

University of South Carolina
BOARD OF TRUSTEES

Executive Committee

April 17, 2013

The Executive Committee of the University of South Carolina Board of Trustees met on Wednesday, April 17, 2013, at 11:00 a.m. in the Board Room at 1600 Hampton Street.

Members present were: Mr. Eugene P. Warr, Jr., Chairman; Dr. C. Edward Floyd; Mr. Toney J. Lister; Mr. Miles Loadholt; Mr. John C. von Lehe, Jr. Absent was Mr. William C. Hubbard.

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. 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.

Also present were faculty representative Dr. Sandra J. Kelly and student representative Chase Mizzell.

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; University Treasurer and Associate Secretary Susan D. Hanna; University Foundations Executive Director Russell H. Meekins; University Registrar Aaron Marterer; 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; Interim Dean, Mary Black School of Nursing,

USC Upstate, Katharine M. Gibb; Associate Dean for International Programs and Continuing Education, College of Engineering and Computing, Hanif Chaudhry; Professor and Chair of the Department of Sport and Entertainment Management, College of Hospitality, Retail, and Sport Management, Andy Gillentine; Director of Facilities Planning and Programming and University Architect Derek S. Gruner; Executive Associate Athletics Director Kevin O'Connell; Associate Athletics Director and Senior Women's Administrator Judy Van Horn; Vice Chancellor for Information Technology, USC Aiken, Ernest Pringle; Director of State Relations Trey Walker; Associate Director of Planning and Assessment Cameron Howell; Internal Audit Director Phil Iapalucci; Special Assistant to the President J. Cantey Heath Jr.; immediate past president of the Student Government Association Kenny Tracy; Student Government Association Vice President Ryan Bailey; Student Government Association Treasurer Haley Guyton; guest Callie Allen, the daughter of Mr. Chuck Allen; 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 members of the media in attendance: Thad Moore and Amanda Coyne with *The Daily Gamecock*; David Cloninger with *Gamecock Central*; Patrick Obley with *The State*; and Daryl Slater with the *Charleston Post & Courier*.

Chairman Warr stated that there was a need to discuss proposed contractual matters appropriate for Executive Session. Chairman Warr called for a motion to enter Executive Session. Mr. von Lehe so moved and Mr. Lister 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. Meekins, Mr. O'Connell, Mrs. Van Horn, Ms. Brunelli and Mr. Hickman. Also remaining in the room were faculty representative Dr. Sandra J. Kelly and student representative Chase Mizzell.

With no other matters for discussion in Executive Session, Chairman Warr said that without objection the Executive Committee would recess and reconvene the Open Session portion of its meeting following the luncheon meeting of the Student-Trustee Liaison Committee in order to avoid keeping student representatives longer than necessary. The committee recessed at 12:10 p.m.

Return to Open Session

The Executive Committee reconvened at 1:30 p.m.

I. Contracts

A. Athletics Employment Contracts:

1. Shelley Smith: Chairman Warr called on Mr. Parham who referred Board members to their agenda package for contract details and said the media would be provided a summary. He said this was a new four-year contract for Head Women's Soccer Coach Shelley Smith that would expire December 31, 2016, at a base salary of \$120,000.

Chairman Warr called for a motion to approve Coach Smith's contract as described in the agenda materials and presented by Mr. Parham. Mr. Loadholt so moved. Lister seconded the motion. The vote was taken and the motion carried.

2. Dawn Staley: Chairman Warr called on Mr. Parham who said that a three-year extension was proposed for Coach Dawn Staley, which would expire March 19, 2019. Coach Staley would receive a base salary of \$350,000, guaranteed media compensation of \$500,000 the first year of the contract increasing by the sum of \$25,000 a year for the six-year term. She also would receive a \$50,000 contribution to a tax-deferred compensation plan that would be created in her name and the benefits of which she would receive if she remained for the full six years of the contract. Details of the contract including buyout modifications were detailed in the material in the Board's agenda packet and a summary was provided to the media.

Chairman Warr called for a motion to recommend approval to the full Board of Coach Staley's contract as described in the agenda materials and presented by Mr. Parham. Mr. von Lehe so moved. Lister seconded the motion. The vote was taken and the motion carried.

