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University of South Carolina

BOARD OF TRUSTEES

June 27, 2008

The University of South Carolina Board of Trustees met on Friday, June 27, 2008, at 2:00 p.m. in the 1600 Hampton Street Board Room.

Trustees present were: Mr. Herbert C. Adams, Chairman; Mr. Miles Loadholt, Board Vice Chairman; Mr. Arthur S. Bahnmuller; Mr. William L. Bethea, Jr.; Mr. James Bradley; Mr. Mark W. Buyck, Jr.; Mr. John W. Fields; Dr. C. Edward Floyd; Mr. Samuel R. Foster II; Mr. William C. Hubbard; Mr. William W. Jones, Jr.; Mr. Toney J. Lister; Ms. Darla D. Moore; Mr. M. Wayne Staton; Mr. John C. von Lehe, Jr.; Mr. Eugene P. Warr, Jr.; and Mr. Othniel H. Wienges, Jr.

Trustees absent were: Mr. Michael J. Mungo; Dr. James H. Rex; and Mr. Mack I. Whittle, Jr. The faculty representative, Dr. Robert G. Best; and the student representative, Mr. Andrew Gaeckle, were also present.

Others present were: President Andrew A. Sorensen; Secretary Thomas L. Stepp; Vice President and Chief Financial Officer Richard W. Kelly; Vice President for Research and Health Sciences Harris Pastides; Vice President for Information Technology and Chief Information Officer William F. Hogue; Vice President for Student Affairs and Vice Provost for Academic Support Dennis A. Pruitt; Vice President for Human Resources Jane M. Jameson; Interim Vice President for Advancement Michelle Dodenhoff; General Counsel Walter (Terry) H. Parham; Vice Provost and Executive Dean for System Affairs and Extended University Chris P. Plyler; Vice Provost for Academic Affairs William T. Moore; Vice Provost for Faculty Development Christine Curtis; Associate Vice President of Finance and Budget Director Leslie Brunelli; Associate Vice President for Business and Facilities Helen Zeigler; Associate Vice President of Marketing and Communications Gary Snyder; Chancellor of USC Aiken Thomas L. Hallman; Chancellor of USC Beaufort Jane T. Upshaw; Dean of USC Lancaster John Catalano; Dean of USC Salkehatchie Ann Carmichael; Dean of USC Union Hugh C. Rowland; Dean of the School of Medicine Donald J. DiPette; Dean of the Moore School of Business Hildy Teegen; Dean of the College of Mass Communications and Information Studies Charles Bierbauer; Campus Dean of the South Carolina College of Pharmacy Randall C. Rowen; Dean of the College of Social Work Dennis Poole; Interim Dean of the College of Hospitality, Retail, and Sports Management Sheryl F. Kline; Interim Associate Dean for Academic Affairs, College of Nursing, Mary Foster Cox; Executive Director of the Alumni

Association Marsha D. Cole; Director of Athletics Eric C. Hyman; Director of Facilities, Division of Business and Finance, Tom Quasney; Director of Capital Budgets and Financing, Division of Business and Finance, Charles D. FitzSimons; Director of the Office of Internal Audit Alton McCoy; Assistant Treasurer Susan D. Hanna; Director of the School of the Environment Madilyn M. Fletcher; Director of Women's Studies, College of Arts and Sciences, Drucilla K. Barker; Associate Chair and Graduate Director for Health Promotion, Education, and Behavior, Arnold School of Public Health, Kenneth W. Watkins; Chair and Associate Professor in the Department of Criminology and Criminal Justice Michael R. Smith; Director of Film Studies, College of Arts and Sciences, Susan Courtney; Chief Financial Officer, Department of Athletics, Jeff Tallant; Associate Athletics Director Marcy Girton; Executive Vice Chancellor of Academic Affairs, USC Aiken, Suzanne Ozment; Vice Chancellor of Business and Finance, USC Aiken, Virginia S. Hudock; Vice Chancellor for Business Affairs, USC Upstate, Robert Connelly; Director of Budgets and Resource Planning, USC Upstate, Connie Holloman; Director of Governmental Affairs and Legislative Liaison, Division of University Advancement, Casey Martin; Director of Governmental and Community Relations, Division of University Advancement, Shirley D. Mills; Board of Trustees-elect Chuck Allen; President-Elect of the Alumni Association Amy Stone; Special Assistant to the President and Athletics Director John D. Gregory; Executive Assistant to the President for Equal Opportunity Programs Bobby Gist; Religious Counselor, Hillel Jewish Counselorship, Bernard L. Friedman; Trustee Emerita Lily Hall; wife of Board of Trustees Vice Chairman Miles Loadholt, Ann Loadholt; Coordinator of Government and Community Relations, Division of University Advancement, Tommy Preston; Director of the Office of University Communications, Division of University Advancement, Russ McKinney, Jr.; University Publications Assistant Director of Periodicals, Division of University Advancement, Marshall S. Swanson; Office of Media Relations Broadcast Journalist, Division of University Advancement, Frenche Brewer; Student Government Association Vice President Meredith Ross; University Technology Services Production Manager, Justin Johnson; Board staff members Barbara Salmons, Terri Saxon, Vera Stone and Karen Tweedy; Board Office student Brandi Pope; Bond Counsel Alan Lipsitz of Nexsen Pruet; and members of the media.

