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University of South Carolina

BOARD OF TRUSTEES

December 15, 2008

The Board of Trustees of the University of South Carolina met on Monday, December 15, 2008, at 9:30 a.m. in the 1600 Hampton Street Board Room.

Trustees present were: Mr. Miles Loadholt, Chairman; Mr. Samuel R. Foster II, Board Vice Chairman; Mr. Herbert C. Adams; Mr. Chuck Allen; Mr. Arthur S. Bahnmuller; Mr. J. Egerton Burroughs; Mr. Mark W. Buyck, Jr.; Dr. C. Edward Floyd; Mr. William C. Hubbard; Mr. William W. Jones, Jr.; Mr. Toney J. Lister; Ms. Amy E. Stone; Mr. John C. von Lehe, Jr.; Mr. Eugene P. Warr, Jr.; Mr. Mack I. Whittle, Jr.; and Mr. Othniel H. Wienges, Jr. Trustees absent were: Mr. James Bradley; Ms. Darla D. Moore; Mr. Michael J. Mungo; and Dr. James H. Rex.

The faculty representative, Dr. Robert G. Best; Chair-elect of the Faculty Senate Patrick D. Noland; and the student representative, Mr. Andrew T. Gaeckle, were also present.

Others present were: President Harris Pastides; Secretary Thomas L. Stepp; Executive Vice President for Academic Affairs and Provost Mark P. Becker; Vice President and Chief Financial Officer Richard W. Kelly; Vice President for Strategic Planning William T. Moore; Vice President for Student Affairs and Vice Provost for Academic Support Dennis A. Pruitt; Vice President for Information Technology and Chief Information Officer William F. Hogue; Vice President for Human Resources Jane M. Jameson; General Counsel Walter (Terry) H. Parham; Interim Vice President for Advancement Michelle Dodenhoff; Interim Vice President for Research Rose Booze; Vice Provost and Executive Dean for System Affairs and Extended University Chris P. Plyler; Chancellor of USC Beaufort Jane T. Upshaw; Chancellor of USC Upstate John C. Stockwell; Dean of USC Lancaster John Catalano; Dean of USC Sumter C. Leslie Carpenter; Dean of USC Union Hugh C. Rowland; University Treasurer Susan D. Hanna; Associate Vice President of Finance and Budget Director Leslie Brunelli; Vice Provost for Health Sciences Russell R. Pate; Vice Provost for Academic Affairs and Dean of Undergraduate Studies Helen I. Doerpinghaus; Associate Vice Provost for Academic Resources Edward L. Walton; Assistant Provost for Academic Programs Kristia H. Finnigan; Dean of the College of Education Les Sternberg; Dean of the School of Music Tayloe Harding; Dean of the College of Nursing Peggy O. Hewlett; USC Campus Dean of the South Carolina College of Pharmacy Randall C. Rowen; Dean of the College of Social Work Dennis Poole; Executive Director of the Alumni Association,

Division of University Advancement, Marsha A. Cole; Director of Athletics Eric C. Hyman; Director of the Department of Internal Audit Alton McCoy; Associate Dean of the College of Social Work Miriam Johnson; Assistant Executive Director of the Alumni Association, Division of University Advancement, Lynn G. Bradley; Director of Governmental Affairs and Community Relations Shirley Mills; Associate Director of Governmental Affairs and Legislative Liaison Casey Martin; Executive Assistant to the President for Equal Opportunity Programs Bobby Gist; Vice Chancellor for Business and Finance, USC Aiken, Ginger S. Hudock; Vice Chancellor for Advancement, USC Beaufort, Lynn McGee; Mr. Bernard L. Friedman, Hillel Jewish Counselorship; Interim Director of University Communications, Division of University Advancement, Margaret Lamb; Associate Professor, Department of Computer Science and Engineering, John B. Bowles; University Technology Services Production Manager, Justin Johnson; Board staff members Terri Saxon, Vera Stone, and Karen Tweedy; and members of the media.

Chairman Loadholt 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 Loadholt welcomed everyone and asked Board members and members of the University family to introduce themselves. Ms. Lamb indicated that no members of the media were in attendance.