B. Foundation Gift:

Chairman Warr called on Mr. Parham who said that Board approval was sought to accept as a gift from the USC Development Foundation ownership of the 1991 Beechcraft King Air 350. In

addition, he said, the University sought authorization to undertake all necessary maintenance on the airplane as required by the manufacturer and the FAA.

Chairman Warr called for a motion to recommend approval to the full Board of the Foundation's gift, including the performance of required maintenance.

Mr. von Lehe so moved. Dr. Floyd seconded the motion. The vote was taken and the motion carried.

C. Graham Arader Gift Agreement:

Chairman Warr called on Mr. Parham who said Board approval was sought to accept from Mr. Graham Arader, a world-renown dealer in rare maps, prints and watercolors, the transfer to University Libraries of approximately \$30 million worth of his holdings. Known as the W. Graham Arader Collection at the University of South Carolina, it would be available after cataloguing for public viewing and for use in research and educational opportunities in the College of Arts and Sciences and elsewhere within the University. On July 1, 2033, Mr. Arader will transfer ownership of the entire collection to the University. The agreement can only be terminated for cause and provided that if Mr. Arader dies before July 1, 2033, his estate was bound by the agreement.

Chairman Warr called for a motion to recommend approval to the full Board of the Graham Arader gift as described in the agenda materials and presented by Mr. Parham. Mr. von Lehe so moved. Mr. Loadholt seconded the motion. The vote was taken and the motion carried.

D. Institute for Public Service and Policy Research Lease:

Chairman Warr called on Mr. Parham who said that, on behalf of the College of Arts and Sciences, approval was sought for a lease for the Institute for Public Service and Policy Research. The principal purpose of the Institute was to address current and emerging issues facing our state and communities relating to matters of public policy, governance, and leadership.

The proposed lease was the standard State of South Carolina lease that the University was required to use. Under it, the Institute would lease 8,111 rentable square feet on the 4th floor of a building located at 1400 Pickens Street. The seven-year lease would begin September 1, 2013, and end August 31, 2020.

The Institute will pay annual rent of \$99,766. The Institute also will pay \$2 per rentable square foot for utilities. The rental fees will be paid from a grant obtained by the College of Arts and Sciences.

Chairman Warr called for a motion to recommend approval to the full Board of the lease agreement as described in the agenda materials and presented by Mr. Parham. Dr. Floyd so moved. Mr. Loadholt seconded the motion. The vote was taken and the motion carried.

E. Amendment to AT&T Wi-Fi Agreement:

Chairman Warr called on Mr. Parham who said approval was sought to amend a contract with AT&T that was originally approved by the Board in 2009 for the provision of Wi-Fi service for the Columbia campus. The intent of the amendment was to enhance the Wi-Fi signal so that devices would not lose access moving in and out of campus buildings. In resolving this problem, Dr. Hogue and his staff negotiated a reduction in the price that the University was paying. Previously the University had been paying about \$101,000 per month and will now pay \$84,477.50 per month, which over the remaining term of the contract will save the University \$460,209.60. Additionally, for each new access point installed on campus as new buildings come online such as the Darla Moore School of Business, the University will pay \$4.50 compared to \$9.80. The contract will expire in July 2014, but the University has the right to extend the contract for up to two additional one-year periods.

In response to a question from Mr. von Lehe, Mr. Parham said that AT&T reduced the cost of the lease because it wanted to keep the University's business and wanted the University to extend the term of the lease. Another factor was AT&T's recognition that a problem existed that needed to be fixed from a customer service standpoint. The University, Mr. Parham said, retained the right to terminate the lease July 31, 2014.

Chairman Warr called for a motion to approve the amendment to the AT&T Wi-Fi Agreement as described in the agenda materials and presented by Mr. Parham. Mr. von Lehe so moved. Dr. Floyd seconded the motion. The vote was taken and the motion carried.

II. USC Upstate Off-Cycle Fee Approval Request:

Chairman Warr called on Chancellor Moore who requested approval of a proposal to reduce summer tuition from its current rate of \$402 per credit hour to a rate of \$289 per credit hour. The idea came from campus leadership discussions of ways to promote student success, engagement, on time graduation, and retention to graduation. Students and faculty had asked numerous times for lower tuition in the summer so students could take more classes; classes to retain Life or Palmetto Scholarships and prerequisites to stay on course for timely graduation.

