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University of South Carolina

BOARD OF TRUSTEES

August 6, 2010

The University of South Carolina Board of Trustees met on Friday, August 6, 2010, at 1:55 p.m. in the 1600 Hampton Street Board Room.

Members present were: Mr. Miles Loadholt, Chairman; Mr. Eugene P. Warr, Jr., Vice Chairman; Mr. Herbert C. Adams; Mr. Chuck Allen; Mr. J. Egerton Burroughs; Dr. C. Edward Floyd; Mr. Greg Gregory; Mr. William C. Hubbard; Mr. Toney J. Lister; Ms. Leah B. Moody; Ms. Darla D. Moore; Dr. C. Dorn Smith, III; Mr. John C. von Lehe, Jr.; Mr. Thad H. Westbrook; Mr. Mack I. Whittle, Jr.; and Mr. Charles H. Williams. Members absent were: Mr. W. Lee Bussell, Sr.; Mr. Mark W. Buyck, Jr.; Mr. William W. Jones, Jr.; and Dr. James H. Rex.

The faculty representative, Dr. Patrick D. Nolan, was present; the student representative, Mr. Ebbie Yazdani, was absent.

Others present were: President Harris Pastides; Secretary Thomas L. Stepp; Vice President for Academic Affairs and Provost Michael D. Amiridis; Vice President for Finance and Planning William T. Moore; Vice President for Student Affairs and Vice Provost for Academic Support Dennis A. Pruitt; Vice President of Development and Alumni Relations Michelle D. Dodenhoff; General Counsel Walter (Terry) H. Parham; University Treasurer Susan D. Hanna; Interim Vice President for Communications and Public Affairs and Dean of the College of Mass Communications and Information Studies Charles Bierbauer; Special Assistant to the President J. Cantey Heath; Executive Assistant to the President for Equal Opportunity Programs Bobby Gist; Associate Vice President for Resource Planning Edward L. Walton; Vice Provost for Faculty Development Christine W. Curtis; Dean of USC Sumter C. Leslie Carpenter; Dean of the School of Law Walter F. Pratt, Jr.; Associate Vice President for Facilities Tom Quasney; Director of the Department of Internal Audit Alton McCoy; Associate Athletics Director Marcy Girton; Chief Financial Officer, Department of Athletics, Jeff Tallant; Director of Ticketing, Department of Athletics, Lance Grantham; Director of Periodicals, University Publications, Chris Horn; wife of Board Chairman Miles Loadholt, Ann Loadholt; wife of Trustee Toney J. Lister, Cynthia Lister; Associate Director of Governmental Affairs and Legislative Liaison Casey Martin; President and CEO of Greenville Hospital System Michael C. Riordan; Chair of the Greenville Hospital System Board of Trustees Frances D. Ellison; Director of the Office of Media Relations Margaret Lamb; Lutheran Campus Minister, The Reverend Frank W.

Anderson; 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 invited Board members and members of the University family to introduce themselves.

Mrs. Lamb introduced members of the media who were in attendance.

At Chairman Loadholt's request, The Reverend Frank Anderson, Lutheran Campus Ministry, delivered the Invocation.

Chairman Loadholt stated that there were personnel matters relative to Board of Visitors nominations which were appropriate for discussion in Executive Session.

Chairman Loadholt called for a motion to enter Executive Session. Mr. Adams so moved and Dr. Floyd seconded the motion. The vote was taken and the motion carried.

Chairman Loadholt invited the following persons to remain: President Pastides, Secretary Stepp, Dr. Moore, Dr. Amiridis, Dr. Pruitt, Ms. Dodenhoff, Dean Bierbauer, Mrs. Hanna, Mr. Heath, Mr. Parham, Mr. Walton, Mrs. Martin and Mrs. Lamb.

Return to Open Session

Chairman Loadholt recognized President Pastides who extended a special welcome to two "wonderful friends and special guests who are with us here today": Michael Riordan, CEO of the Greenville Hospital System, and Frances Ellison, Chairperson of the Greenville Hospital System Board of Trustees.