At Chairman Loadholt's request, Mr. Bernard L. Friedman, Hillel Jewish Counselorship, delivered the Invocation.

Chairman Loadholt stated that there were personnel matters relative to recommendations for honorary faculty titles, for tenure and promotions, and for honorary degree nominations; as well as contractual matters relative to gift namings which were appropriate for discussion in Executive Session.

Mr. Whittle moved to enter Executive Session. Mr. Warr seconded the motion. The vote was taken and the motion carried.

The following persons were invited to remain: President Pastides, Secretary Stepp, Dr. Becker, Dr. Moore, Mr. Kelly, Dr. Pruitt, Mrs. Jameson, Dr. Hogue, Dr. Plyler, Dr. Booze, Ms. Dodenhoff, Mr. Parham, Mr. Hyman, Mr. Gregory, Ms. Mills, Mrs. Martin, Ms. Lamb, Mrs. Saxon, Ms. Stone and Ms. Tweedy.

#### Return to Open Session

- I. APPROVAL OF MINUTES: The following nine sets of minutes were circulated by

mail to the Board for review and were presented for approval:

- A. Ad Hoc Committee on Strategic Planning, October 16, 2008
- B. Fiscal Policy Committee, October 24, 2008
- C. Executive Committee, October 24, 2008
- D. Board of Trustees, October 24, 2008
- E. Buildings and Grounds Committee, November 7, 2008
- F. Student-Trustee Liaison Committee, November 7, 2008
- G. Ad Hoc Committee on Development, November 7, 2008
- H. Health Affairs Committee, November 7, 2008
- I. Academic Affairs and Faculty Liaison Committee, November 7, 2008

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

II. COMMITTEE REPORTS:

- A. Academic Affairs and Faculty Liaison Committee:  
(The Honorable William W. Jones, Jr., reported)

The Academic Affairs and Faculty Liaison Committee met on Friday, November 7<sup>th</sup>, and earlier today. The following items were approved for recommendation to the Board:

1. Honorary Faculty Titles: Thirteen requests for honorary faculty titles were mailed with the materials for this meeting. They had received all appropriate approvals and were presented to the Committee and to the Board in Executive Session.

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

For the titles Heyward Gibbes Distinguished Professor of Internal Medicine Emeritus and Distinguished Professor Emeritus:

Professor Charles Bryan

For the title Distinguished Professor Emerita:

Professor Ann Bowman  
Professor Trudy Henson  
Professor Marsha Shelburn

For the title Distinguished Professor Emeritus:

Professor William Brockington Jr.  
Professor William Marsh  
Professor Randolph Martin  
Professor Bruce Meglino  
Professor Hoyt Wheeler

For the title Professor Emerita:

Professor Phyllis Farr-Weinstein  
Professor Karen Peel

For the title Professor Emeritus:

Professor Robert Angel  
Professor William Shelburn

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval of these thirteen honorary faculty titles. Mr. Buyck seconded the motion. The vote was taken and the motion carried.

2. Program Proposals:

- a. Bachelor of Science in Engineering with a major in Engineering Science
- b. Bachelor of Social Work

- c. Bachelor of Arts with a major in Studio Art, USC Beaufort
- d. Graduate Certificate in Biomedical Studies
- e. Confucius Institute
- f. Bachelor of Arts in Organizational Leadership, Regional Campuses

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval of the program proposals as presented. Mr. Hubbard seconded the motion. The vote was taken and the motion carried.

3. Department Name Change:

- Department of Physical Education and Athletic Training, College of Education

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval of the Department Name Change as presented. Mr. Lister seconded the motion. The vote was taken and the motion carried.

B. Buildings and Grounds Committee:  
(The Honorable Toney J. Lister reported)

The Buildings and Grounds Committee met on November 7<sup>th</sup>, 2008, and the following items required Board approval.

1. Items Requiring Board Approval:

a. Project Approval (Phase II):

- Cliff Apartments: In February 2008, the Board of Trustees approved a project to fund the initial design and development of a cost estimate for renovations to the apartment kitchens and the replacement of bathroom vanities.