Chairman Adams 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 to the members; and a quorum was present to conduct business.

Chairman Adams welcomed everyone and especially Trustee Emerita Lily Hall; Trustee-elect Amy Stone, representing the USC Alumni Association; and Trustee-elect Chuck Allen representing the 10<sup>th</sup> Judicial Circuit.

Chairman Adams called on the Board of Trustees to introduce themselves, and on Mr. McKinney to introduce members of the media who were in attendance.

At Chairman Adams' request, Mr. Friedman, Religious Counselor, Hillel Jewish Counselorship, delivered the Invocation.

Chairman Adams stated that there were personnel matters relative to recommendations for honorary faculty titles, tenure and promotion recommendations, appointments with tenure, an appointment without tenure, honorary degree nominations, and Chancellor salary supplement requests which were appropriate for discussion in Executive Session.

Mr. Bradley moved to enter Executive Session. Mr. Loadholt seconded the motion. The vote was taken, and the motion carried.

The following persons were invited to remain: Dr. Sorensen, Secretary Stepp, Mrs. Hall, Dr. Pastides, Mr. Kelly, Dr. Pruitt, Ms. Jameson, Dr. Hogue, Dr. Plyler, Ms. Dodenhoff, Mr. Parham, Mr. Chuck Allen, Ms. Amy Stone, Mr. Hyman, Dr. Moore, Dr. Curtis, Mr. Gregory, Mrs. Martin, Ms. Mills, Mr. McKinney, Mrs. Salmons, Mrs. Saxon, Ms. Stone, and Ms. Tweedy.

#### Return to Open Session

I. APPROVAL OF MINUTES: The following 5 sets of minutes were circulated by mail to the Board for review and were presented for approval:

- A. Buildings and Grounds Committee, April 11, 2008
- B. Executive Committee, April 11, 2008
- C. Board of Trustees, April 11, 2008
- D. Executive Committee, May 10, 2008
- E. Executive Committee, May 16, 2008

Since there were no additions, deletions or corrections to the minutes, they stood approved as distributed.

II. COMMITTEE REPORTS:

A. Intercollegiate Athletics Committee:  
(The Honorable Othniel H. Wienges, Jr. reported)

The Intercollegiate Athletics Committee met on June 18<sup>th</sup>, 2008. Mr. Hyman reported on the various initiatives underway at the University. Mr. Tallant presented an overview of the FY 2008-2009 Athletics Department Budget. Total revenue was projected at approximately \$65,687,264. A total of \$60,445,187 derived from department operations and \$5,242,077 generated by the Colonial Center. Overall, this figure represented a nine percent increase over the FY 2007-2008 Budget. Budgeted non-arena operational expenditures were projected to rise by ten percent for a total expenditure of \$52,091,251.

The Athletics Department is totally self-supporting, funding all direct and indirect expenses. In addition, the Department provides funds to the greater University. All Athletic revenues, including Gamecock Club donations, are non-appropriated State funds and are deposited with the University.

The proposed Department of Athletics budget was approved by the Committee for inclusion in the University's FY 2008-2009 budget recommendation of the Executive Committee.

Dr. Floyd asked how the USC Athletics Department's Budget compared to other Southeastern Conference (SEC) teams. Mr. Hyman responded that the University's budget ranked 8<sup>th</sup> in the SEC.

- Baseball Seating Plan: A thorough overview of the proposed baseball seating plan was presented at the June 18<sup>th</sup> Intercollegiate Athletics Committee meeting. Diagrams of the seating plan and materials on the cost of the various levels were distributed. The plan was developed over several months of discussion with the Gamecock club and other interested parties. The Special Committee on Athletics, including representatives from this Committee, had previously unanimously approved all parts of the Plan. The proposed baseball seating plan and pricing structure were unanimously approved by the Committee.

On behalf of the Intercollegiate Athletics Committee, Mr. Wienges moved approval of the baseball seating plan as proposed. Mr. Bahnmuller seconded the motion. The vote was taken, and the motion carried.

B. Fiscal Policy Committee:  
(The Honorable Eugene P. Warr, Jr. reported)

The Fiscal Policy Committee met on June 18<sup>th</sup> and approved the Designated Fund Budget for FY 2008-2009. The only change was an increase in the "Scholarships" line item under "Uses," from Bookstore commissions by \$400,000 and, from Trademark and Licensing by \$335,000 for a total of \$735,000. The increase was a direct result of increased revenues generated from the USC Bookstore. The budget was recommended to the Executive Committee and was

included in the proposed budget scheduled for consideration later in the meeting.

The Committee also approved the proposed Internal Audit budget, which was included as part of the overall FY 2008-2009 University budget proposal as recommended by the Executive Committee for Board consideration.

One outstanding audit issue in Purchasing, and two in Housing audit, were being addressed by staff.

Comprehensive audits of the following areas were conducted: Moore School of Business; McKissick Museum; Environmental Health and Safety; and USC Lancaster.

The one finding in the Moore School of Business audit, and the two in the McKissick Museum and the Environmental Health and Safety audits were all in the process of being resolved.

USC Lancaster had recently hired a new Assistant Dean for Business Affairs who requested a full audit, the result of which identified four findings: Construction Procurement; Cash Receipting; Returned Checks; and Segregation of Duties. All findings were in the process of being resolved.