I. APPROVAL OF MINUTES: The following seven sets of minutes had been circulated by electronic mail to the Board and were presented for approval. Hard copies were at their places.

- A. Intercollegiate Athletics Committee, June 11, 2010
- B. Fiscal Policy Committee, June 11, 2010
- C. Academic Affairs and Faculty Liaison Committee, June 11, 2010
- D. Health Affairs Committee, June 11, 2010
- E. Executive Committee, June 18, 2010
- F. Board of Trustees, June 25, 2010
- G. Board of Trustees, July 23, 2010

There were no additions, deletions or corrections to the minutes; therefore, they stood approved as distributed.

II. COMMITTEE REPORTS:

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

The Ad Hoc Committee on Development met earlier today.

Mrs. Dodenhoff reported that the University raised \$117.6 million in fiscal year 2010. The result was another record breaking fundraising year and the third year in a row that over \$100 million had been raised. She thanked the generous donors who had expressed their affection and loyalty to the University as well as investment in transforming programs they cared about. She also thanked the President and First Lady for their deep involvement in the process and developing relationships that translated to confidence in the University and major gifts.

Mrs. Dodenhoff then reported on the Campaign. She shared the various ways the fundraising year totals could play out in order to reach the final goal. Campaign planning was in full force and Mrs. Dodenhoff remained optimistic despite continued economic uncertainty.

She closed by thanking the Board of Trustees for their support.

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

The Health Affairs Committee had met several times during the past several months to focus on the expansion of the University of South Carolina medical program at the Greenville Hospital System.

There was a called meeting of the Committee this past Tuesday, August 3rd, to carefully review a draft foundational agreement and business plan.

Earlier today, the Committee approved the USC/GHS Joint Academic Foundational Agreement to establish a four year University of South Carolina medical program at the Greenville Hospital System.

On behalf of the Health Affairs Committee Mr. von Lehe was very pleased to move approval of this agreement as presented. Dr. Floyd seconded the motion. The vote was taken and the motion carried.

Dr. Floyd made the following comments:

This is the most important project with which I have been involved in almost 30 years on this University board. I am really humbled to have a small part in this endeavor. All of our administration, our president, our provost, Dr. Moore, all of the Trustees - it was very much a team effort from everyone involved.

This is going to revolutionize medicine in the state of South Carolina forever. With our budget crisis that we have in this state, this is the only way forward for this University. No cost to the state. This is the only way that we can meet the increasing demand for healthcare. We will educate many South Carolinians in Greenville and we will give all of these young people an opportunity for medical education. They will not have to go offshore for their medical education.

More healthcare providers will give our state better quality healthcare. This also will create many more jobs in our state and it also will help attract industry to our state. This will help all of South Carolina, not just healthcare.

In years to come we will look back on this day. We will tell our children and our grandchildren that we had a part in one of the greatest events in the history of the University of South Carolina.

President Pastides made the following comments:

I was prepared to offer these comments during my "President's Report" but it feels like the right time now. And I would like to conclude by inviting our colleagues from GHS to say a few words.

I want to underscore Dr. Floyd's remarks on the importance of the action taken today by our Board to approve the foundational agreement. I left my career, as you know, which had been fully devoted to advancing public health for higher leadership positions at this University and I have no regrets about that.

But, I have to tell you that today makes me doubly happy because it is equally good for the people of our state and for the two institutions involved. We will now continue to plan for a significant increase in the number of medical professionals to serve our state. Addressing our future health needs given the nursing shortage and the physician shortage in primary care is like trying to fight a military battle with a depleted army. You can have great intentions. You can be on the right side, but you cannot win without the right number of good soldiers or, in our case, trained medical workforce of primary care doctors and nurses.

The unprecedented budget reductions that we have faced over the last two years have forced some institutions in South Carolina to contract their operations and even consider a moratorium on all new programs. But, instead, we have chosen to continue to pursue vigorously our vision of educating more South Carolinians in the face of financial adversity. We are becoming more creative, more innovative and always more entrepreneurial in seeking non-state resources to realize that vision.