On behalf of the Buildings and Grounds Committee, Mr. Lister moved to fully fund the project for construction with a budget of \$850,000 funded with Housing Reserve Funds. Mr. Jones seconded the motion. The vote was taken and the motion carried.

b. Other Approvals:

- Harper/Elliott Life Safety Upgrades: The project would fund life safety upgrades to the center section of the building which houses the Honors College. Work would include fire alarm system upgrades, installation of a sprinkler system, and minor structural/seismic upgrades to the chimneys and parapets. Approval was requested to fund the entire project.

On behalf of the Buildings and Grounds Committee, Mr. Lister moved to establish this project with a budget of \$450,000 funded with Institutional Capital Project Funds. Mr. Allen seconded the motion. The vote was taken and the motion carried.

c. Gift Naming Opportunities: The following were presented in

Executive Session without objection:

i. USC Upstate:

- a) "The White Oak Estates Lecture Room"
- b) "The David B. Dedmon, DMD Classroom"
- c) "The AT&T Conference Room"

- ii. USC Columbia - School of Law:
  - a) "The Belser & Belser Student Meeting Room"
  - b) "The Alexander M. Bullock Library Study Carrel"
- iii. USC Beaufort :
  - "The Wes and Margaret Jones Oval Garden Plaza"

On behalf of the Buildings and Grounds Committee, Mr. Lister moved to approve the gift namings as recommended by the Gift Naming Opportunities Committee. Mr. Buyck seconded the motion. The vote was taken and the motion carried. Mr. Jones abstained.

d. Development Foundation Report: Mr. Rockafellow provided updates on the following Foundation projects: The Inn at USC; Adesso; and Wheeler Hill. He also discussed the Foundation's commitment to the Athletics Department, to allow them to use property they owned at Williams and Blossom Streets for parking for the new baseball stadium on an interim basis.

Also in the meeting, Mr. Heath reported on the University's Gift Naming Opportunities Committee proposed language addition to their guidelines, regarding Donor Recognition. Secretary Stepp explained that the language was an effort to standardize recognition signage.

C. Executive Committee:  
(The Honorable Miles Loadholt reported)

The Executive Committee met earlier today and approved a gift agreement for USC Lancaster to acquire the Thomas J. Blumer Catawba Indian Pottery Collection and Archives.

The following items were approved for recommendation to the Board for action:

1. Loan from the State Energy Office for USC Aiken Energy Efficient Loan Program: The South Carolina Energy Office approved USC

Aiken's request to borrow \$440,000 to replace a 240-ton centrifugal chiller in the Science Building and to retrofit lighting in the Science Building and in the Etherredge Center.

Mr. Adams moved to approve USC Aiken's request borrow \$440,000 from the State Energy Office as presented. Mr. Bahnmuller seconded the motion. The vote was taken and the motion carried.

2. Palmetto Health Affiliation Agreement: The University sought approval of an affiliation agreement between Palmetto Health and the School of Medicine to participate in ongoing joint planning to address matters such as: facilities and equipment needs; new programs and facilities development; and funding opportunities by local, state, federal and other potential sources.

Mr. Warr moved to approve the affiliation agreement as presented. Mr. von Lehe seconded the motion. The vote was taken and the motion carried.

3. MUSC/USC Pharmacy MOU Revision: The original Memorandum of Understanding (MOU) between USC and MUSC outlining the organizational and operational structure for the South Carolina College of Pharmacy (SCCP) was approved by USC Board of Trustees on December 17<sup>th</sup>, 2007.

Since that time, Dr. Joe DiPiro, Executive Dean of the SCCP, sought accreditation of the SCCP by the Accreditation Council for Pharmacy Education (ACPE). The SCCP was granted "Candidate Accreditation Status" by ACPE in June 2007; which was an intermediate step leading to Full Accreditation, once all ACPE standards had been met and the school graduated its first class.

As part of its on-going review of the SCCP, ACPE had advised them that they needed to address two issues. First, they must develop "one set of tenure and promotion policies" that would apply to both MUSC and USC. Secondly, USC and MUSC must facilitate approval of a Tenure and Promotion System - approved by the respective Boards of Trustees that promoted a "one-college" environment.