C. Academic Affairs and Faculty Liaison Committee:  
(The Honorable John C. von Lehe, Jr. reported)

The Academic Affairs and Faculty Liaison Committee approved the following for recommendation to the Board at its June 18<sup>th</sup>, 2008, meeting:

1. Honorary Faculty Titles: Thirty-four (34) requests for honorary faculty titles were mailed with the materials for this meeting. They have received all appropriate approvals and were presented to the Committee and to the Board in Executive Session.

The following individuals would be awarded titles effective with their retirement:

For the title Distinguished Professor Emeritus and Charles L. Jacobson Professor of Public Affairs Emeritus:

Professor Steven Wetherby Hays

For the title Distinguished Professor Emerita:

Professor Alice Bee Kasakoff  
Professor Teri Kuhs

For the title Distinguished Professor Emeritus:

Professor Gary Blanpied  
Professor Thomas L. Boyd  
Professor Roger A. Coate  
Professor James Roland Coleman  
Professor Carl D. Evans  
Professor Robert J. Feller  
Professor Freeman G. Henry  
Professor Paul Cole Higgins  
Professor Joseph E. Johnson  
Professor James Dennis Lynch  
Professor Robert E. Markland  
Professor Kenneth J. Perkins  
Professor William F. Ranson  
Professor Cleveland Sellers  
Professor Robert C. Sharpley

Professor Michael S. Smith  
Professor Manfred Stoll  
Professor Pradeep Talwani  
Professor Vincent Van Brunt  
Professor Douglas F. Williams

For the title Professor Emerita:

Professor Janie H. Key  
Professor Ramona Lagos  
Professor Joann B. Morton  
Professor Linda C. Owens  
Professor Blanche L. Premo-Hopkins

For the title Professor Emeritus:

Professor Donald A. Keating  
Professor Richard Hult  
Professor Gary Miller  
Professor Faust Francis Pauluzzi  
Professor Daniel C. Steele  
Professor James R. Sweigart

On behalf of the Academic Affairs and Faculty Liaison Committee Mr. von Lehe moved approval of these thirty-four honorary faculty titles. Mr. Buyck seconded the motion. The vote was taken, and the motion carried.

2. Tenure and Promotion Recommendations: Two lists of tenure and promotion recommendations were mailed with the materials for this meeting. They received all appropriate approvals and were presented to the Committee and to the Board without objection.

a. USC Columbia: From USC Columbia the names and brief curriculum vitae of those faculty members who were recommended for promotion to professor, promotion to associate professor with tenure, promotion to associate professor, tenure at associate professor, tenure at professor, and tenure at librarian were listed in the materials distributed for the meeting.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. von Lehe moved approval of these USC Columbia tenure and promotion recommendations as distributed. Mr. Jones seconded the motion. The vote was taken, and the motion carried. [Exhibit A]

b. University Campuses: From the campuses other than Columbia, the names and brief curriculum vitae of those faculty members who are recommended for promotion to professor, promotion to associate professor, promotion to associate professor with tenure, promotion to professor with tenure, tenure at associate professor, and tenure at assistant professor were also listed in the materials distributed for the meeting.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. von Lehe moved approval of these tenure and promotion recommendations as distributed. Mr. Loadholt seconded the motion. The vote was taken, and the motion carried. [Exhibit A]

3. Appointments with Tenure: The following eight (8) requests for appointments with tenure were mailed with the materials for this

meeting. They received all appropriate approvals and were presented to the Committee and to the Board in Executive Session without objection.

a. Dr. Katherine Adams would be awarded tenure at the rank of Associate Professor in the Department of English Language and Literature, College of Arts and Sciences;

b. Dr. Kendra Albright would be awarded tenure at the rank of Associate Professor in the School of Library and Information Science;

c. Dr. Fred Beasley would be awarded tenure at the rank of Associate Professor in the Business Administration Program at USC Beaufort;

d. Dr. Allen Berger would be awarded tenure at the rank of Professor in the Department of Finance, Moore School of Business;

e. Dr. Carol Pardun would be awarded tenure at the rank of Professor in the School of Journalism and Mass Communications;

f. Dr. Paul Solomon would be awarded tenure at the rank of Associate Professor in the School of Library and Information Science;

g. Dr. Scott Trafton would be awarded tenure at the rank of Associate Professor in the Department of English Language and Literature, College of Arts and Sciences; and

h. Dr. Qi Wang would be awarded tenure at the rank of Professor in the Department of Mathematics, College of Arts and Sciences.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. von Lehe moved approval of these eight requests for appointments with tenure as presented. Mr. Hubbard seconded the motion. The vote was taken, and the motion carried.

4. Appointment without Tenure: A request for an appointment without tenure was mailed with the materials for this meeting. It received all appropriate approvals and was presented to the Committee and to the Board in Executive Session without objection.

- Dr. Hua Liang would be appointed to rank of Professor without tenure in the Department of Epidemiology and Biostatistics, Arnold School of Public Health.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. von Lehe moved approval of this request for appointment without tenure as presented. Mr. Staton seconded the motion. The vote was taken, and the motion carried.

5. Department Name Change: Department of Cell Biology and Anatomy:

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. von Lehe moved approval of this departmental name change as presented. Mr. Wienges seconded the motion. The vote was taken, and the motion carried.