The expansion of this medical education program is a good example of entrepreneurship. The Greenville Hospital System leadership team at the board level and within its administration has been our close colleague since

1991. Indeed, they are already a campus of the USC School of Medicine and now we will be doing even more together.

I am also delighted that we will soon begin planning for an expansion of medical education right here in Columbia working with our partners at Palmetto Health and we will have more to say about that at future meetings.

Ultimately, though, both of these initiatives with Greenville and with Palmetto Health are part of the same plan and are a testament to our beloved thirty-five year old School of Medicine.

I want to recognize Dean Hoppmann who could not be here this afternoon. He is with patients I am told and to reiterate for you what many of us already know that our medical school is one of the leading medical schools in the U.S. with respect to the proportion of graduates who select primary care residencies and careers in family practice including Pediatrics, OBGYN and Psychiatry. Without the leadership of our School of Medicine, we would not be embarking on this today.

Thank you to the School of Medicine. Thank you to GHS. And, thank you to the Board of Trustees for taking this important action.

May I introduce briefly, Mr. Chairman, with your indulgence, Mike Riordan and Frances Ellison to come to the microphone.

Ms. Ellison made the following comments:

Good afternoon and thank you for having us. I wanted to report that this morning the Greenville Hospital System Board of Trustees met and unanimously agreed to enter into the Foundational Agreement with the University of South Carolina.

We are delighted to expand on a collaboration that, as President Pastides said, began in 1991 and I think we just can't begin to imagine all of the good things that are going to come of this.

I also want to make sure that we acknowledge that it is a really good thing when institutions in our state can agree to work together for a common purpose. This is just a great example of that and I hope we will see more.

Mr. Riordan made the following comments:

I will make three points.

Historically, you heard the relationship of twenty years and even longer. My predecessor, a man by the name of Mr. Tuomey, wrote a paper about four decades ago or more about the need for a four year expanded campus or expanded program in Greenville. So, we are really in good standing with that.

The second thing is this synchs up with our mission. As a former marine, I like mission-based type of activities. It synchs up with our mission of taking care of our community, expanding the workforce and really moving forward with healthcare.

And, then, the third thing, it's about relationships. There are many connections with this board, with the GHS board, how I have gotten to know Dr. Pastides and then new relationships that have been formed with Ted Moore, Dr. Jerry Youkey and Michael Amiridis. The strength of those connections and the process we have gone through these last several months, and actually well over a year, have really been powerful.

So, we are excited. This drive down here has given me a chance to sort of pause, reflect and celebrate how exciting of a day this is for these two great institutions and for our state.

Thank you.

On behalf of the University Board of Trustees, Chairman Loadholt personally thanked Mr. von Lehe, Dr. Floyd and Mr. Whittle and the administration for the many hours and the good work they devoted to making this affiliation agreement a reality.

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

The Executive Committee met earlier today and approved eight indefinite delivery contracts; and an amendment to the State Fairgrounds Lease Agreement indicating that either party (the South Carolina State Fair or the University of South Carolina) may terminate the Ground Lease at any time during the month of December of any year beginning December 2012 and an employment contract to hire Edwin C. Holbrook as Assistant Baseball Coach.

The following item was approved for recommendation to the Board for action:

- Board of Visitors Appointments: During the Executive Session, Secretary Stepp presented a list of those individuals Board of Trustees' members, the President and the Faculty Senate had nominated to the Board of Visitors.

Chairman Loadholt called for a motion to approve the nominations to the Board of Visitors as presented. Mr. Adams so moved and Mr. Williams seconded the motion. The vote was taken and the motion carried.

III. REPORT OF THE PRESIDENT: Chairman Loadholt called on President Pastides who presented the following report:

Mr. Chairman, this will be the first time in the month of July or August that I have not spoken about baseball.

I would like you to know that we stand at the dawn of yet another new school year and I am confident that it will be a great year. It will be the 198th dawning of a school year at Carolina since our founding after subtracting for several years when the school was closed.

