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University of South Carolina  
BOARD OF TRUSTEES

Executive Committee

August 18, 2017

The Executive Committee of the University of South Carolina Board of Trustees met at 11:35 a.m. on Friday, August 18, 2017, in the Alumni Center's C. Edward Floyd Boardroom.

Members present were: Mr. John C. von Lehe Jr., Chairman; Dr. C. Edward Floyd; Mr. Toney J. Lister; Mr. Miles Loadholt; Mr. Hubert F. Mobley, Board Vice Chairman; and Mr. Eugene P. Warr Jr.

Other Trustees present were: Mr. Chuck Allen; Mr. J. Egerton Burroughs; Mr. Mark W. Buyck Jr.; Mr. Thomas C. Cofield; Mr. A.C. "Bubba" Fennell; Mr. William C. Hubbard; Ms. Leah B. Moody; Dr. C. Dorn Smith III; Ms. Molly Spearman; Mr. Thad H. Westbrook; Mr. Mack I. Whittle Jr.; and Mr. Charles H. Williams; with Mr. Tommy Preston Jr. joining by telephone.

Also present were Columbia Faculty Senate Chairman Marco Valtorta and Columbia Student Government President Ross Lordo.

Others present were: President Harris Pastides; Secretary J. Cantey Heath Jr.; General Counsel Walter "Terry" H. Parham; Chief Operating Officer Edward L. Walton; Provost Joan T.A. Gabel; Chief Financial Officer Leslie Brunelli; Vice President for Student Affairs Dennis A. Pruitt; Athletics Director Ray Tanner; Vice President for Information Technology Doug Foster; Vice President for Human Resources Chris Byrd; Chief Communications Officer Wes Hickman; Associate Director of Public Relations, Office of Communications and Public Affairs, Jeff Stensland; Vice President for Facilities and Transportation Derrick Huggins; Vice Provost and Director of Global Carolina P. Allen Miller; Vice President for System Planning Mary Anne Fitzpatrick; Palmetto College Chancellor Susan Elkins; USC Upstate Chancellor Bendan Kelly; USC Beaufort Chancellor Al Panu; USC Aiken Chancellor Sandra Jordan; Executive Director of Audit & Advisory Services Pam Doran; University Treasurer Pat Lardner; Senior Associate Provost for Inclusion and Chief Diversity Officer John Dozier; Executive Director of Economic Engagement William D. "Bill" Kirkland; College of Arts and Sciences Dean Lacy Ford; USC Aiken Executive Vice Chancellor for Academic Affairs Jeff Priest; Executive Director and Chief Executive Officer of University Foundations Russell H. Meekins; Associate Vice President for Housing and Student Development Gene Luna; Director of Facilities Planning and Programming and University Architect

Derek S. Gruner; Associate Vice President for Business Affairs Helen Zeigler; Director for Equal Opportunity Programs Clifford Scott; University Housing Executive Director Kirsten Kennedy; Associate Dean for Academic Affairs, College of Education, Thomas E. Hodges; College of Hospitality, Retail and Sport Management Chief Financial Officer Scott Kaplan; Student Government Coordinator Theresa Sexton; Interim Associate Vice President for Student Life Anna Edwards; Director of Brand Strategy, Communications and Public Affairs, J.C. Huggins; USC Columbia Student Government Treasurer Merritt Francis; USC Columbia Student Government Legislative Action Network Director John Selesky; Lutheran Campus Pastor Frank Anderson; Special Events Director Pam Bowman; Mrs. Cynthia Lister, wife of Trustee Toney Lister; Mrs. Ann Loadholt, wife of Trustee Miles Loadholt; John McArthur, an attorney with Haynsworth, Sinkler, Boyd; Brailsford & Dunlavey Senior Vice President Brad Noyes; Education Realty Trust (EdR) Chairman and CEO Randy Churchey; Fluor Corporation Chairman and Chief Executive Officer David T. Seaton, who serves as a strategic advisor to the Board; University student Taylor Bradley; University Technology Services Production Manager Matt Warthen; and Board staff members Debra Allen and Terri Saxon.