6. Program Name Changes:

- a. Bachelor of Arts with a major in Criminology and Criminal Justice:
- b. Bachelor of Arts with a major in Film and Media Studies:
- c. Bachelor of Science with a major in Hospitality Management:

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. von Lehe moved approval of the program name changes as described in the materials distributed for this meeting. Mr. Bradley seconded the motion. The vote was taken, and the motion carried.

7. Degree Name Changes:

- a. Master of Science Degree with a Major in Geological Sciences:
- b. Doctor of Philosophy Degree with a major in Geological Sciences:
- c. Bachelor of Arts Degree with a major in Women's and Gender Studies:
- d. Certificate of Graduate Study in Women's and Gender Studies:

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. von Lehe moved approval of the degree name changes as described in the materials distributed for this meeting. Mr. Warr seconded the motion. The vote was taken, and the motion carried.

8. Program Proposals:

- a. Bachelor of Science Degree with a major in Environmental Science, College of Arts and Sciences, USC Columbia:
- b. Interdisciplinary Certificate of Graduate Study in Health Communication, Arnold School of Public Health and the College of Mass Communication and Information Studies, USC Columbia:
- c. Graduate Certificate in Criminal Justice Leadership, College of Arts and Sciences, USC Columbia:
- d. Master of International Business, Moore School of Business, USC Columbia:

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. von Lehe moved to establish these programs as described in the materials distributed for this meeting. Mr. Foster seconded the motion.

Mr. Bradley questioned whether the Master of International Business, Moore School of Business, program proposal would in anyway "dilute" the current masters program. Mr. von Lehe replied that this issue had been raised in the Committee's June 18<sup>th</sup> meeting, at which time the Provost assured the Committee the proposed program would not compete with the current one. Dean Teegen clarified that the new program would target a different population.

The vote was taken, and the motion carried.

9. USC Aiken Faculty Manual Changes: Proposed changes to the USC Aiken *Faculty Manual* were mailed with the materials for this meeting. These changes received all appropriate academic and administrative approvals.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. von Lehe moved approval of the proposed changes to the USC Aiken *Faculty Manual* as described in the materials distributed for this meeting. Mr. Loadholt seconded the motion. The vote was taken, and the motion carried. [Exhibit B]

10. Removal of Honorary Degree Candidates From the Table:

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. von Lehe moved to remove the names of the following honorary degree recipients from the table:

Ingo Angermeier  
Barbara M. Barrett  
Arthur M. Blank  
Mark W. Buyck, Jr.  
Paul "Pete" Dye  
Mark Alan Emkes  
Belton H. Johnson, Jr.  
Leonid Y. Kovalchuk  
Frampton W. Toole, Jr.

Dr. Floyd seconded the motion. The vote was taken, and the motion carried.

D. Executive Committee:  
(The Honorable Herbert C. Adams reported)

The Executive Committee met on June 18<sup>th</sup>, 2008.

The following contracts were approved at the meeting: Washington Intern Student Housing to formalize a housing agreement for Carolina students in the Washington Semester Program; South Carolina ETV to provide services for production of 8 one-hour TV programs that will air on the SCETV network; Lexington School Districts 2, 4 and 5 to enroll eligible employees in a program offering courses which will lead to the M.Ed. in Educational Administration degree; and an amendment of an indefinite delivery contract with BP Barber and Associates to increase the amount by \$51,000.

Also at the June 18<sup>th</sup> meeting, the Executive Committee approved the following items for recommendation to the Board for action:

1. Revenue Bond Resolution for USC Upstate Housing:

The University requested approval of a proposed resolution to issue Higher Education Revenue Bonds for \$43,500,000 in order to acquire the existing Palmetto House dormitory from the Carolina Piedmont Foundation Properties, LLC; construct a

second phase of the Palmetto House; renovate certain housing facilities; and construct a bookstore within the Health Education Complex for the University's Upstate Campus.

Mr. Lister moved approval of the Revenue Bond Resolution for USC Upstate Housing as presented. Mr. Staton seconded the motion. The vote was taken, and the motion carried. [Exhibit C]

2. Review of Scholarship Expenditures: The University requested that the Board of Trustees authorize that a portion of the annual interest income generated for the Carolina/Clemson quasi endowment be a part of the yearly funding of scholarships.

Mr. Wienges moved to authorize that a portion of the Carolina/Clemson quasi endowment annual interest income become a part of the funding of scholarships as approved by the Committee. Mr. Fields seconded the motion.

Mr. Wienges asked for clarification of the "portion." Mr. Kelly responded that the portion would be as "agreed to," which was one-half and estimated to be approximately \$55,000.

The vote was taken, and the motion carried.

3. Review of Research Quasi-Endowment: The University requested the Board of Trustees to authorize the use of \$750,000 of endowment income generated by the Research quasi endowment for the FY 2008-2009 year and that the endowment earnings be available as part of the University's yearly funding of Research.

Mr. Lister moved approval of the request as presented. Mr. Bethea seconded the motion. The vote was taken, and the motion carried.

4. Chancellor Salary Supplement Requests: The University requested salary supplements for Chancellors Hallman, Stockwell and Upshaw. These requests were presented earlier in Executive Session without objection.

