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University of South Carolina

BOARD OF TRUSTEES

October 8, 2010

The University of South Carolina Board of Trustees met on Friday, October 8, 2010, at 3:05 p.m. in the 1600 Hampton Street Board Room.

Members present were: Mr. Miles Loadholt, Board Chairman; Mr. Eugene P. Warr, Jr., Board Vice Chairman; Mr. Herbert C. Adams; Mr. Chuck Allen; Mr. J. Egerton Burroughs; Mr. W. Lee Bussell, Sr.; Dr. C. Edward Floyd; Mr. Greg Gregory; Mr. William C. Hubbard; Mr. William W. Jones, Jr.; Mr. Toney J. Lister; Dr. James H. Rex; 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. Mark W. Buyck, Jr.; Ms. Leah B. Moody; and Ms. Darla D. Moore.

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 Finance and Planning William T. Moore; Vice President for Student Affairs and Vice Provost for Academic Support Dennis A. Pruitt; Vice President for Communications Luanne M. Lawrence; Vice President of Development and Alumni Relations Michelle D. Dodenhoff; General Counsel Walter (Terry) H. Parham; University Treasurer Susan D. Hanna; Special Assistant to the President J. Cantey Heath; Associate Vice President for Resource Planning Edward L. Walton; Vice Provost and Dean of Undergraduate Studies Helen I. Doerpinghaus; Senior Vice Provost Christine W. Curtis; Chancellor of USC Upstate Jane T. Upshaw; Dean of USC Salkehatchie Anne Carmichael; Dean of USC Sumter C. Leslie Carpenter; Dean of the School of Law Walter F. Pratt, Jr.; Dean of the South Carolina College of Pharmacy Columbia Campus Randell Rowen; Dean of the Arnold School of Public Health G. Thomas Chandler; Dean of the School of Music and Interim Dean of the South Carolina Honors College Tayloe Harding; Interim Dean of the College of Engineering and Computing Harry J. Ploehn; Associate Dean, College of Arts and Sciences, Roger H. Sawyer; Associate Vice President for Facilities Tom Quasney; Director of the Department of Internal Audit Alton McCoy; Associate Athletics Director Marcy Girton; Executive Director of the Carolina Alumni Association Marsha D. Cole; Director of Capital Budgets and Financing, Division of Business and Finance, Charles D. FitzSimons; Director of the Children's Law Center Harry W. Davis, Jr.; Director of Governmental and Community Relations and Legislative Liaison Shirley D. Mills; Associate Director of Governmental Affairs and Legislative Liaison Casey Martin; Director of the Office of Media Relations Margaret Lamb; Lancaster County Commission on Higher Education Representative Charles A. Bundy;

Bond Counsel of Haynsworth Sinkler Boyd, P.A. Theodore B. DuBose; United Methodist Campus Minister, The Reverend Dr. Tom H.B. Wall; Trustee Emeritus M. Wayne Staton; 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. He especially welcomed Trustee Emeritus M. Wayne Staton to the meeting.

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

At Chairman Loadholt's invitation, The Reverend Dr. Tom H.B. Wall, United Methodist Campus Ministry, delivered the Invocation.

Chairman Loadholt stated that there were personnel matters relative to recommendations for honorary faculty titles, appointments with tenure, honorary degree nominations and a Board of Visitors nomination; as well as contractual matters relative to gift naming opportunities which were appropriate for discussion in Executive Session.

Chairman Loadholt called for a motion to enter Executive Session. Mr. Burroughs so moved and Mr. Adams 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. Pruitt, Ms. Dodenhoff, Ms. Lawrence, Dr. Curtis, Dr. Doerphinghaus, Mrs. Hanna, Mr. Heath, Mr. Parham, Mr. Walton, Mr. McCoy, Ms. Sue Odom, Dr. Travis Pritchett, Mrs. Martin and Mrs. Lamb.

Return to Open Session

I. APPROVAL OF MINUTES: The following 16 sets of minutes were presented for approval:

- A. Health Affairs Committee, August 3, 2010
- B. Ad Hoc Committee on Development, August 6, 2010
- C. Health Affairs Committee, August 6, 2010
- D. Executive Committee, August 6, 2010
- E. Board of Trustees, August 6, 2010
- F. Executive Committee, August 6, 2010
- G. Academic Affairs and Faculty Liaison Committee, August 6, 2010
- H. Buildings and Grounds Committee, August 6, 2010
- I. Fiscal Policy Committee, August 6, 2010
- J. Health Affairs Committee, August 6, 2010
- K. Intercollegiate Athletics Committee, August 6, 2010
- L. Student-Trustee Liaison Committee, August 6, 2010
- M. Intercollegiate Athletics Committee, September 17, 2010
- N. Academic Affairs and Faculty Liaison Committee, September 17, 2010
- O. Buildings and Grounds Committee, September 17, 2010
- P. Health Affairs Committee, September 17, 2010