I. Call to Order

Chairman von Lehe called the meeting to order and stated 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: Avery Wilks with *The State*; Mary Ramsey with *The Daily Gamecock*; and Maya Prabhu with *The Post and Courier*.

**Motion for Executive Session**

Chairman von Lehe said there was a need for an Executive Session to discuss a proposed contractual matter regarding campus development and for the receipt of legal advice. Mr. Mobley made the motion, which was seconded by Mr. Lister. The vote was taken and the motion passed.

Chairman von Lehe said the Executive Session was expected to be lengthy. He encouraged those not requested to remain to enjoy their lunch, noting the meeting would recess for lunch from the Executive Session and reconvene into Open Session at 2:15 p.m.

The following individuals were invited to remain for the Executive Session: President Pastides, Secretary Heath, Dr. Valtorta, Mr. Lordo, Mr. Seaton, the President's Executive Council, Ms. Doran, Mr. Gruner, Dr. Luna, Dr. Kennedy, Ms. Bowman, Mr. McArthur, Mr. Noyes, and Mr. Churchey.

## Executive Session

RECESS: Chairman von Lehe called for the meeting to recess for lunch at 2:00 p.m.

RECONVENE: Chairman von Lehe reconvened the meeting at 2:25 p.m. in Executive Session.

## Return to Open Session

### II. Contracts

Chairman von Lehe called on Mr. Parham.

#### A. Campus Village Project

Mr. Parham presented the Campus Village Project Resolution (Exhibit A) as discussed in Executive Session for approval. He noted copies were available to anyone on request.

Chairman von Lehe called for a motion to recommend Board approval of the Campus Village Project Resolution. Mr. Lister so moved. Mr. Loadholt seconded the motion. The vote was taken and the motion was approved.

#### B. IBM Contract: PeopleSoft HCM Implementation and PeopleSoft Rate Card

Mr. Parham said Board approval was sought for two task orders, which are called Project Change Requests (PCR). These PCRs are technically amendments to USC's contract with IBM that was approved by the Board on November 21, 2014. Under that contract, IBM assumed responsibility for more than 180 IT applications, including Human Resources and Payroll.

The first PCR for consideration authorizes IBM's PeopleSoft business practice to proceed with the implementation of the Human Resources and Payroll module. Mr. Parham said Vice President Doug Foster discussed this module with Trustees during the summer budget briefings, and funding for the project was included in the budget approved by the Board in June. It is a fixed-price contract of \$12,600,000. The second PCR updates the rate card on the master IBM contract to add new PeopleSoft specific rates to the existing rate schedule that will apply now that PeopleSoft will be supporting and maintaining the University's HR, payroll and other systems long term.

Chairman von Lehe called for a motion to recommend Board approval of the IBM contract. Dr. Floyd so moved. Mr. Warr seconded the motion. The vote was taken and the motion was approved.

#### C. HireRight Service Agreement

Mr. Parham said Board approval was sought for a contract with HireRight, LLC under which HireRight will perform background checks on applicants for University jobs. During the five-year term of the contract, the Division of Human Resources estimates 13,000 domestic checks, 120

international checks and 350 drug and alcohol tests will be conducted at a cost of about \$150,000 per year and up to \$750,000 over the life of the contract.

Chairman von Lehe called for a motion to recommend Board approval of the HireRight Services Agreement. Mr. Warr so moved. Dr. Floyd seconded the motion. The vote was taken and the motion was approved.

D. Pathology Consultants, Inc./USC School of Medicine Greenville MOU

Mr. Parham said Board approval was sought for an agreement with Pathology Consultants, Inc. under which Pathology Consultants will review, update and teach the core pathology curriculum that is part of the required biomedical science curriculum for first and second year medical students. This is the identical agreement approved by the Board in 2016. The one-year agreement will end June 30, 2018. For its services, Pathology Consultants will be paid \$918,725.43, which is the same amount Pathology Consultants was paid last year.

Chairman von Lehe called for a motion to recommend Board approval of the MOU between Pathology Consultants, Inc. and the USC School of Medicine Greenville. Mr. Mobley so moved. Mr. Loadholt seconded the motion. The vote was taken and the motion was approved.