Mr. Bethea moved approval of these three salary supplements as presented. Mr. Jones seconded the motion. The vote was taken, and the motion carried.

5. Farmer's Market: The University requested to increase the potential acquisition price of the Farmer's Market property to a cost not to exceed \$15 million, contingent upon the outcome of preliminary site studies and to be funded with Athletic Revenue Bonds.

Dr. Floyd moved to authorize the increase in the acquisition price of the Farmer's Market property as presented. Mr. Bahnmuller seconded the motion.

Mr. Hubbard asked that if the Board approved the property acquisition, what would be the closing time line on the property. Mr. Kelly responded that he had talked the previous day with the State Budget and Control Board Executive

Director, who told him that "upon completion of the environmental study, it probably can happen within the next thirty days." Mr. Hubbard asked if that response meant they could close on the property, and Mr. Kelly clarified, "not close, but commit the first \$1 million that will tie the property up, and then close within six months." The University would pay the \$14 million balance, and close by the end of 2008.

Mr. Fields asked how soon the University could occupy the property. Mr. Kelly replied that "the preliminary estimate was by June 2010" when the property would be available to the University for its use.

Dr. Floyd asked Mr. Kelly to report on the University's revenue from the property, prior to its occupation of it. Mr. Kelly explained that a request was made to the Budget and Control Board and to the State Department of Agriculture regarding this issue, and that he hoped to receive a final agreement within the next thirty days.

Mr. Bahnmuller expressed his support to utilize the Farmer's Market parking area for student parking when the stadium was not in use. Chairman Adams noted that his request would be forwarded to the Director of Parking Services, Derrick Huggins.

The vote was taken, and the motion carried.

[The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amount of proceeds of the tax-exempt bond issue].

6. FY 2008-2009 Budget: On June 18<sup>th</sup>, 2008, the Executive Committee, with most of the members of this Board present, unanimously approved the proposed FY 2008-2009 Budget.

Over the last few weeks, the Administration had been working with members of the Board about the concepts contained in the comprehensive budget document. Members were presented an initial draft and direct briefings.

Chairman Adams stated that the proposed budget had been responsibly formulated and shaped by input from the Board as the process had evolved. It had received intense scrutiny.

On behalf of the Executive Committee, Chairman Adams moved the adoption of the operating budget for FY 2008-2009, as presented in the materials distributed for this meeting, including tuition and fee schedules, the housing budget, and associated fee schedules, the athletics budget, and the designated funds budget. Mr. Lister seconded the motion.

Chairman Adams called on Dr. Sorensen and Mr. Kelly to define specifics of the budget.

The recommended increase per semester in tuition and fees for full-time resident undergraduate students was \$246; and for graduate students \$274. The tuition and fees increase for undergraduate and graduate students was 5.9 percent. For full-time resident students at the School of Law the tuition increase would be \$542 per semester, a 6.5 percent increase; and at the School of Medicine, resident students would pay an additional \$1,116 per semester, a 9.9 percent increase. The tuition increase was expected to generate an additional \$11,512,327 per year.

Mr. Kelly stated that every indication suggested that the State would not end the fiscal year in the "black," and would have to draw from "reserve" funds to balance the budget, as required by the State Constitution. Additional budget cuts in FY 2008-2009 were also anticipated.

The Columbia campus budget included a reduction to state appropriations totaling \$4,301,711 and an additional reduction of \$614,322 for the School of Medicine. The Columbia campus state funding cut was covered through a portion of the proposed tuition increase of \$3,768,892 and the allocation of \$532,819 in travel cuts to all academic and service units.

The tuition increase varies at the senior and regional campuses, reflecting the needs of each campus. These fee increases are in line with the current plans of other institutions in South Carolina.

In addition to offsetting the State budget cut, these funds were requested to provide for recurring new and continuing funding recommendations as listed:

- Continued support for the Faculty Excellence Initiative (fifth of six years): \$750,000
- Cover the University's share of the state mandated one percent across-the-board salary increase and related fringe benefit costs: approximately \$821,933
- Cover the University's estimated share of the employer retirement contribution increases and the annualization of the January 2008 health insurance increase: approximately \$735,000
- Expected increases in utilities and non-health insurance costs: \$1,155,022
- Designate an additional \$701,227 of student tuition revenues to fund the four percent undergraduate fee waiver
- Allocate \$369,941 to the University Libraries to maintain up-to-date collections of academic journals and books
- Support Student Affairs and Academic Support programs: \$599,330
- Support Law Enforcement and Safety and Facilities for inflationary fuel increases: \$225,000
- Continue a Facilities program to address wage levels, equity, training and additional staffing needs including an apprenticeship program with the technical colleges: \$500,000

The total operating budget of the USC system for FY 2008-2009 totaled approximately \$1 billion. The USC Columbia campus, along with the School of Medicine, accounts for 82 percent of the total budget.

The vote to approve the FY 2008-2009 Budget was taken, and the motion carried. [Exhibit D]

### III. REPORT OF THE ALUMNI ASSOCIATION

Chairman Adams called on Mr. Bethea, who provided the following report on USC Alumni Association activities.