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

II. COMMITTEE REPORTS:

- A. Buildings and Grounds Committee:  
(The Honorable Herbert C. Adams reported)

- 1. Project Approval (Phase I):

- a. Horizon I Upfit Ground and First Floors: This project will upfit the current shell space on the ground and fourth floors in Horizon I to provide research laboratories, office and support space; and will complete the construction and upfitting of this research facility. The estimated project cost was \$7 million.

On behalf of the Buildings and Grounds Committee, Mr. Adams moved to establish this project for Phase I Design with a budget of \$105,000 funded with Grant Generated (Indirect Cost Recovery) Funds. Mr. Allen seconded the motion. 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.

- b. Discovery I Upfit Third, Fourth and Fifth Floors:

This project will complete the construction and upfitting of this research facility. The estimated cost for the project was \$10.5 million.

Both the Discovery I and Horizon I buildings will be fully occupied upon completion of these two projects.

On behalf of the Buildings and Grounds Committee, Mr. Adams moved to establish this project for Phase I Design with a budget of \$157,500 funded with Grant Generated (Indirect Cost Recovery) Funds. Mr. Westbrook seconded the motion. 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.

c. Assembly Street Tunnel and Crossing: This project will modify the existing pedestrian tunnel under Assembly Street with entry at the Law Center and exit at the Coliseum, to allow a safer alternative to students crossing Assembly Street. The estimated cost for the project is \$4 million.

On behalf of the Buildings and Grounds Committee, Mr. Adams moved to establish this project for Phase I Design with a budget of \$60,000 funded with Institution Funds. Mr. Hubbard seconded the motion. 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.

d. Student Health Center Construction: This project will construct a new student health center facility containing 100,000 square feet as opposed to the current 38,000 gross square feet.

A feasibility study conducted last year by an independent architectural/engineering team determined the need for a new health center. The center was cited by the past four accreditation reports as inadequate for the size of the current student body.

Both the Student Government Association and the Residence Hall Association passed resolutions recommending construction of a new facility; the Parents Advisory Council had also voiced support for the project.

The estimated cost for the project was \$45.5 million.

On behalf of the Buildings and Grounds Committee, Mr. Adams moved to establish this project for Phase I Design with a budget of \$682,500 funded with Health Center Capital Reserve Funds. Dr. Smith seconded the motion. 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.

e. South Tower Mechanical Renovation: This project will replace the building mechanical system to address humidity control and outside air supply in order to reduce mold issues. The estimated cost for this project was \$6.2 million.

On behalf of the Buildings and Grounds Committee, Mr. Adams moved to establish this project for Phase I Design with a budget of \$93,000 funded with Housing Maintenance Reserve Funds. Mr. Gregory seconded the motion. 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.

f. Women's Quadrangle Renovations: This project will modernize the Women's Quad in the central area of the campus where Sims, McClintock, and Wade Hampton residence halls are located. A new elevator will be installed in each building. Conversion to suite-style rooms will be evaluated.

This project was the next priority major upgrade for University Housing and will begin after the Patterson Hall renovation is completed in August 2011. Phase I will include the feasibility of renovating all three halls during the same year for cost savings. The estimated cost for this project was \$27.2 million.

On behalf of the Buildings and Grounds Committee, Mr. Adams moved to establish this project for Phase I Design with a budget of \$408,000 funded with Housing Maintenance Reserve Funds. Mr. Burroughs seconded the motion. 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.

g. Preston College Bathroom and Flooring Renovations:

This project involved a comprehensive renovation of approximately 80 student bathrooms and flooring in 120 student rooms in Preston College which housed the Preston Residential College Program. In addition, the installation of a fire protection system was required. The estimated cost for this project was \$1.5 million.

On behalf of the Buildings and Grounds Committee, Mr. Adams moved to establish this project for Phase I Design with a budget of \$22,500 funded with Housing Maintenance Reserve Funds. Mr. Bussell seconded the motion. 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.

h. Capstone Campus Room Upgrades: The Capstone Campus Room needed significant renovation to bring it up to today's meeting room standards. The estimated cost for this project was \$700,000.