E. Elite Hospitality Group JSC MOU

Mr. Parham said Board approval was sought for a Memorandum of Understanding (MOU) with The Elite Hospitality Group to give the College of Hospitality, Retail and Sport Management (HRSM) a foothold in the hospitality and tourism education industry in Vietnam and increase the number of Vietnamese students attending USC.

Under the MOU, Elite Hospitality will assist HRSM in developing articulation programs with a consortium of Vietnamese colleges and universities. Under these programs, undergraduate and graduate Vietnamese students attending college in Vietnam will complete a portion of their academic coursework at USC leading to a USC degree. HRSM will maintain complete control of all admission and graduation requirements. For each student Elite Hospitality recruits who enrolls in HRSM, Elite Hospitality will receive a fee equal to 10% of the tuition charged by USC. Mr. Parham said net revenues to USC over the five-year term of the contract could exceed \$6.5 million if the projected 15 to 35 Vietnamese students enroll at USC each year.

Chairman von Lehe called for a motion to recommend Board approval of the MOU with Elite Hospitality Group JSC. Mr. Lister so moved. Dr. Floyd seconded the motion. The vote was taken and the

motion was approved.

F. Indefinite Delivery Contracts (IDCs)

1. Cayce Company, Inc.
2. McCater Mechanical, Inc.
3. Walker White, Inc.
4. W.O. Blackstone & Company Mechanical Contractors
5. W.B. Guimarin & Company

Mr. Parham said approval was sought for five indefinite delivery contracts for mechanical construction services. The two-year contracts are identical. The maximum amount of work per company is restricted to \$250,000 per project and a total of \$2 million over the life of the contract.

Chairman von Lehe called for a motion to recommend Board approval of the five indefinite delivery contracts with Cayce Company, McCater Mechanical, Walker White, W.O. Blackstone, and W.B. Guimarin for on-call mechanical construction services. Dr. Floyd so moved. Mr. Warr seconded the motion. The vote was taken and the motion was approved.

G. State Fleet Agreement

Mr. Parham said Board approval was sought for a Vehicle Lease Agreement with the State Fleet Management Office of the South Carolina Department of Administration.

For years, the University has leased vehicles from the State Government Fleet because the State lease rate is substantially lower than the commercial rate, and it is cheaper to lease certain vehicles than it is to purchase and maintain the vehicles. Beginning this fiscal year, Mr. Parham said, the State is requiring the University and all other lessees to execute a master vehicle lease agreement.

Under the agreement, the University can, but is not obligated to, lease vehicles from the State. The State charges a monthly fee and a per mile rate, both depending on the type of vehicle. In return, the State pays all maintenance, insurance and gas charges. The University has the right to turn in a leased vehicle at any time. The State fleet lease agreement can be terminated at any time upon 30-days' notice.

Currently, he said, the University system leases approximately 55-60 vehicles at a cost of approximately \$290,000.

Chairman von Lehe called for a motion to recommend Board approval of the State Fleet Agreement. Mr. Mobley so moved. Mr. Lister seconded the motion. The vote was taken and the motion was approved.

H. Shorelight Education, LLC Addendum

Mr. Parham said in February 2015, the Board approved an agreement with Shorelight,

LLC, a private corporation that specializes in partnering with universities to create pathway programs called International Accelerator Programs (“IAP”) to attract and retain international students.

The Agreement authorized Shorelight to recruit international students for undergraduate and graduate enrollment at USC – after successful completion of the one-year Accelerator Program.

Students recruited by Shorelight who enroll in the Accelerator Program take a structured curriculum of English language proficiency, acculturation and academic degree courses. Students successfully completing the pathway program will be admitted to USC as sophomores. The pathway program lasts up to one year (i.e., up to three semesters, including a summer semester). It is analogous to our Gamecock Gateway Program.

Board approval is sought for amendment to that master agreement. The amendment allows international students who have completed American University’s American Access Program, which is operated by Shorelight and closely mirrors USC’s Accelerator Program, to transfer to USC and be admitted under the same criteria as if they had completed USC’s Accelerator Program.