And, it will be the 58th academic dawn since Dr. Eddie Floyd started college. Dr. Floyd is now our most senior Trustee.

It is the 20th academic year's dawn since we joined the Southeastern Conference in 1990 and it is the third dawn of my still young but ever graying presidency.

This will be a great year because we will have great students. And, our great students will fit snugly into our residence halls as we will be at 100 percent capacity and we eagerly await the reopening of Patterson Hall as a modern suite-living residence in the fall of 2011 with 560 beds.

It is true that soon our students will be back and when they come, they come back in force on all of our campuses. They will be wearing out the elliptical trainers at the Strom; they will be picking out their outfits to wear at the first home football game on September 2nd; they will be sitting in the new George Dean Johnson Business School in downtown Spartanburg; they will be eating salads at the new Outtakes Café at the expanded bookstore on the historic Beaufort campus; and they will be attending events in the still new Convocation Center in Aiken.

I must remark about how proud I am that this University is bucking the trend in two significant areas: in student applications and in alumni support. I believe that our applications are up, and they are way up by the way, because of three fundamental factors. The first is that Carolina's reputation is better than ever. We are known as a place where faculty love to teach; where there is a supportive and even a tender culture for our students when they need it; and where there is always too much to do, but when you choose wisely, you can do a lot.

The second reason is that we have expanded our recruitment efforts under Vice President Dennis Pruitt both in- and out-of-state. We receive more applications from South Carolina than any other university does. And, we are also becoming more attractive in other states like never before because we are doing a better job in marketing and in recruiting.

And, the third reason is because I believe we do a wonderful job in welcoming our prospective students and their families when they come to visit. We have great student ambassadors in Columbia and around the system. They meet their students in groups as you know here in Columbia at the Visitor Center on the Horseshoe and they are master 'marketeters'. Sometimes if I see a group from my window in Osborne and I need a little lift, I wander downstairs and I just bump into one of the visiting groups on the Horseshoe and they cannot say enough about the beauty of the campus, about our cordial community, and I know this to be true as well for visitors to our beautiful campuses.

In closing, I remind us that tonight, and again tomorrow, we will honor one of our great Law School alumni whose counsel we value so very much - I.S. Levy Johnson. And, as we honor him, he will honor us by addressing 530 students who will be present out of the 1,346 who will graduate tomorrow.

And, so there we have it - the dawn of a school year, the dawn of an initiative to improve South Carolina's health and well being and the dawn on one of our annual proudest moments, a Carolina commencement ceremony. I couldn't be more optimistic.

Thank you, Mr. Chairman.

IV. BOARD OF VISITORS NOMINATIONS: This agenda topic was addressed as an Executive Committee action item.

V. ELECTION OF PERMANENT CHAIRMAN: In response to a call for nominations for the election of a permanent chair of the Board of Trustees for the next two years, Mr. Lister nominated Mr. Loadholt and Mr. Adams seconded the motion. Mr. Whittle moved to close the nominations and that Mr. Loadholt be reelected by acclamation. Mr. von Lehe seconded the motion. The vote was taken and the motion carried unanimously.

Mr. Loadholt made the following remarks:

It has been a real pleasure serving as your chairman during the past two years and I do appreciate the vote of confidence. This is a wonderful board. It has changed a lot over the last two years. I am going to miss Mr. Mungo, Mr. Bradley, Mr. Wienges, Mr. Bahnmueller. But, I look forward to serving with those who have just come on board.

I want to thank President Pastides and his staff. They are wonderful to work with and we work well together.

Also, I want to thank Tommy Stepp and his staff. You just wouldn't believe the amount of work that he and his staff do to prepare for these meetings, commencements and everything else. It is a real pleasure working with him and I certainly couldn't do this job and this board couldn't function without him and his staff. Thank you, Tommy, for a job well done.

Again, thank you for the vote of confidence and I look forward to serving with you during the next two years.