It is always heartening to see Alumni respond to Carolina's need for help. In the first two hours after issuing an alert on the "Carolina Action Network" earlier this week, regarding overriding the Governor's veto of the Endowed Chairs Program, more than 250 e-mails had been sent by Alumni to members of the General Assembly; in twenty-four hours more than 600 emails had been sent. The vote to override the veto was 30 to 4 in the Senate, and 103 to 0 in the House, so we would like to take a little bit of the credit for that success, and thank our alumni for being so responsive in that manner.

With the support of Student Affairs, Alumni Clubs across the country will be holding Freshman Send-Offs in July and August. A total of 12 of these events in Virginia, Georgia, Tennessee, Pennsylvania, North Carolina, Washington, D.C., and in South Carolina. These events insure that incoming freshman and their parents have an immediate network - even before arriving on campus.

The month of June is orientation month here at Carolina and our student workers have been busy enrolling hundreds of students as student members of the Association even before they take their first class. More than 50% of these new members are taking advantage of the "Freshman Deal", a discounted 4-year membership. Data shows that these student members are as much five times more likely than other students to become members of the Association after graduation.

Our Regents' Dinner was held June 11th in honor of President Sorensen and the contributions of former Presidents of the Association. It was attended by former Association Presidents from the 60s, 70s, 80s, 90s and 2000s as well as President-elect Amy Stone and, of course, our guest of honor, President Sorensen.

The new Board of Governors members will take office July 1st and attend their first meeting on September 12th and 13th.

This is my last Board Meeting and I would like to take a moment to express my deep and heartfelt appreciation for the courtesy and the opportunity to serve with this distinguished body.

President Sorensen, it's been a particular privilege to have the honor to serve two years under your leadership and to see the tangible results that you have brought here and will leave with this campus as a part of your presidency.

Mr. Chairman, your leadership has been exemplary, and I am so proud to have had the honor and privilege of serving this past two years with you in the chair. It has been a real privilege. And, to all of you, thank you so much for taking me back into the fold and making me feel as if as perhaps I had never been out of the fold. It has been a great privilege. Thank you very much.

Mr. Bethea received a standing ovation. Chairman Adam thanked him and added, "please be assured it has been our pleasure to have you on this Board." He reminded Mr. Bethea that although he would rotate off the Board of Trustees and out of the President of the Alumni Association position, he just recently appointed him to the Ad Hoc Committee on Compensation.

Mr. Hubbard noted that the one consistent issue he received the most calls about, all of which being positive, was the University's Freshman Orientation Program, and he thank Dr. Pruitt and his staff for a job well done.

IV. REPORT OF THE PRESIDENT

Chairman Adams called on Dr. Sorensen, who stated that in addition to thanking Mr. Bethea for his dedicated service to the University, the Board should also thank his wife, Paula. Her tenacity and wisdom as Chair of the Council of Economic Excellence were instrumental in the successful override of the Governor's veto of the Endowed Chairs Program, which was very important to the University and to the State.

Dr. Sorensen read the following statement:

I stand before you about six years after I was selected as the 27<sup>th</sup> President this University. During the period of my candidacy I was heartened immensely by the thoughtful reflection and diligent soul-searching that went into the preparation of the Strategic Directions and Initiatives (SDI) document. I sincerely doubt that I would be standing before you today had it not been for the conscientious and thorough preparation done by the members of that task force - including several Board members -- under the able direction of then Provost Jerry Odom. The SDI published in January of 2002 clearly articulated goals, objectives, and recommendations for the University, and was a critical factor in persuading me to accept your offer. In the interim, that document has served as a guidepost to the improvement of this university's stature that would have taken years longer to accomplish if the SDI groundwork had not been laid. With the substantial support of this Board of Trustees, we were able to accomplish the overwhelming majority of the goals enunciated in those 29 recommendations.

This is neither the time nor the place to review our progress toward each of these goals and recommendations. But in my opinion we have made remarkable progress towards achieving each of them. Our success has been made possible only through the collective efforts of our leadership team and the dedicated collaboration of those whom they lead.

The University of South Carolina System has over 6,000 full-time employees, and we are functioning far more effectively as a system than we were when I became President. Clearly any attempt to single out a few for special commendation in these brief remarks would ignore the contributions of so very many. But you all know how invaluable the contributions of my dear wife, Donna, have been. Suffice it to say that over the past six years I have been privileged to lead a remarkably able and wonderfully dedicated team. You and I, all of our current and former students of this great University, and indeed all the people of South Carolina, stand in their debt.

As of August first I shall return to the passion that shaped my initial twelve years in the professoriate: teaching students in medicine and public health, and conducting research into health care and health policy. I shall especially miss the exquisite relationship Donna and I have had with thousands of students whose lives have touched ours. But I am delighted I will be continuing my involvement with an admittedly smaller number of students.

I eagerly anticipate immersing myself once again in the education of health professionals and launching research projects among several initiatives in which I shall be involved. I'm particularly excited about expanding our programs in the Upstate.

Finally, I wish you good fortune in the selection of my successor. I pledge that if asked I will share whatever wisdom I have to assist that person in taking the helm of this great institution. In the words of the ancient Old Testament writer, observing the children of Israel thriving in the land of Canaan, flowing not only with milk and honey, but also with life-sustaining water: "You have drunk from wells that you did not dig". I too have drunk from wells I did not dig, and I have benefitted incomparably from those who went before me - from our first president, Jonathan Maxcy, down to my immediate predecessor, John Palms. I pray fervently that my successor will be able to offer precisely the same benediction.