As is the case with USC’s master agreement with Shorelight, the University would control the criteria for admission into any specific academic program at USC and the number of students admitted. All other terms and conditions of the master agreement remain in place. The five-year term of the amendment will terminate when the master agreement terminates.

Mr. Parham said Vice Provost and Director of Global Carolina Allen Miller, who oversees the Shorelight Agreement, estimates the University may receive as much as \$1 million in revenue from these transfer students during the term of the amendment.

Chairman von Lehe called for a motion to recommend Board approval of the addendum to the agreement with Shorelight Education, LLC. Dr. Floyd so moved. Mr. Warr seconded the motion. The vote was taken and the motion was approved after Mr. Parham confirmed for Trustee Cofield that all international students go through the University’s vetting program, which was described at a previous Board meeting.

I. Ambright Education Group MOU

Mr. Parham said Board approval was sought for a cooperative agreement with Ambright Education Group. He explained China has a shortage of Early Childhood Education teachers. To address this need, Ambright works to introduce American higher education practices – in the areas of education curriculum, teacher development and management – to universities in China through the establishment of cooperative relationships between U.S. and Chinese universities.

Under this agreement, USC, Ambright, and Hebei Normal University in China will work to establish a joint Master's Degree in Teaching program in Early Childhood Education. Under the proposed program, students will spend a year at Hebei taking courses developed by USC, a year at USC, and complete a one-year internship. The program will ultimately have to be approved by the Chinese Ministry of Education before it can be implemented.

Students who successfully complete the program will receive a degree from both Hebei and USC. USC will control the academic content of the program, and all USC admission and graduation requirements will apply.

For its services once the program is established, Ambright will be paid 10% of the USC tuition paid by Chinese students attending USC as part of the joint degree program. If a Chinese student participating in this program enrolls in USC's English Program for Internationals in order to improve his or her language skills, Ambright will receive 12% of the EPI fees charged such a student.

Dr. Allen Miller, Vice Provost and Director of Global Carolina, estimates that USC could receive as much as \$4,500,000 during the five-year term of this agreement. The proposed contract value is based on 30 students per year from China participating in this program and paying full out-of-state tuition and fees.

Chairman von Lehe called for a motion to recommend Board approval of the MOU with Ambright Education Group. Mr. Mobley so moved. Mr. Lister seconded the motion. The vote was taken and the motion was approved.

J. Mycenaean Foundation, Inc. MOU

Mr. Parham said approval was sought for a Memorandum of Understanding (MOU) with the Mycenaean Foundation, which is a 501(c)(3) non-profit corporation currently based at Dickinson College in Carlisle, Pennsylvania. The foundation, working with an academic consortium of select U.S. and European colleges and universities, is establishing the American Center for Archaeology at Mycenae, Greece. The center will offer an undergraduate semester/summer study abroad program beginning in 2018 for students around the world interested in the study of archaeology and related disciplines such as classics, history, ancient art and architecture.

Under the MOU, the University will serve as the academic and administrative lead institution of the program. USC will have control and final approval of all academic aspects of the program including curriculum, academic standards, faculty evaluation and approval, student application and admission, and student services. USC students will have priority in being selected for the program.

The cost of the program is expected to be \$20,000 per semester. USC will collect the program fee

from admitted students, retain 10% to cover the administrative costs incurred in overseeing the program, and remit the remainder to the Mycenaean Foundation. The foundation also will fund up to three tuition scholarships per semester to be awarded by USC. In addition, USC will receive a \$500 administrative fee per academic year from each affiliated institution.

Students participating in the program may receive up to 15 hours of academic credit. USC will issue a transcript. Dr. Miller estimates a maximum enrollment of 50 students per year; therefore, USC expects to receive approximately \$140,000 per year (50 students x \$20,000 x 10% + 2 scholarships). The three-year agreement can be extended for additional three-year periods upon mutual written consent of the parties.

Chairman von Lehe called for a motion to approve the MOU with Mycenaean Foundation. Mr. Loadholt so moved. Dr. Floyd seconded the motion. The vote was taken and the motion was approved.

K. Educational Computer Systems, Inc. Service Agreement

Mr. Parham said approval was sought for a Master Hosted Platform and Services Agreement with Educational Computer Systems, Inc., doing business as Heartland Education Computer Systems, Inc. (ECSI).