Toward that end, amendments to the existing MOU were negotiated and recommended by Dr. DiPiro and were designed to accomplish the following issues:

Organizational Change. The MOU originally provided that Dr. DiPiro report to USC's former Vice President for Research and Health Sciences, who served on the SCCP Oversight Board. Since that position no longer existed in that form, the proposed amendments provided that Dr. DiPiro would report to USC's Provost, and that the Provost would serve on the Oversight Board.

Accreditation issues. Amendments to the MOU provided that new SCCP faculty hires be employed by either USC or MUSC, and be subject to that employing institutions' employment policies, rules and regulations. MUSC and USC would create uniform tenure and promotion criteria for both institutions.

The proposed amended MOU had been reviewed and approved by the MUSC Board of Trustees on December 12<sup>th</sup>, 2008.

Mr. Foster moved to approve the revisions to MUSC/USC Pharmacy MOU as presented. Mr. Whittle seconded the motion. The vote was taken and the motion carried.

4. Policy on Verification of Lawful Presence in the U.S.: Pursuant to the South Carolina Code of Laws, it was necessary for institutions of higher learning to institute a process by which lawful presence in the United States was verified.

Mr. Lister moved to approve this University policy as presented. Mrs. Stone seconded the motion. The vote was taken and the motion carried.

D. Health Affairs Committee:  
(The Honorable John C. von Lehe, Jr. reported)

The Health Affairs Committee met on Friday, November 7th. The following items were approved for recommendation to the Board for action:

1. Pee Dee Health Education Consortium: This MOU was a collaboration between Francis Marion University, the Carolinas Hospital System of Florence and McCloud Regional Medical Center to enhance and develop more USC health education programs in the Pee Dee region.

On behalf of the Health Affairs Committee, Mr. von Lehe moved approval of the MOU

as distributed in the materials for this meeting. Mr. Lister seconded the motion. The vote was taken and the motion carried.

2. Board Representation on Greenville Hospital Program Oversight

Committee: The committee approved the appointment of Mr. von Lehe and Mr. Whittle to serve as the Board representatives on the Greenville Hospital Program Oversight Committee.

On behalf of the Health Affairs Committee, Mr. Foster moved approval to appoint Mr. von Lehe and Mr. Whittle to serve as the University of South Carolina Board of Trustees representatives on the Greenville Hospital Program Oversight Committee. Mr. Adams seconded the motion. The vote was taken and the motion carried.

E. Student-Trustee Liaison Committee:  
(The Honorable Amy E. Stone reported)

The Student-Trustee Liaison Committee met on Friday, November 7th. Ms. Melissa Gentry, Director of the Department of the Office of Parents Programs, and staff members provided a brief history and overview of the Department. The role of which was to foster positive relationships with students' parents and to provide parents with communication, advice and support. The Department also organizes parents' panels and hosts various recruiting events.

Mr. Gaeckle stated that on November 20<sup>th</sup> an inaugural event called "Pastides Palooza" would be sponsored by the students to honor Dr. Pastides as the 28<sup>th</sup> President of the University of South Carolina.

Mr. Gaeckle reported that financial reforms had been made in the Division of Student Life, which would allow for allocation of funds to politically and religiously affiliated organizations and fraternity and philanthropic organizations.

He reported that a Farmers Market, held once a month, was available to students on the Columbia campus. It was a collaborative effort between the Department of Agriculture, the Student Government Association, and Healthy Carolina.

Mrs. Stone invited all to President Pastides' Investiture Ceremony to be held on Friday, November 21<sup>st</sup> at 3:30 p.m. in the Koger Center.

SGA representatives from the regional campuses gave brief reports about activities on their respective campuses.

F. Ad Hoc Committee on Development:  
(The Honorable C. Edward Floyd, M.D., reported)

The Ad Hoc Committee on Development met on November 7<sup>th</sup>. Ms. Dodenhoff, discussed a report prepared by the University's capital campaign consultants, Grenzebach Glier and Associates, Inc., entitled "Philanthropy and the Economy." The report noted that despite recessions over the last 40 years, private giving had continued to grow.

