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University of South Carolina

BOARD OF TRUSTEES

October 15, 2021

The University of South Carolina Board of Trustees met at 1:30 p.m. on Friday, October 15, 2021 in the Floyd Boardroom of the Pastides Alumni Center and via Microsoft Teams video and audio conference.

Members present were Dr. C. Dorn Smith III, Board Chair; Mr. Thad Westbrook, Vice Chair; Mr. Alex English; Dr. C. Edward Floyd; Mr. Brian C. Harlan; Mr. Richard Jones Jr.; Mr. Toney J. Lister; Mr. Miles Loadholt; Mr. Hubert F. Mobley; Ms. Rose Buyck Newton; Mr. Robin D. Roberts; Mr. Eugene P. Warr Jr.; Mr. Mack I. Whittle Jr.; and Mr. Charles H. Williams. Participating by Microsoft Teams were Mr. C. Dan Adams, Mr. J. Egerton Burroughs, Ms. Leah B. Moody, Ms. Emma W. Morris, and Mr. John C. von Lehe Jr. Ms. Molly M. Spearman was absent.

Also present were USC Columbia Faculty Senate Chair Dr. Audrey Korsgaard and USC Columbia Student Government President Mr. Alex Harrell.

Others in attendance were Interim President Harris Pastides; Secretary Cameron Howell; Vice Provost and Dean of the Faculty Cheryl Addy; Vice President for Human Resources Caroline Agardy; College of Retail and Sports Management Interim Dean David Cardenas; Executive Director of Strategic Planning Jack Claypoole; Vice President for System Affairs Derham Cole; Interim Provost Stephen Cutler; Communications Manager Abe Danaher; Vice President for Development Monica Delisa; Chief Audit Executive Pam

Dunleavy; Palmetto College Chancellor Susan Elkins; Associate Vice President of Finance and Budget Kelly Epting; President and Provost Faculty Fellow Stacy Fritz; Vice President of Facilities Planning, Design and Construction and University Architect Derek Gruner; USC Upstate Chancellor Bennie Harris; USC Aiken Chancellor Dan Heimmermann; Interim Director of Academic Programs Trena Houp; University Controller Mandy Kibler; Executive Director of Economic Engagement Bill Kirkland; Senior Deputy Athletics Director Chance Miller; USC Beaufort Chancellor Al Panu; Director of Executive Communications Diane Parham; General Counsel and Executive Director of Compliance Programs Terry Parham; Chief Operating Officer Jeff Perkins; Vice President for Student Affairs and Vice Provost Dennis Pruitt; Special Assistant to the President James Smith; University Treasurer and Associate Vice President and Chief of Staff for the Division of Administration and Finance Joe Sobieralski; Interim Vice President of Health and Well-Being and Chief Health Officer Jason Stacy; Assistant Vice President of Media and External Engagement Jeff Stensland; Athletics Director Ray Tanner; Vice President for Communications Larry Thomas; Executive Vice President and Chief Financial Officer Ed Walton; Senior Public Relations Manager Dana Woodward; and Board of Trustees support staff.

OPEN SESSION

I. Call to Order

Chair Smith called the meeting to order, welcomed everyone and asked Trustees in the room to introduce themselves. Secretary Howell confirmed Trustees attending via Microsoft Teams video and audio conference.

Chair Smith called on Mr. Jeff Stensland to introduce members of the media. Mr. Stensland introduced Tyler Fedor with the *Daily Gamecock* and Jessica Holdman with the *Post and Courier*.

Chair Smith stated notice of the meeting and agenda had been posted and the press notified as required by the Freedom of Information Act; the agenda and supporting materials had been circulated to the Board; and a quorum was present to conduct business.

Chair Smith, on behalf of the Board, expressed condolences and prayers for Trustee Alex English and his family, after the recent passing of Mr. English's uncle Joseph.

II. Invocation

Chair Smith invited Father Rhett Williams, Pastor of St. Thomas More Catholic Church and Catholic Chaplain of USC, to deliver the invocation.