Under the agreement, which is the result of a competitive solicitation in accordance with the South Carolina Procurement Code, ECSI will provide USC student loan management software, and billing and accounting services for three student loan programs: Federal Perkins Loan Program, Health Professions Loan Program, and Nursing Loan Program.

The service being provided includes maintaining contact with the borrower, processing deferments and adjustments to borrower's accounts, periodic billing and other notifications, payment processing, loan reporting, and on-site training for loan personnel in the effective use of the student loan management software. The cost during the five-year contract term will be \$450,000.

Chairman von Lehe called for a motion to approve the service agreement with Education Computer Systems, Inc. Mr. Warr so moved. Mr. Mobley seconded the motion. The vote was taken and the motion was approved.

L. Marriott Event Contract, First-Year Experience

Mr. Parham said approval was sought for a hotel event contract with the Washington Marriott Wardman Park in Washington, D.C. as the site of the National Resource Center's 40th Annual National Conference February 18-26, 2020.

Under the agreement, the Washington Marriott will hold the rooms described in the contract (3,738 room nights) and individuals attending the event will pay for the rooms directly. The National Resource

Center for the First Year Experience and Students in Transition guarantees that at least 80% of the reserved rooms will be used (2,990). In the event 80% of the rooms are not utilized, the center is obligated to pay the difference. The center has never had an event in which the minimum number of rooms were not utilized. The center is also obligated under the contract to spend at least \$250,000 in food and beverages during the event. The center will pay these expenses from the conference fees paid to it by individuals registering for the event.

If the center cancels the conference after the agreement has been signed by the parties, there are cancellation fees described in the contract that the center is obligated to pay based on when the cancellation occurs. The center has never cancelled a conference.

The center estimates 1,800 to 2,000 people will register for the conference. Registrations will be approximately \$545 each, increasing for registrations closer to the conference date. Additionally, vendors who want exhibits at the conference pay a fee for space. The center is self-supporting – that is, it does not receive state appropriations – and expects to make approximately \$500,000 on this annual conference.

Chairman von Lehe called for a motion to approve the event contract with the Washington Marriott Wardman Park. Mr. Mobley so moved. Mr. Lister seconded the motion. The vote was taken and the motion was approved.

M. Greenville Health System/USC Collaboration MOU

Mr. Parham said approval was sought for a Memorandum of Understanding (MOU) with Upstate Affiliate Organization, doing business as Greenville Health System, to increase the opportunities for USC and GHS to collaborate to commercialize innovative research and technologies on matters designed to develop solutions to healthcare challenges and new patient treatment applications.

USC's Office of Economic Engagement will help identify opportunities for faculty researchers and others at GHS's Health Sciences Center to connect with industry partners and will support patent and tech transfer activities. Mr. Parham said the parties also will develop a strategic plan for enhancing the USC-GHS "innovation corridor" in the upstate through incubators, corporate alliances, etc. Mr. Kirkland confirmed for Trustee Floyd the University will be the only university providing these services for GHS.

The MOU will serve as a master agreement, with a separate agreement developed for each project on which the parties agree to collaborate outlining the terms and conditions of the collaboration and each party's responsibilities, including any financial commitment. It can be terminated by either party upon 60-days' notice and sets as an initial goal the identification of five opportunities for collaboration. If the parties are successful and projects are developed, it is estimated the University will expend \$100,000 to \$150,000

annually.

Chairman von Lehe called for a motion to approve the collaboration MOU with Greenville Health System. Mr. Lister so moved. Mr. Loadholt seconded the motion. The vote was taken and the motion was approved.

N. USC Upstate Athletics Director Employment Agreement

Mr. Parham said approval was sought for an employment agreement for USC Upstate's new Athletics Director Julio Freire. The four-year contract will run through July 31, 2021, and Mr. Freire will be paid a base salary of \$167,800 per year. He also will have the opportunity to earn up to \$30,000 each contract year in incentive-based compensation, as follows:

- \$22,500 each year if he hits specific fundraising goals set out in the contract
- \$7,500 if one or more USC Upstate teams either (i) win the Atlantic Sun Conference regular season or tournament, or (ii) advance past the first round of the NCAA post-season tournament.