Ms. Dodenhoff reiterated that this was a time to "stay close to our donors" to determine the right time for them to pledge and to fulfill their pledges. Much of their work at this time was devoted to this seamless communication with donors.

III. REPORT OF THE ALUMNI ASSOCIATION: Chairman Loadholt called on Mrs. Stone. She stated that Homecoming was a festive week on campus. The students sponsored many activities on Greene Street to create excitement heading into the weekend. On Friday, November 7<sup>th</sup>, the Alumni Association hosted the annual Homecoming Awards Gala at the Convention Center. Five outstanding alumni and friends of the University were honored: Jim Hoagland received the Distinguished Alumni Award; Reverend John Culp the Algernon Sydney Sullivan Award; Darrin Thomas the Outstanding Black Alumni Award; Dr. Nikki Campbell the Outstanding Young Alumni Award; Charles Bierbauer became an Honorary Life Member; and Board member Mark Buyck was recognized as the Distinguished Alumni Award Winner for the College of Mass Communications and Information Studies.

On Saturday before the Arkansas game, the Association hosted a Game Day Party with more than 350 alumni in attendance.

On November 12<sup>th</sup>, the Association, in partnership with the Gamecock Club, hosted its annual Basketball Preview Party "Meet the Coaches." The event achieved a record attendance of more than 500 alumni and Gamecock Club members.

The Association's "Step Up" receptions gave alumni an opportunity to meet USC's new President, Dr. Pastides, and hear his vision for the University. The first "Step Up" reception was held on October 27<sup>th</sup> in Lake City at the home of Board member Ms. Moore. Mr. Buyck, Dr. Floyd, and Mr. Warr served as hosts.

The Carolina Alumni Association's goal was to have 40,000 members by the end of 2010. "Join Up" was the theme of the membership campaign, which complimented the "Step Up" Campaign. USC currently ranked in the middle of the SEC in membership totals, and 40,000 would place USC closer to the top. The "My Carolina" testimonials and profiles continued, and the "My Carolina" brand had become popular.

Mrs. Stone urged anyone who was not currently a member of the Association to become a member, in order to help the Association reach its goal.

The Alumni Association along with the Gamecock Club had put together a travel program for the Outback Bowl. Several packages were available, and a great crowd in Tampa to cheer on the Gamecocks on New Year's Day was expected.

Mrs. Stone proudly announced that Lynn Bradley, Associate Director for Alumni Engagement, recently received the first Advancement Award given at the University. Nominations for this award came from peers and co-workers. It was given to an Advancement professional who exemplified the "best of Carolina." Considering this was the first time it was awarded, there were many nominations. Ms. Bradley had been with Carolina over 20 years and was most deserving of this prestigious new award. Mrs. Stone recognized Ms. Bradley, congratulated and thanked her for her service.

Dr. Floyd asked Mrs. Stone if either the Alumni Association or the Department of Athletics had developed, or was in the process of developing, an Outback Bowl package designed for students, considering their limited budgets, in order to encourage their attendance at the Bowl. Mrs. Stone said that it was a great idea, but that the

Association did not have such a package in place. However, she asked Mr. Hyman and Ms. Cole to consider the request to explore any student incentives to attend the Bowl.

Mr. Gaeckle noted that although the SGA did not have any defined packages available, they had forwarded information to students through their email listserv, regarding discounts and packages offered by the hotel chains.

IV. REPORT OF THE PRESIDENT: Chairman Loadholt called on President Pastides who began his report by saluting Provost Mark Becker, Georgia State University's new President effective January 1<sup>st</sup>, 2009. President Pastides noted, among numerous others, Dr. Becker's three major accomplishments at USC, which included helping to recruit outstanding faculty to USC through the Faculty Excellence Initiative; helping to retain the best faculty by elevating the standards for promotion and tenure, and helping deans and faculty "see where the bar was set"; and helping transition USC to a global university through his leadership in bridging relationships, especially with China, which led to establishing the USC's new Confucius Institute. Dr. Becker said that it had been an honor to serve Carolina.