III. Approval of Minutes

Chair Smith stated four sets of minutes were listed on the agenda and posted to the Board portal for approval. If there were no additions, deletions, or corrections to those minutes, he stated, the minutes would stand approved as distributed. Mr. Westbrook made the motion to approve the minutes, and Mr. Harlan seconded the motion. A vote was taken, and the motion carried. The following sets of minutes were approved:

- A. Audit, Compliance and Risk Committee – August 20, 2021
- B. Finance and Infrastructure Committee – June 11, 2021
- C. Health and Medical Affairs Committee – June 11, 2021
- D. University System Committee – June 11, 2021

IV. Approval of Committee Consent Agendas

Chair Smith stated the written consent agendas of three standing Committees were posted on the Board portal for this meeting. He stated each Committee requested approval for all of the items listed on the respective written consent agendas. Chair Smith called for a

motion to approve the Committees' consent agendas as posted to the Board portal. Mr. Mobley made the motion to approve the Committees' consent agendas as provided, and Mr. Loadholt seconded the motion. A vote was taken, and the motion carried. The Committees' detailed written reports follow.

A. Audit, Compliance and Risk Committee – October 15, 2021

Audit, Compliance and Risk Committee
(The Honorable Rose Buyck Newton, Chair)

Written Report for Full Board Consent Agenda

October 15, 2021

The Audit, Compliance and Risk Committee met Friday, October 15, 2021 and recommends full Board approval of all items in this written report.

– FY21-22 Audit Plan Approval

This concludes the consent agenda report of the Audit, Compliance and Risk Committee.

B. Finance and Infrastructure Committee – October 15, 2021

Finance and Infrastructure Committee
(The Honorable Mack I. Whittle Jr., Chair)

Written Report for Full Board Consent Agenda

October 15, 2021

The Finance and Infrastructure Committee met Friday, October 15, 2021 and recommends full Board approval of all items in this written report.

I. Gift Naming Approvals

A. Athletics

1. Harold White Athletics Village Courtyard
2. Joe Capobianco Court

B. USC Upstate

- G.B. Hodge, MD Perioperative Nursing Suite – USC Upstate Mary Black School of Nursing
-

II. Project Approvals and Approval of Preliminary Land Acquisition

- A. Williams-Brice Stadium Elevator Addition
- B. Williams-Brice Stadium Concourse Expansion
- C. High Performance Computing Center – 1600 Hampton Street
- D. Preliminary Land Acquisition – Portion of SC Department of Mental Health Tucker Center

III. Approval of Bond Refundings

IV. Approval of Fee Revision Request – USC School of Law

This concludes the written consent agenda report of the Finance and Infrastructure Committee.

C. Governance Committee – October 15, 2021

Governance Committee
(The Honorable Thad H. Westbrook, Chair)

Written Report for Full Board Consent Agenda
October 15, 2021

The Governance Committee met Friday, October 15, 2021 and recommends full Board approval of all items in this written report.

- I. Contract and Lease and Approvals
 - A. Beijing International Studies University – USC College of Hospitality, Retail and Sport Management
 - 1. Cooperation Agreement
 - 2. Student Exchange Agreement
 - B. EAB Global, Inc. Student Success Collaborative Membership Agreement – USC Student Affairs and Academic Support
 - C. USC Development Foundation d/b/a West Campus, LLC Service Agreement – USC Student Affairs
 - D. Blue Yonder (JDA Software) Computer Software License Agreement – USC College of Hospitality, Retail and Sport Management
 - E. James P. Barrow Gift Agreement with University Libraries
 - F. Prisma Health Agreements
 - G. Athletics Employment Contracts
 - 1. Athletics Employment Agreement – George Wynn
 - 2. Athletics Employment Agreement – Dawn Staley
- II. Department of Energy Resolution for Exclusion of Certain Trustees and Officers – Office or Research

This concludes the consent agenda report of the Governance Committee.

MOTION FOR EXECUTIVE SESSION

Chair Smith advised there was a need for an Executive Session to discuss personnel matters related to candidates for the position of President. Mr. English made the motion to enter Executive Session, and Dr. Floyd seconded the motion. A vote was taken, and the motion carried unanimously. Chair Smith invited the following to remain: Trustees, Secretary Howell, Mr. Harrell, and Dr. Korsgaard.

Chair Smith stated there would be no action taken in Executive Session. He asked those not asked to remain in Executive Session to exit the Boardroom.