VI. ELECTION OF VICE CHAIRMAN: Chairman Loadholt called for nominations for Vice Chairman. Dr. Floyd nominated Mr. Warr and Mr. Adams seconded the nomination. Dr. Smith moved that the nominations be closed and that Mr. Warr be elected by acclamation. Mr. Gregory seconded the motion. The vote was taken and the motion carried.

VII. ELECTION OF MEMBERS OF THE EXECUTIVE COMMITTEE: In response to a call for nominations to the Executive Committee, Mr. Adams nominated Mr. Lister; Ms. Moody nominated Mr. von Lehe; and Dr. Smith nominated Dr. Floyd. Mr. Gregory seconded the motion. There were no further nominations. The vote was taken and the motion carried unanimously.

VIII. OTHER MATTERS: Report of the Alumni Association: Chairman Loadholt called on Secretary Stepp who explained that Mr. Bussell had expressed his deepest regret that he was not able to attend the first meeting of the Board of Trustees as President of the Alumni Association because of a previous long standing commitment on his calendar. He had asked Secretary Stepp to distribute and share with them a report he had written. On behalf of Mr. Bussell, Secretary Stepp submitted the following Alumni Association report:

As my first report to the Board of Trustees I would like to take this opportunity to share with you the areas where I believe the Alumni Association must focus on in the coming years to best support the University and its mission.

Our world, nation and state are going through one of the most difficult economic times since the Great Depression. This financial pressure has created a multitude of new challenges for the University. I believe that the Alumni Association must be flexible enough to strategically support the new challenges faced by the University.

There are three areas that I believe we must focus on.

1. With over 250,000 living alumni, we must become strong and active grass roots advocates for the University. Our alumni must be more cognizant of the issues faced by the University, must be more engaged in the life of the University and much more active in reaching out to our elected officials. This is critical to supporting increases in state funding. We are beginning to develop strategies for how best we can provide this support.
2. As state funding continues to decrease our alumni must be more engaged in helping the University secure alternative sources of revenue. This includes increasing annual giving, increasing its role in the upcoming campaign, developing new strategies for funding scholarships and continuing to assist in the recruiting of our state's best and brightest students. We are now beginning the process of identifying how we can play a stronger role in each of these areas.
3. Research has demonstrated that one of the best ways to increase the engagement of alumni with the University is to develop an Alumni Center, which will serve not only as the center for alumni life, but will also serve as an Alumni Center for the entire University. As you are aware we have been exploring creative solutions for the funding and operations of this center. We have been looking at developing a "stand alone" center at the site that the Board of Trustees has designated at the corner of Pendleton and Assembly Streets. We have continued to have discussions with the Convention Authority regarding the potential co-location of the Alumni Center with the Convention Center and Colonial Life Arena. As we have previously pointed out, there are some strategic advantages to this location. We have made significant progress in the past month. The Convention Authority has voted unanimously to enter into a memorandum of understanding (MOU) that would facilitate joint planning with the Alumni Association to explore the feasibility of locating the Alumni Center adjacent to the Convention Center. We will meet with them next week to begin to develop the MOU.

In addition, we have been exploring options for providing the funds to make this a reality. We continue to identify creative strategies and instruments to reduce the gap between existing available funds and the total amount needed. The joint planning with the Convention Authority will enable us to determine the savings that this site could provide. This will enable us to work with architects to begin looking at programming the space and creating architectural renderings which will help to build expectations and excitement that will enhance our efforts to raise private funds to support the construction of this critical project.

Your Alumni Association is fully engaged in supporting the mission of the University. As we look forward to a new freshman class coming in we will have seventeen freshman send-off events in cities throughout the country. These events provide a real insight into the excitement

and expectations parents and students have for the University of South Carolina experience.

If anyone has any questions, please feel free to contact me or Marsh Cole. We thank you for your continued support and welcome your questions or suggestions.

Submitted by:

W. Lee Bussell, Sr.
President
University of South Carolina Alumni Association

Since there were no other matters to come before the Board, Chairman Loadholt declared the meeting adjourned at 2:30 p.m.

Respectfully submitted,

Thomas L. Stepp
Secretary