President Pastides addressed the Board.

My report today contains several important topics about our present and our future. Let me turn to our financial situation first.

As you know, the Budget and Control Board issued across-the-board cuts of 7 percent last week. That amounts to a cumulative total of just under \$52 million since June. That is an over 23 percent cut to our State Appropriation. Quite frankly, that amount exceeded even our realistic expectations, but it is to date within our level of planning tolerance. As you know from my regular communications, deans and vice presidents have been instructed to plan for additional cuts as they recalibrate their budgets. So, even though the total amount cut is breathtaking, we will manage, and we will manage strategically.

Last week we concluded budget meetings with our deans, vice presidents and chancellors. All presentations reflected the units' strategic priorities and, equally important - a compassionate approach to the difficult decisions we face.

Their plans adhere to the guidance I provided, which was threefold: guard the quality of education provided at our university; this is our core mission and it is what we are known for. Second, preserve the atmosphere for faculty research, scholarship, creative performance and innovation. Again this is essential for us and the State of South Carolina if we are to advance. Third, protect and enhance our most recognized and respected programs.

I will not lead the university into a bunker to wait out the economic downturn. We need to be present in the world and always looking for that break in the economic clouds. When the sun peeks

through, I want our University to be the first to see it. And when the sun does shine again, and it will, I want our best programs to be reflected more brightly than ever.

While over 300 positions have been affected, I am proud that, so far, fewer than 20 staff members will lose their jobs due to reductions in force. No tenure track or tenured faculty will lose their jobs, although we are leaving nearly 30 faculty positions unfilled. We are managing by allowing attrition and re-assignment to cover lost positions to the extent possible, and in many cases faculty are stepping forward, stepping up, to take on additional teaching loads, and staff members are working even harder to do the same with less; many have doubled their duties. As the latest state reduction is implemented and we plan for additional cuts in the first part of the new year, additional staff may be reduced.

It speaks very well for Carolina that we have thus far minimized job loss and class disruption as we have lost nearly \$52 million in recurring funding!

Looking ahead to next year, there are plans not to renew some 40-50 annually appointed instructors, and certainly there will be more positions affected. But we will continue to be strategic and compassionate in our approach.

Furloughs have been avoided until now, but that may not be possible in the future. Furloughs are less than ideal because they create only one-time savings and they are across the board and not strategic. They affect non-state funded positions, thus impacting many programs that do not use state funds while not allowing any reallocation of the funds not used. Finally, they impact the lower paid members of our university family more adversely. Still, I am likely to accept the recommendation of limited furloughs for two of our campuses outside Columbia in the near future, and others could be announced later.

Where do we go from here? My team has developed detailed plans to get us through this fiscal year barring extraordinary surprises this spring. But we've been told to make plans for another 15 percent reduction in the next fiscal year.

Tuition is a valuable source of revenue, but I have pledged to keep increases moderate. You, the board, of course will advise me about this early next year.

Philanthropy is more important than ever. I can report to you

that, while cash receipts are down so far this year, as they are throughout higher education, many of our supporters are not saying "no" they are saying "yes, but I can't right now."

Conservation measures in the energy and transportation sectors and service reductions have also been implemented. We'll be working smarter, harder, longer and leaner.

Friday I held a town hall meeting with faculty, staff and students, and I can say that they understand and appreciate our dire circumstances. I delivered the same sober news as I bring to you this morning, and during and after the meeting, they offered our beloved university their unconditional support.

There are not many universities in America where, facing these challenges, this would be the case and that is why I can say, still today, as I did on the first of August, that this is the community I want to be a part of.

All this brings me to my next topic.

As you know, *Focus Carolina*, our system-wide strategic planning effort, is underway. As the crisis deepened, two things became clear. First, we had to hasten our efforts in several ways, but we did not abandon planning. Just the opposite; our plans have guided us and will continue to, in recalibrating our budgets throughout the system. Second, and to the point I turn now, the crisis has made it clear that we need an extra dimension of planning, one that goes beyond a set of important initiatives such as those we saw in SDI.