Mr. Parham said Chancellor Brendan Kelly structured the incentive compensation so Mr. Freire will have to remain as athletics director for the full four-year term in order to be entitled to receive the incentive compensation, which has created an additional incentive for Mr. Freire to remain at USC Upstate.

The contract has the same termination for cause provisions as other University athletics contracts. If USC Upstate terminates the contract without cause with more than one year remaining, it will owe Mr. Freire \$320,000 plus any incentive compensation he has earned to date. If USC Upstate terminates the contract without cause with less than one year remaining, it will pay him a pro-rated amount. If Mr. Freire terminates the contract, he will pay USC Upstate the same amounts, although he won't pay an amount based on incentive compensation earned to date.

Chairman von Lehe called for a motion to approve the employment agreement for USC Upstate Athletics Director Julio Freire. Dr. Floyd so moved. Mr. Warr seconded the motion. The vote was taken and the motion was approved.

O. Athletics Employment Contract

1. Head Women's Golf Coach Kalen Anderson

Mr. Parham said approval was sought for a three-year contract extension for Head Women's Golf Coach Kalen Anderson beginning June 1, 2020, and ending May 31, 2023.

Additionally, Coach Anderson's contract will be amended to address what she will owe the University if she terminates the contract. Specifically, she will owe USC 50% of her base salary if she terminates the

contract in year one (June 1, 2017 – May 31, 2018), decreasing by 5% each contract year thereafter during the six-year term. Coach Anderson earns \$195,850 per year.

Chairman von Lehe called for a motion to approve the three-year contract extension for Head Women's Golf Coach Kalen Anderson. Mr. Mobley so moved. Mr. Lister seconded the motion.

Prior to the vote being taken and the motion being approved, Mr. Tanner told Trustee Fennell that Coach Anderson, who just completed her 10<sup>th</sup> year at USC, had incentives in her contract and with approval of the current motion, she would be the third highest paid women's golf coach in the Southeast Conference. Mr. Tanner noted Coach Anderson had taken her teams to the post season eight straight years, having won regional championships in five of those years, which placed her in national championships, including a final eight ranking.

2. Head Men's Soccer Coach Mark Berson

Mr. Parham said approval was sought for a two-year contract extension for Head Men's Soccer Coach Mark Berson beginning January 1, 2018, and ending December 31, 2019. Under the contract amendment, Coach Berson's salary will be increased to \$125,000. Additionally, Coach Berson's contract will be amended to provide that he will owe USC 35% of his base salary if he terminates the contract in year one (January 1, 2017 – December 31, 2017), decreasing by 5% each contract year thereafter during the three-year term.

Chairman von Lehe called for a motion to approve the employment contract for Head Men's Soccer Coach Mark Berson. Mr. Loadholt so moved. Dr. Floyd seconded the motion.

Prior to the vote being taken and the motion being approved, Trustee Cofield commented that all of the Olympic coaches being discussed were outstanding and he congratulated the Athletics Director on retaining them. He called special attention to Coach Berson who was entering his 40<sup>th</sup> year as head coach at USC. Mr. Tanner said Coach Berson coached one year at The Citadel prior to coming to USC and was 50 wins shy of being the all-time winningest Division I coach in the NCAA.

3. Head Men's and Women's Swim and Dive Coach McGee Moody

Mr. Parham said approval was sought for a two-year contract extension for Head Men's and Women's Swimming and Diving Coach McGee Moody beginning May 1, 2019, and ending April 30, 2021. Additionally, Coach Moody's salary will be increased to \$130,000, and his contract will be amended to provide that he will owe the University 40% of his base salary if he terminates the contract in year one (May 1, 2017 – April 30, 2018), decreasing by 5% each contract year thereafter during the four-year term.

Chairman von Lehe called for a motion to approve the employment contract for Head Men's and Women's Swim and Dive Coach McGee Moody. Mr. Warr so moved. Mr. Mobley seconded the motion. The vote was taken and the motion was approved.