On behalf of the Buildings and Grounds Committee, Mr. Adams moved to establish this project for Phase I Design with a budget of \$10,500 funded with Housing Maintenance Reserve Funds. Mr. Jones seconded the motion. 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.

i. McBryde Renovations: In addition to housing 250 students, McBryde also hosted a number of learning communities. This project began in April of 2010, with Board approval and funding of \$495,000 and was titled McBryde Student Room Upgrades. After the start of the project, unforeseen life safety issues were recognized which required immediate attention. The scope of the project was in the process of being

reevaluated, and the projected cost now required establishment of a capital project. The estimated cost for this project was \$900,000.

On behalf of the Buildings and Grounds Committee, Mr. Adams moved to establish this project for Phase I Design with a budget of \$13,500 funded with Housing Maintenance Reserve Funds. Mr. Allen seconded the motion. 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.

j. USC Upstate Administration Building Repairs and Renovation:

The USC Upstate Administration Building, the first building constructed on the USC Upstate campus, was built in 1969. This project will correct extensive deficiencies in the major building systems and renovate spaces for current programs housed in the building. In addition, life safety upgrades will be performed to include reporting devices for fire and smoke detection. The estimated cost for this project was \$4 million.

On behalf of the Buildings and Grounds Committee, Mr. Adams moved to establish this project for Phase I Design with a budget of \$60,000 funded with ICPF. Mr. Lister seconded the motion. 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.

k. USC Lancaster Classroom Building Construction: This new building will be situated in the central part of the campus and will primarily be a general classroom facility featuring state-of-the-art instructional facilities, modern faculty and staff offices and common areas. The estimated cost for this project was \$8 million.

On behalf of the Buildings and Grounds Committee, Mr. Adams moved to establish this project for Phase I Design with a budget of \$120,000 funded with Private Funds. Mr. Gregory seconded the motion. 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.

2. Project Approvals (Phase II):

a. Davis College HVAC Replacement: This project was given Phase I approval in October 2008. The scope of work will consist of removing the existing HVAC system and installing a new one. Sprinkler system piping and sprinkler heads will be replaced throughout the building. Fire alarm components will also be replaced as needed for proper tie-in to the building fire alarm system. The anticipated budget for the project was \$2,100,000.

On behalf of the Buildings and Grounds Committee, Mr. Adams moved to fund Phase II design and construction for a total project budget of \$2,100,000 to be funded with Institutional Funds. Mr. Warr seconded the motion. 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.

b. Spigner House Renovation: The Spigner House, a former private home that the University acquired in 1963, was listed on the historic register. This project was approved for Phase I Design in December 2009. The first floor would be renovated to provide space suited for seminars, classrooms, and conference space to accommodate 60-80 persons. The second floor would be renovated to create a reception area and offices for Sodexo.

The anticipated budget for the project was \$1,000,000 with construction to be completed by December 2011.

On behalf of the Buildings and Grounds Committee, Mr. Adams moved to fund Phase II design and construction for a total project budget of \$1,000,000 to be funded through the auxiliary food service account. Mr. Bussell seconded the motion. 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.

c. Sumter Street Safety Improvements: This project was approved for Phase I Design in October 2008. The original scope to improve campus safety on South Sumter Street from Rocky Branch Creek to Whaley Street was expanded to include the portion to Blossom Street.

During Phase I design, the scope of the project was revised to match projected available funding. This project was contingent upon permitting from Norfolk Southern and the Army Corp of Engineers. The scope revision will allow the project to remain within the original cost estimate.

The anticipated budget for this project was \$1,000,000 with construction to be completed by December 2011.

On behalf of the Buildings and Grounds Committee, Mr. Adams moved to rename and change the scope of the original project and to fund Phase II design and construction for a total project budget of \$1,000,000 to be funded with Institutional Funds. Mr. Westbrook seconded the motion. 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.

d. Woodrow College Window Upgrades and Life Safety Improvements:

Woodrow College, a residence hall located on the second tier of the Horseshoe, was constructed in 1914. This project was approved for Phase I design in October 2008.

The scope included improving the south façade of Woodrow College and replacing or restoring 168 existing windows as well as enclosing the existing open emergency stairs on the south side of the building. The work will be completed in phases with improvements and upgrades taking place in the summer months of 2011 and 2012.

During Phase I design, the scope of the project was revised to include installation of a new comprehensive fire suppression system.

The total anticipated budget for the project would remain at \$2,100,000 with total construction to be completed by August 2012.

On behalf of the Buildings and Grounds Committee, Mr. Adams moved to rename and change the scope of the original project and to fund Phase II design and construction for a total project budget of \$2,100,000 to be funded with Housing Maintenance Reserve Funds. Mr. Lister seconded the motion. 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.

e. McClintock/Wade Hampton Fire Protection Upgrades:

This project was originally approved for Phase I as McClintock Renovation and Fire Protection in October 2008. The scope was to modernize the facility and to perform life safety upgrades; building systems were also to be upgraded. Life safety upgrades included emergency lighting, and the installation of a new fire protection sprinkler system and fire alarms.