Chancellor Moore said that through better promotion and better management of class size and revenue per section the campus could achieve the revenue it was accustomed to receiving. If that goal was met this year, an increased revenue stream would be seen from summer school. He responded to a question from Chairman Warr that the campus expected to increase enrollment enough to overcome the reduction in tuition per course registration. He said that the requested reduction in the housing rate would

offer a fixed rate of \$1,000 for the summer to encourage students to stay on campus and take more courses. President Pastides added that USC Upstate had higher summer tuition than other University campuses.

Chairman Warr called for a motion to recommend approval to the full Board of the off-cycle fee request to reduce tuition and housing rates at USC Upstate for this year's Maymester, Summer I and Summer II terms as described in the agenda materials and presented by Chancellor Moore. Mr. Lister so moved. Dr. Floyd seconded the motion. The vote was taken and the motion carried.

III. OneCarolina Update:

Chairman Warr called on Dr. Hogue to present an update on OneCarolina. Dr. Hogue said he would share the podium with Mr. Byrd, Vice President for Human Resources, to focus on the training needs for the professional staff at the University as well as development opportunities for faculty as new technologies continue to come online. Dr. Hogue said that while he "walked point" for OneCarolina, it was people like University Registrar Aaron Marterer, who discussed the student self-service options provided by OneCarolina during the Student-Trustee Liaison Committee meeting, and his colleagues in departments across all campuses who were working to make OneCarolina a functional reality.

Dr. Hogue said that OneCarolina, the new Banner student system, had registered successfully over 22,000 students throughout the system. Students had registered for over 106,000 course sections and the University had awarded nearly \$220 million worth of financial aid and that was the "tip of the iceberg" for what was coming. As the University goes forward, between now and the end of the academic year and into August, the OneCarolina team has a number of important initiatives including the release of 68 new software systems, which will be a complex operation.

In regard to training, Mr. Marterer and his team had made about 120 presentations and engaged in discussions and demonstrations across the University. Formal training had taken place where people actually registered and sat down in front of a computer and engaged the software. Since January, over 360 people had been trained in 62 formal classes on various aspects of using these software tools. There will be about 20 additional classes for faculty and staff between now and August. Ultimately the success of this project will depend on the ability of the faculty and staff to use it on behalf of the students. Dr. Hogue said student training was available when needed, but that training for faculty and staff was emphasized because students took to new technology much more readily.

Dr. Hogue turned the podium over to Mr. Byrd who addressed the training efforts to ensure the success of OneCarolina. Ultimately, as Dr. Hogue has said through the years, OneCarolina was not a

technology project. There was a technology component, but primarily OneCarolina was an opportunity to transform the way in which University did business. The scope of the project was tremendous; ultimately every faculty, staff member and student would be impacted by it. One of the most significant challenges with a project of this nature was the tremendous degree of change that it would introduce to the workforce. One of the primary ways in which to have employees accept the dramatic change was through training.

Preparation is underway for meeting the challenges presented with the implementation of the human resources, payroll and finance modules of the system. The project began with implementation of the student module and the rest of the administrative support systems were coming behind that. Many of the employees who make the University operate on a day-to-day basis had been working with a system that had been in place for over 30 years; a manual, paper driven process. The system that was being introduced would provide much greater access to data and the ability to manage data, but it would have to be operated in a different way. It would not be driven primarily by paper. So the systems that many employees had grown accustomed to over the years would be changing. Ultimately, much of the success of the system would depend on how successful University employees would be at adapting to the changes introduced by the new system.

Efforts were underway with leadership to encourage training, to insure employees are released from the workplace to allow them to dedicate the time and attention they need to approach the training and become familiar with the new system. To overcome the natural resistance to change, efforts are underway to remind everyone that the University was modernizing the way it handles information to become more efficient as an organization and to gain better access to data that will lead to improved decision making.

Chairman Warr stated that this report was received as information. Mr. Burroughs requested Dr. Hogue send to all Board members a response to the following questions about OneCarolina: "What is our cost in the program so far and how much more do you see us spending? How much have we spent to date? How much has been funded and how much is unfunded?"

IV. Adjournment

Since there were no other matters to come before the Executive Committee, Chairman Warr declared the meeting adjourned at 1:55 p.m.

Respectfully submitted,


Amy E. Stone
Secretary