of enthusiasm about our University including from many places where that enthusiasm may not have been felt before. We of course are managing, this is a hard job, I have sympathy for Dennis Pruitt and Scott Verzyl who try to manage the class to get it to be no bigger than we can manage and no less than we can afford to have. And that is a delicate and discrete challenge. April 21 is USC Columbia Admitted Students Day; and as of now, we have almost 100 more students than last year (or a total of 2,000) who have registered to visit campus that day.

In Athletics, our Equestrian Team won the first ever SEC Equestrian Championship. I think that is great to go down in history as having the first SEC Championship in any sport. Coach Boo Major also was announced as the Coach of the Year. They will continue to compete and hopefully move on to the national championship which will be taking place in Waco, Texas, on April 18, 19 and 20. I would like to tell you as well that at the Master's at Augusta National last week there were 450 Gamecock students working the event. These are students of Dean Brian Mihalik in Hospitality, Retail and Sports Management. They were well dressed, they were polite, they worked their tail feathers off and while they were not paid they received the indulgence of their

professors who gave them permission to miss a few classes, but not to miss the work involved in the classes. They got to meet people from around the country who attend that event, not necessarily the golfers, but the CEOs and the other important people who visit the Master's. They were very willing about asking for business cards and asking if they might have networking opportunities and they were most spirited. We also ran into our own Darla Moore wearing her green jacket. She was in fine spirits and asked to be remembered to all of you.

I close again to tell you that we heard about the Heritage coming up; there will be approximately 150 USC Beaufort students who are working at the Heritage and benefiting from that and spreading the great reputation of our University.”

Chairman Warr stated that this report was received as information.

VI. REPORT OF THE OUTGOING SGA PRESIDENT

Due to the lateness of the meeting, former Student Government President Kenny Tracy had to leave. Chairman Warr asked Secretary Stone to reschedule his appearance for the next meeting.

VII. OTHER MATTERS

Mr. Buyck brought up a safety issue that had been brought to his attention by parents of students living on Shop Road. He expressed concern for the safety of students not living on campus. Mr. Whittle asked about Five Points and President Pastides responded that the Columbia police chief was on a leave of absence and that the University had inquired about how that will affect the ongoing dialogue between the City and University police about safety concerns in Five Points. Ms. Moody expressed a desire to hear from campus police about off campus issues as well as on campus incidents and how students are dealt with in regard to alcohol violations.

Secretary Stone asked Board members to respond with their commencement participation plans as soon as possible. She also mentioned that the Association of Governing Boards annual conference would be held beginning April 20 and that Mr. Hubbard would be on a panel presenting a program on Governance and Intercollegiate Athletics. She thanked Mr. Hubbard for his participation and also thanked Ms. Moody for her service as the keynote speaker at the Richard T. Greener Scholarship Banquet on April 27.

VIII. ADJOURNMENT

Since there were no other matters to come before the Board, Chairman Warr declared the meeting adjourned at 4 p.m.

Respectfully submitted,


Amy E. Stone
Secretary