During the Phase I design, the University declared that fire protection upgrades for student housing was one of its highest priorities for student safety. The two remaining facilities in the Women's Quad requiring fire protection upgrades were the residence halls of McClintock and Wade Hampton. The fire and life safety protection upgrade estimate for McClintock was \$546,000 and for Wade Hampton was \$954,000.

On behalf of the Buildings and Grounds Committee, Mr. Adams moved to rename and rescope the project and fund Phase II design and construction with a budget of \$1,500,000 funded with Housing Maintenance Reserve Funds. Mr. Jones seconded the motion. 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.

f. Colonial Life Arena Basketball Locker Room Renovations:

This project, approved for Phase I design in February 2010, will renovate the men's and women's basketball locker room areas in the Colonial Life Arena to be competitive with other institutions in the SEC and ACC. The anticipated budget for the project was \$1,000,000 with construction to be completed by the end of October 2011.

On behalf of the Buildings and Grounds Committee, Mr. Adams moved to fund Phase II design and construction for a total project budget of \$1,000,000 to be funded with Private Funds. Mr. Hubbard seconded the motion. 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.

g. Booker T. Washington Renovation: This project was approved for Phase I design in October 2009. Booker T. Washington (BTW) was the remaining building of a three-building complex built in 1916 as the first African American high school in South Carolina.

Major building upgrades will include installation of air conditioning, installation of a new elevator and stairs, and modifications to the entrance, toilets, and fire alarms to meet code requirements. The University had received a gift from Reverend Solomon Jackson to accomplish these renovations.

The anticipated budget for the project was \$2,450,000 with construction to be completed by August 2012.

On behalf of the Buildings and Grounds Committee, Mr. Adams moved to fund the remainder of the design and construction to be funded with Private and Institutional Funds. Mr. Burroughs seconded the motion. 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.

h. Darla Moore School of Business Construction: This project was approved for Phase I design in October 2009. Approval for the gift of A/E services was received on April 2010. Alternative site approval was granted in July of 2010. The new facility will consist of 250,000 square feet featuring state-of-the-art classroom and meeting space and modern faculty and staff offices.

Also included was a collaborative effort between the Darla Moore School of Business and the USC School of Music to provide a 500-seat auditorium with the versatility to support both academic and music events and performances. Finally, through a partnership and grant from the Department of Energy Commercial Building Partnerships, the School of Business hoped to achieve a LEED Platinum certification.

The anticipated budget for the project was \$91,500,000 with construction to be completed by August 2013.

On behalf of the Buildings and Grounds Committee, Mr. Adams moved to fund Phase II design and construction for a total project budget of \$91,500,000 to be funded with debt serviced by NAC lease payments, State Institution Bonds, Business Partnership Foundation Funds, Institutional Funds and Private Gifts. Mr. Hubbard seconded the motion. 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.

i. Earth and Water Sciences/Coker Life Sciences Fire Alarm Replacement: This project was approved for Phase I design in February 2010. Prior to this, two separate projects for Earth and Water Sciences and Coker Life Sciences received approval from the Board of Trustees in December 2009. However, the Office of State Engineer requested that the University combine these into a single project because there was no fire separation between the two facilities. This project will replace the obsolete fire alarm system with an upgraded, addressable system. The anticipated budget for the project was \$850,000 with construction to be completed by October 2011.

On behalf of the Buildings and Grounds Committee, Mr. Adams moved to fund Phase II design and construction for a total project budget of \$850,000 to be funded with ICPF. Mr. Allen seconded the motion. 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.

j. SOM VA Campus Central Plant Chiller Replacement: This project was approved for Phase I design in February 2010, to replace two existing chillers located in Building 1 on the School of Medicine VA Campus. The anticipated budget for the project was \$1.6 million with construction to be completed by December 2011.

On behalf of the Buildings and Grounds Committee, Mr. Adams moved to fund Phase II design and construction for a total project budget of \$1.6M to be funded with Institutional Funds. Dr. Floyd seconded the motion. 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.

k. Farmers Market Development Construction: This project was approved for Phase I design in April 2009 to renovate the 52 acre property previously used as the State Farmers' Market on Bluff Road to accommodate the Garnet Way and a premium football parking area.

The site can also serve a variety of other University needs. Potential future uses currently under consideration included relocating various functions in the current roost area, student satellite parking, concerts and other outdoor events, and intramural and/or athletic playing fields.