Thank you and the countless others who are not with us today for your support over the past six years. Without it, we would have accomplished nothing. God bless y'all.

Dr. Sorensen introduced Dean of the National District Attorney Association Education Division, National College of District Attorneys, Mary M. Galvin. Ms. Galvin thanked the Board for the opportunity to be located on campus and to mutually bring "great respect and honor" to the Association and the University. She noted that the association was the only national center for prosecution ethics, and that they utilized the University Law School professors' knowledge.

Mr. Buyck clarified that the National Association of District Attorneys trains all state and local prosecutors, whereas the National Advocacy Center (NAC) trains federal prosecutors. He noted that they attracted the Association to locate on the USC Campus partly because of NAC and "partly because we promised them that they would be in our new Law School Building, and that is a promise that we have got to keep."

#### V. OTHER MATTERS

##### A. Ad Hoc Committee on Compensation:

Chairman Adams stated that pursuant to and in light of the ongoing search for the University's 28<sup>th</sup> President, he created an Ad Hoc Committee on Compensation according to Article VI, Section 2 of the Bylaws:

Special or Ad Hoc Committees shall be appointed by the permanent Chairman of the Board upon authority of the Board with such powers and duties and period of service as the Board may determine, provided that no special or ad hoc committee shall be created to act upon any matter appropriate to be acted upon by a standing committee.

Composition of the Ad Hoc Committee on Compensation Committee:

- The Chairman of the Board or his designee,
- An at large member of the Board of Trustees designated by the Chairman,
- The Chairman of the USC Educational Foundation,
- The Treasurer of the University, and
- A trustee member of the Presidential Candidate Search Committee to be appointed by the Chair of the Search Committee.

The scope and purpose of the committee shall be to plan for the compensation package of the next president and, no less than annually, to review the compensation of the President, Vice Presidents, Chancellors, and officials of equivalent rank.

The Vice President for Human Resources and the General Counsel shall serve as designated staff to the Committee.

Chairman Adams reported that the Committee had already met twice at which a compensation package for the 28<sup>th</sup> president had been discussed.

Dr. Floyd asked if the Ad Hoc Committee would report to the Executive Committee and if they had any guidelines to follow. Chairman Adams replied that the Committee would develop and recommend a compensation package for Executive Committee and full Board approvals. It was a "working" committee. He noted that in the past there had been no formal designation as to who would develop compensation packages for incoming presidents. Since a portion of the presidents' compensation came from USC Foundations, he felt they should be included on the "ground floor" in the development of the compensation packages.

Dr. Floyd asked if Mr. Adams, as Chair of the Executive Committee, would provide parameters for the Ad Hoc Committee on Compensation. Chairman Adams explained that the Committee would establish a compensation request, within the State Agency Head Salary Commission's established State ranges, and that the Commission would then set the State's portion of the compensation. In addition, the University has utilized USC Educational and USC Research Foundation funds, to at least match or exceed the State funds.

Dr. Floyd asked if the topic of compensation was discussed during candidate interviews. Chairman Adams replied no. Mr. Buyck added that he would like the Committee's authority to extend to consideration of compensation packages for "retiring" presidents. Chairman Adams agreed that their authority would cover Mr. Buyck's request.

Mr. Bradley stated that while the Ad Hoc Committee on Compensation was very important, he suggested the Board realize they had an obligation beyond the "upper echelon." There were approximately 6,000 USC faculty and staff, who, if lucky, would get a one percent salary increase, while being faced with an average of a three percent inflation rate. He said they had a responsibility to try to get pay increase above a one percent, before the University continued to lose good faculty. Chairman Adams agreed with Mr. Bradley and noted that traditionally the Provost tried to work within the parameters of the budget to keep good faculty.

Chairman Adams added that the salary issue was one reason the University needed a capital campaign.

Chairman Adams noted his observation of Dr. Sorensen's value not only to the University, but to the State and community. He expressed appreciation, on behalf of the Board, to Dr. and Mrs. Sorensen and noted that he could not remember a president of USC having "the respect and the love of the students like Andrew Sorensen." He made the students at the Columbia and non-Columbia campuses feel

like they are part of one family, which is a very valuable aspect of Dr. Sorensen's presidency "and a challenge to the next president."

B. Presentation of Resolutions: Chairman Adams asked Mr. Bethea, Mr. Staton, and Mr. Fields, individually and in that order, to join Secretary Stepp, President Sorensen, and him at the podium. Secretary Stepp read the following resolutions, which were presented to each of the three outgoing Board members.