We must embark on an ambitious mission to reshape the entire university system. We must analyze the mission and purpose of each one of our campuses across the state, and we will examine each college and service unit on each of our campuses.

This will be the boldest step the university has undertaken in modern times to fulfill its mission and pursue a path toward excellence. *Focus Carolina* will continue as planned, but we need that new dimension and we need it quickly. We can call it *ReFocus Carolina*.

Our situation will not improve any time soon and we cannot afford to stall. And we cannot afford to fail. Moreover, we have nowhere to turn for a bailout. Consider *ReFocus Carolina* our own equivalent of a stimulus plan.

Everything will be reviewed, including how we deliver our product, the mix of teaching and research, how we price our product, our organizational structure, our budgeting model, our admissions

policies and our enrollment management. And we must carefully examine the size of the University, campus by campus.

We have the right administrative team, including the Vice Presidents and the deans, to meet these challenges and I have the right Board of Trustees. When you elected me president, I was honored by your confidence. Today I need to enlist your support and involvement even further.

In the weeks and months ahead I will be asking you to help make the case for Carolina to the General Assembly and to the business community. We need laws amended. We need regulatory relief. And most important, we need our government leaders to embrace the importance of K-16, not just K-12 and enact plans to better support us. Our students are our very future - the future of our state AND our university.

This university and this president need you - our Board of Trustees - as much as any time in our history.

Today we are awarding nearly 2,500 degrees to students from our campuses across the state, and they have a Carolina-quality education to carry away; what better way is there to show that we are fulfilling our mission and improving the fortunes of South Carolina? I will celebrate each new graduate and enlist every one of them in the cause to protect and advance our great university.

Mr. Lister asked what the anticipated additional 15 percent cut in State Appropriations would amount to in dollars. Mr. Kelly responded that the 15 percent was on the "base budget," which they were currently in the process of lowering. They were contemplating about a \$2 million cut, which would be another 3 percent.

Mr. Hubbard asked Mr. Kelly the total of the University System's and Columbia's budget, and the how the cut affects each; and if those figures were not immediately on hand, would he please get them to the Board. Mr. Kelly said that his staff would do so. Mr. Kelly noted that the \$52 million cut had reduced the University system's budget from a \$223 million base budget last year, to just over \$173 million; \$37 million came out of the Columbia campus and the School of Medicine.

Mr. Kelly noted that the budget cuts represented a drop in state funding to below 18 percent from 23 percent last year, and 38 percent over the last six years.

Mr. Jones asked if the information Mr. Kelly would prepare for the Board would include actual dollar cuts per department. President Pastides stated that they were in the process of preparing a Frequently Asked Questions (FAQ) list regarding this issue.

Mr. Warr asked Mr. Kelly the percentage of state appropriations that were designated for higher education in the surrounding states. Mr. Kelly said he would prepare and provide that information.

Mr. Wienges asked if it was true that some state institutions were considering "going private." President Pastides responded that USC was not, and that as some state institutions moved toward the "private side" USC would fill that void. He said that when they went before the General Assembly they would make their case that USC was the State's public university. They would also continue to seek greater public/private partnerships.

Mr. Lister asked if it was true that the private institutions in South Carolina received more money per student in tuition and grants from the State, than public institutions. President Pastides responded yes, and noted that Chancellor Upshaw and Chancellor Stockwell had been working on that issue. Chancellor Upshaw explained that with the state cuts USC Beaufort had received thus far, the funding per FTE is below \$1,770. If you are a South Carolina resident attending a private institution, you receive \$3,200 from a State tuition grant program, over and above the Life Scholarships.

Mr. Adams stressed that the Board members needed to talk to their legislators regarding this funding inequity.

Chairman Loadholt expressed appreciation to President Pastides, on behalf of the Board, for his leadership in the tough economic times. He said he thought that President Pastides was on the right track to address the current budgetary issues.

Since there were no other matters to come before the Board of Trustees, Chairman Loadholt declared the meeting adjourned at 10:50 a.m.

Respectfully submitted,

Thomas L. Stepp  
Secretary