4. Head Softball Coach Beverly Smith

Mr. Parham said approval was sought for a three-year contract extension for Head Softball Coach Beverly Smith beginning July 1, 2018, and ending June 30, 2021.

Additionally, Coach Smith's salary will be increased to \$151,430, and her contract will be amended to provide that she will owe the University 40% of her base salary if she terminates the contract in year one (July 1, 2017 – June 30, 2018), decreasing by 5% each contract year thereafter during the four-year term.

Chairman von Lehe called for a motion to approve the employment contract for Head Softball Coach Beverly Smith. Mr. Lister so moved. Mr. Loadholt seconded the motion. The vote was taken and the motion was approved.

5. Head Women's Soccer Coach Shelley Smith

Mr. Parham said approval was sought for a three-year contract extension for Head Women's Soccer Coach Shelley Smith beginning January 1, 2019, and ending December 31, 2021.

Additionally, Coach Smith's contract will be amended to provide that she will owe the University 45% of her base salary if she terminates the contract in year one (January 1, 2017 – December 31, 2017), decreasing by 5% each contract year thereafter during the five-year term. Coach Smith earns \$172,854 per year.

Chairman von Lehe called for a motion to approve the employment contract for Head Women's Soccer Coach Shelley Smith. Mr. Loadholt so moved. Dr. Floyd seconded the motion. The vote was taken and the motion was approved.

III. Budget Model Implementation Update

Chairman von Lehe called on Mr. Walton, who referenced the morning's detailed accountant's report from Elliott Davis Decosimo (EDD), which had been underway for nearly two years. Meanwhile, he said, consideration had been underway as to how budgeting could be changed to incentivize the University community while providing Trustees with needed reports for decision making. As a result, the budget model was being redesigned through an inclusive process ensuring alignment of the budget and the Universities strategic priorities, with implementation planned for Fiscal Year 2019-2020.

The project will require technical expertise, which is available in-house, as well as through EDD. Mr. Walton said opportunities will be recognized and leveraged in a new budget model that will enhance the mission and incentivize entrepreneurial thinking and reporting. A third-party consultant will be

identified to help in the process, he said, especially with the change management efforts.

Thus, the goal is to implement a new budget model, obtain the necessary support to help the University grow and adapt to the changes of a budget model required for a flagship university. Mr. Walton said it will be crucial for the development process to be inclusive to ensure the budget model aligns with the institution's values and mission. There is a commitment to transparency and having introduced the concept of a new budget model, Mr. Walton said the Executive Committee would receive progress reports from Ms. Brunelli at its regularly scheduled meetings.

Trustee Burroughs commended Mr. Walton, noting that the information he had received in the meetings today provided him the confidence and courage to vote in favor of the Campus Village Project. "The confidence in the cash flows and what is happening at the University that I go today, gave me a good feeling about voting yes for such a large project," he added.

Chairman von Lehe stated this report was received as information.

#### IV. Integrated Communications Update

Chairman von Lehe called Trustee Mobley who briefly referenced January conversations about integrated communications, advocacy and related topics that resulted in the creation of the President's Taskforce on Integrated Communications, which remains an evolving process. Some social media changes have taken place, he said, noting the timeliness of the changes coincided with the successful run of Men's and Women's basketball and the University's resulting positive exposure, which lead to the new student population increase for the freshman class. Mr. Mobley then called on Chief Communications Officer Wes Hickman.

Mr. Hickman thanked the Board for the support it expressed in January for modernizing the University's communications operation, recognizing as he did so USC's Director of Public Relations Jeff Stensland and Director of Brand Strategy J.C. Huggins. He also reminded Trustees of the hiring of CJ Lake, a social media strategist and an alumna of the University, who had helped bring significant improvements to USC's social media efforts. Underscoring this, he said a national firm selected the University's social media platforms as No. 2 in the nation out of 338 Division I universities (USC was ranked at 115 in 2016). He went on to note USC nationally was now No. 1 in Twitter, No. 11 in Facebook and No. 42 in Instagram.

Mr. Hickman concluded with the presentation of a new public service announcement (PSA), a bold and energetic creation as encouraged by members of the Board of Trustees and the President. He thanked

Mr. Huggins for his leadership in developing the PSA, which was produced using a local company comprised of USC alumni.