University of South Carolina  
BOARD OF TRUSTEES

Resolution

WHEREAS, William L. Bethea, Jr., has been President of the Board of Governors of the Carolina Alumni Association and thereby an ex officio member of the Board of Trustees since 2006; and

WHEREAS, Mr. Bethea previously served on the Board of Trustees with great distinction as the representative of the 14th Judicial Circuit from 1980 until 1991; and

WHEREAS, his board tenure has included service as Chairman of the Academic Affairs and Faculty Liaison Committee, and membership on the Buildings and Grounds, Fiscal Policy, Health Affairs, and Student-Trustee Liaison Committees and numerous appointments on various ad hoc Committees, particularly several on policies and bylaws and two Presidential Candidate Search Committees; and

WHEREAS, during his term as President of the Board of Governors of the Carolina Alumni Association, he has pursued a vigorous effort to improve the outreach, impact, and increase the financial stability of the Association which has led to the completion of a long-range plan for an alumni center; and

WHEREAS, Mr. Bethea's impact on South Carolina as a lawyer, businessman, and active participant in many of the most important efforts to improve the quality of life in this State in recent years is most significant; and

WHEREAS, Bill Bethea's dignity, intelligence, hard work, good humor, tireless commitment, credible demeanor, and lasting love of Carolina have caused progressive change and progress for this University and this State.

THEREFORE BE IT RESOLVED that the Board of Trustees expresses its sincere appreciation to William L. Bethea, Jr., for his devoted service to his country as a decorated United States Marine, for his devotion to Carolina and dedication to its mission, and for his leadership of its alumni in addition to his service on this Board; and

BE IT FURTHER RESOLVED that a copy of this resolution be presented to William L. Bethea, Jr., as a token of the high esteem in which he is held.

PRESENTED THIS 27TH DAY OF JUNE 2008  
AT COLUMBIA, SOUTH CAROLINA

\_\_\_\_\_  
Board Chairman, Herbert C. Adams

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University President, Andrew A. Sorensen

\_\_\_\_\_  
Board Secretary, Thomas L. Stepp  
University of South Carolina

BOARD OF TRUSTEES

Resolution

WHEREAS, M. Wayne Staton has served as a member of the Board of Trustees as an able representative of the 15th Judicial Circuit since July 1, 1996; and

WHEREAS, Mr. Staton has served as Chairman of the Fiscal Policy Committee and as a member of the Academic Affairs and Faculty Liaison, Buildings and Grounds, Health Affairs, and Student-Trustee Liaison Committees with dedication and distinction; and

WHEREAS, he has also served Carolina on the Fraternity and Sorority Housing Study Committee and the Ad Hoc Committee on Advancement as well as a member of the Development Foundation Board from 1999 until 2005; and

WHEREAS, Wayne Staton is a distinguished banking professional and community leader who has worked to insure the balanced growth of South Carolina's valuable coastal regions; and

WHEREAS, he is known for his pleasant, balanced and thoughtful demeanor in the boardroom and his passionate support of Gamecock athletics at home or away, on the playing field or court.

THEREFORE BE IT RESOLVED that the Board of Trustees expresses its sincere appreciation to M. Wayne Staton for his devoted service to and passionate support of the University, including membership on this Board; and

BE IT FURTHER RESOLVED that a copy of this resolution be presented to M. Wayne Staton as a token of the high esteem in which he is held and in anticipation of many years of future support and advocacy of Carolina.

PRESENTED THIS 27TH DAY OF JUNE 2008  
AT COLUMBIA, SOUTH CAROLINA

\_\_\_\_\_  
Board Chairman, Herbert C. Adams

\_\_\_\_\_  
University President, Andrew A. Sorensen

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Board Secretary, Thomas L. Stepp

University of South Carolina  
BOARD OF TRUSTEES

Resolution

WHEREAS, John W. Fields has been a member of the Board of Trustees since December 22, 2005; having served both by appointment of the Governor of South Carolina and by election by the General Assembly; and

WHEREAS, Mr. Fields has served with vigor and integrity on the Academic Affairs and Faculty Liaison, Buildings and Grounds, Fiscal Policy, Health Affairs, and Student-Trustee Liaison Committees; and

WHEREAS, he joined the University's Board of Visitors in 1998; became Vice Chairman and then Chairman for Carolina's Bicentennial Year of 2001-2002, leading that body with imagination and thoughtful foresight; and

WHEREAS, he has served his community and state as the Assistant Solicitor of the 10th Judicial Circuit and the City of Seneca as City Attorney, City Judge, and a member of City Council, as Mayor Pro Tem and as Mayor from 1992 to 1996; and

WHEREAS, John Fields is a distinguished and keen practitioner of the law in the areas of Real Estate, Probate, Wills, Title Insurance, Civil Litigation, Criminal Law, Social Security and Workers Compensation; and

WHEREAS, this native of Florence and alumnus of Carolina is known across South Carolina for continuously spreading good cheer, good will, and good works and for an infectious smile only slightly veiling intelligent and caring inquisitiveness.

THEREFORE BE IT RESOLVED that the Board of Trustees expresses its sincere appreciation to John W. Fields for his devoted service to the University including service on the Board of Visitors and the Board of Trustees; and

BE IT FURTHER RESOLVED that a copy of this resolution be presented to John W. Fields as a token of the high esteem in which he is held and in anticipation of many years of future support and advocacy of Carolina.

PRESENTED THIS 27TH DAY OF JUNE 2008  
AT COLUMBIA, SOUTH CAROLINA

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Board Chairman, Herbert C. Adams

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University President, Andrew A. Sorensen

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Board Secretary, Thomas L. Stepp

Following the presentation of each Resolution, the recipients gave brief remarks.

VI. ADJOURNMENT

Since there were no other matters to come before the Board of Trustees, Chairman Adams declared the meeting adjourned at 12:30 p.m.

Respectfully submitted,

Thomas L. Stepp  
Secretary