EXECUTIVE SESSION

- Executive Session Removed

RETURN TO OPEN SESSION

V. Continuing Education for Trustees: Governance and Intercollegiate Athletics

Chair Smith stated, since last year, the Board has planned for a continuing education session to coincide with each scheduled meeting of the full Board. The Board's educational topic for the day is "Governance and Intercollegiate Athletics." This topic was scheduled for discussion on April 9 and again on June 25. Despite those postponements, the Board is turning to the topic again and noting the topic's importance.

First, Chair Smith reminded Trustees of the substance of the reading materials that Trustees were asked to review in preparation for the April 9 and June 25 meetings. Some press reports described allegations of problems in ways that university governing boards have sometimes "overreached" in matters related to college sports.

Chair Smith focused on important principles enforced by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC), along with guidance from experts

and best practices. Collectively, these standards and guidance describe Trustees' proper fiduciary roles relative to college sports.

The relevant SACSCOC standards are as follows:

1. SACSCOC Standard 4.2.b: "The governing board. . . ensures a clear and appropriate distinction between the policy-making function of the board and the responsibility of the administration and faculty to administer and implement policy." (Board/administrative distinction)
2. SACSCOC Standard 5.2.b: The chief executive officer has ultimate responsibility for, and exercises appropriate control over, . . . [t]he institution's intercollegiate athletics program. (Control of intercollegiate athletics)

Chair Smith summarized lessons articulated by experts: 1) The Board of Trustees sets policy. The administration and faculty enact policy. The Board stays out of management; this includes ultimate management oversight of athletics, which properly belongs to the President (or the Chancellor at Aiken, Beaufort, or Upstate). SACSCOC may penalize institutions that violate these standards. Reading materials suggest many proper ways in which a board might exercise its oversight of athletics. These ways include oversight of budgets and attention to the academic success of student athletes, but personnel decisions in athletics are made by the Athletics Director and the President (or Chancellor), not by the Board. Yes, the Board approves employment contracts, but terms are approved by the Board on the front end, not second-guessed by the Board on the back end.

Chair Smith introduced Chance Miller, Senior Deputy Athletics Director at USC Columbia, who highlighted some guidance from the NCAA. Mr. Miller provided an update regarding the Supreme Court's 2021 *Alston* decision. Furthermore, Mr. Miller outlined general reminders about recruiting, along with the following reminders specific to Trustees

regarding recruits: 1) A Trustee may provide tickets to USC events to potential student-athletes (PSAs) if the Trustee has an established relationship with them and it has been approved by Athletics Compliance. 2) A Trustee may not have contact with a PSA on or off campus. 3) A Trustee may not make calls to or have written communication (including social media) with PSAs. 4) A Trustee may view the contest of a PSA but may not speak to the PSA. 5) A Trustee may not provide any benefits, gifts, services, etc. to a PSA unless the same benefit is provided to all prospective students of USC.

Mr. Miller closed with guidelines for Trustees regarding student-athletes: 1) A Trustee may not provide benefits of any kind to student-athletes unless the benefits are provided or available to all USC students. 2) A Trustee may not provide any assistance with academics. 3) A Trustee may not provide any benefits associated with the use of a student-athlete's Name, Image, or Likeness.

Chair Smith reviewed questions intended to provoke discussion: What were some of the governance problems alleged in the articles and documentation reviewed in preparation for today? What were some of the potential consequences of the governance problems alleged in the articles and documentation? In relation to intercollegiate athletics, what are the governing board's roles and responsibilities? What are the roles and responsibilities of the chief executive? What are the roles and responsibilities of the director of athletics? How are roles and responsibilities allocated across a system of colleges and universities? What factors in college sports merit or require a board's continuing attention and education? How might the USC Board of Trustees best position itself to fulfill its policy/fiduciary/oversight roles relative to intercollegiate athletics?