Chairman von Lehe stated this report was received as information.

V. Diversity Initiatives

Chairman von Lehe called on Dr. Dozier and Mr. Huggins. Dr. Dozier began the presentation citing the ways in which the University's diversity efforts have been recognized. In 2016, *Diverse Issues in Higher Education* reported USC Columbia graduated more African American students than 97% of all colleges in the United States. In a 2015 report, The Education Trust cited USC Columbia as one of the leading universities in the country in reducing the graduation gap between white and underrepresented minority students. In a 2016 follow up study, the Trust more specifically identified USC as one of the top universities in the country for reducing the graduation gap between white and African American students. And, for the fifth consecutive year, USC has received *INSIGHT Into Diversity's* Higher Education Excellence in Diversity Award.

The University also has been recognized for its work in the community, he said, citing the Arnold School of Public Health's PASOs (which means steps in Spanish) program, which has earned national recognition as a model for public health intervention to improve the health of Latino families in South Carolina through prenatal programs, connection to needed medical resources, and bilingual education on women and family health topics. National Public Radio has recognized USC's involvement in The Welcome Table SC to promote racial reconciliation.

“At the University of South Carolina,” Dr. Dozier said, “we believe that diversity and inclusion are necessary to achieve academic and institutional excellence. Every student, faculty and staff member not only matters, but it is their unique perspective that is the core of our strength and our success. Understanding that our University views the preparation of student leaders as a strategic differentiator and a demand of employers who hire our students, we view inclusive excellence and cultural competence as central to how we prepare students to lead in their communities and workplaces.”

The University's recognition has resulted because it is clear as to why and how it approaches diversity and inclusion efforts, and how it measures these efforts through a strategic plan that evaluates composition, inclusion, engagement and achievement. He then presented statistics showing the University's racial composition, which illustrated a consistent increase in minority representation. Trustee Smith requested the statistical information be provided as six separate charts in a larger, easier to read

format on the Board Portal. Specific University endeavors designed to promote diversity and inclusion, Dr. Dozier said, included the Dive-In Lunch Series, the Provost forums “Finding Common Ground,” the National Center for Faculty Development and Diversity, Faculty Affinity Groups, The Welcome Table SC, climate studies, a bias complaint process to identify specific concerns, and the Council of Academic Diversity Officers.

Citing the 2014 U.S. Census, Dr. Dozier emphasized changing demographics inherent in 50.2% of children under age five being identified as minority. This will be the University applicant pool in 13 to 18 years and it will be less able to afford the quality education being provided, which means the University will need to approach student recruitment differently.

An important consideration in this changing environment is for universities to demystify college through college tours so middle school students can make connections between careers to which they aspire and the role of a postsecondary degree. Research also demonstrates students who visit a college campus are twice as likely to matriculate compared to students who do not visit prior to applying. Based on this research, USC has developed the Think College, Think Carolina! program, which designed to raise the awareness of colleges and universities as accessible places that help connect students to their career aspirations and goals. Mr. Huggins described the Think Carolina! program in detail, noting it was aimed at public sixth grade students within 30 miles of the University’s Palmetto College campuses.

Mr. Huggins, who grew up in the small South Carolina town of Heath Springs, said the program would be piloted in Spring 2018 on campuses in Lancaster, Allendale, Sumter and Union. Transportation will be provided and tours will be hosted by trained USC students. Discussion topics will include college preparation, admission standards, financial aid, the Gamecock Guarantee, and future career goals. Each student will receive a “gift” to remind them of their campus tour, which will include lesson plans in advance, classroom experiences and lunch on campus, with individual follow-ups to strengthen the impact of the tour. He requested the help of Trustees, especially those who lived in rural areas, to identify the children to be included in the program, many of whom would be first-generation college students.

Chairman von Lehe stated this report was received as information.

#### VI. Other Matters and Adjournment

Chairman von Lehe called for any other matters to come before the committee. There being none, he declared the meeting adjourned at 3:45 p.m.

Respectfully submitted,  
J. Cantey Heath, Jr.  
Secretary