Chair Smith forecasted a policy proposal for the Board's consideration. He suggested that the Governance Committee explore a policy solution modeled on examples provided by

the Association of Governing Boards and others, to make responsibilities for Athletics explicitly clear among the Board and administration and faculty, along with which Board Committees are responsible for oversight of which facets of the athletics enterprise. The Governance Committee—through consultation with USC System administration and faculty, along with Audit and Advisory Services—will develop a Board policy regarding intercollegiate athletics for review and eventual adoption by the full Board. This policy will define the following, as college sports relate to the administrative and governance functions of the USC System: policy, fiduciary, and oversight role of the USC Board of Trustees; specific responsibility and authority of various Board Committees; reporting requirements and calendar of deliverables for various Board Committees; role of Audit and Advisory Services in assisting the Board and its Committees in fulfilling their respective roles; annual education requirements for the Board regarding its duties and responsibilities; direct and ultimate authority for management by the President; responsibilities for each USC System Chancellor, along with a System-level reporting structure, as necessary; role of shared governance of institutional faculty; and alignment with missions of institutional departments of athletics. After fulfilling this policy proposal, the Board may consider suggestions and recommendations to be addressed to institutional athletic conferences and the NCAA, with appropriate consultation with the President and institutional Chancellors.

Chair Smith thanked Trustees for their attention to this topic. He voiced an expectation that a progress report about a potential policy would be provided by the Governance Committee.

Chair Smith summarized the two most important governance lessons regarding Athletics and other institutional activities: 1) The Board determines policy. 2) The administration and faculty enact policy.

Chair Smith stated the training session was received as information.

VI. Revisions to Proposed BOT Meeting Calendar for 2022

Chair Smith called on Secretary Howell to review revisions to the proposed meeting schedule for the Board for calendar year 2022. Dr. Howell notified Trustees that he would be emailing an updated schedule for 2022 to all members of the Board, requesting feedback or concerns within the following week to 10 days. He explained that logistical challenges and conflicts necessitated rescheduling the investitures at USC Aiken and USC Upstate.

Chair Smith stated the revisions were received as information.

VII. President's Report

Chair Smith called on Interim President Pastides to provide his report. Dr. Pastides noted the mid-point of the Fall Semester; a successful Family Weekend; an exciting visit from the SEC Network to campus; and a UNESCO conference hosted at the Alumni Center, highlighted by the participation of two Nobel laureates and the sponsorship by UNESCO of a faculty chair for the University.

Dr. Pastides noted that the Delta variant of the COVID virus appeared to be on the decline, that vaccination rates were increasing, and that positivity rates were declining. He thanked Dr. Stacy and his team for their diligent work to support community health.

For searches to fill vacant positions at the level of Provost and Vice President for Research, Dr. Pastides noted search committees at work. He suggested that the timing of these searches might permit the new President to name persons to fill those two important roles. Also, Dr. Pastides announced Dr. Stacy Fritz as Interim Chief of Staff; she will have oversight responsibilities for the University's Title IX Office and Equal Opportunity Program Office (renamed the Office of Civil Rights).

New *U.S. News* rankings position the University as having the best first-year experience in the nation, for the third year in a row, Dr. Pastides noted. University 101 contributes to this success. The Darla Moore School of Business retained its top place according to *U.S. News* for the 23rd year in a row.

Dr. Pastides described mental health resources for students and thanked Student Government Association President Alex Harrell for Student Government's support of promoting mental health messages.

The University endowment, Dr. Pastides noted, increased from \$782M to \$989M over the last year—growth of 26% due to strong investment gains and new gifts.

Dr. Pastides described current trends in college athletics as tumultuous. He predicted that change would come to the NCAA as a result of its constitutional self-examination. With the introduction of new members Texas and Oklahoma, he predicted further, the SEC will extend its reach in 2025.

For the fall semester of 2021, the President's State of the University address will be a virtual event, Dr. Pastides forecasted. The online format will permit the update to feature voices from students, faculty, and alumni.

Homecoming weekend events would continue through Sunday, with Vice President Dennis Pruitt receiving the Algernon Sydney Sullivan award at that evening's black-tie event. On Sunday, a record number of juniors and seniors were signed up to receive their Carolina rings at the annual Ring Ceremony.

This concluded the report from Dr. Pastides.

Chair Smith noted the report as received as information.

VIII. Other Matters

Chair Smith inquired if Trustees had other matters to present to the Board. There were none.

IX. Adjournment

Chair Smith declared the meeting adjourned at 2:30 p.m.

Respectfully submitted,

Cameron Howell
Secretary