The anticipated budget for the project was \$15,500,000 with construction completion estimated in Aug 2012.

On behalf of the Buildings and Grounds Committee, Mr. Adams moved to fund Phase II construction for a total project budget of \$15,500,000 to be funded with Athletic Facilities Revenue Bonds. Mr. Allen seconded the motion. 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.

3. Other Approvals:

a. Other Projects:

i. Whaley House Renovation: The USC Children's Law Center planned to relocate in the Whaley House within the next five years. Under the arrangement being considered, the donor who owned the structure would present it to the Historical Foundation, who would then take possession of it. It would be Historical Foundation property for up to a five year period. During that five year period the University would have a "call option" on the property.

The University's \$300,000 in Institutional Funds would be the maximum that could be paid. If at the end of the five year period sufficient funds to cover the cost of the renovation had not been raised, the University would not exercise its "call option," and the property would then remain in the possession of the Historical Foundation for disposition and future use.

The estimated cost for the project was \$453,000 and would be funded with \$300,000 in Institutional Funds and \$153,000 in Private Funds.

On behalf of Trustee Moody, Mr. Warr presented a request that the item be tabled until a later time because she had several questions and concerns. Dr. Floyd commented that he had originally harbored reservations about the project until he had spoken at length with Mr. Buyck whose opinion he highly respected and who has an "innate ability to evaluate situations like this one."

On behalf of the Buildings and Grounds Committee, Mr. Adams moved approval of this project to be funded with \$300,000 in Institutional Funds and \$153,000 in Private Funds. Mr. Hubbard seconded the motion. 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.

ii. 1200 Catawba Street Renovation: This project will provide the first integrated and distinct biomedical engineering research laboratory space in the College of Engineering and Computing. Former office space will be retrofitted to wet labs/bio labs for the Biomedical Engineering program. Nearly half of the funding for the project would be provided by a grant from the National Institutes of Health. The grant, entitled SC IDeA Network of Biomedical Research Excellence, had received approval from NIH and included \$225,000 for this Alterations and Renovations project. An additional \$270,000 would be provided by the College of Engineering and Computing.

On behalf of the Buildings and Grounds Committee, Mr. Adams moved approval of the 1200 Catawba Street Renovation with a budget of \$225,000 in NIH Grant Funds and \$270,000 from the College of Engineering and Computing. Dr. Smith seconded the motion. 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.

iii. USC Aiken Fire Protection and Alarm System Upgrade:

This project began as an internal project with a budget of \$145,000 to provide fire protection upgrades in buildings on the USC Aiken campus. The problems identified with existing systems were false alarms and outdated equipment no longer supported by the manufacturer.

The budget for the project was \$445,000 and would be funded with ARRA Federal Stimulus Funds.

On behalf of the Buildings and Grounds Committee, Mr. Adams moved to approve this project with a budget of \$445,000 funded with ARRA Federal Stimulus Funds. Mr. Lister seconded the motion. 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.

b. Columbia Campus Life Safety Upgrades: This project was for the continuation of fire protection projects across campus which had been deemed priorities by Environmental Health and Safety. The next identified priorities were the Humanities Office/Classroom and Byrnes Buildings. These projects would replace the obsolete systems with addressable fire alarm systems capable of future expansion.

On behalf of the Buildings and Grounds Committee, Mr. Adams moved to approve these two fire alarm projects with budgets and funding sources as listed:

Humanities Office/Classroom Fire Protection Upgrades	\$369,000	ICPF
James F. Byrnes Fire Protection Upgrades	\$297,000	ICPF

Mr. von Lehe seconded the motion. 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.

c. Scope Changes:

i. Abate Jones PSC North: The project was approved to address the remediation of existing asbestos (above the ceiling) in the Jones Physical Sciences Building.

When bids for the project were received, they were significantly lower than the construction estimate. Funds were available to revise the scope of the project to include the replacement of fire alarm systems.

On behalf of the Buildings and Grounds Committee, Mr. Adams moved to revise the scope to include fire protection. This will result in no change in the budget. Mr. Bussell seconded the motion. 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.

ii. USC Upstate Security System Upgrades & University

Police Building: This project was approved in December 2009 with a budget of \$350,000 funded with federal stimulus funds from the American Recovery and Reinvestment Act Grant. The project was to renovate an existing building on campus to provide adequate facilities for University Police.

As design of the renovations progressed and the detailed programmatic requirements of the police department were developed, it was determined that the most cost effective way to meet these needs was to totally renovate the interior. The increased scope will require an increase in the project budget, funded with the reallocation of available stimulus funding.

In an effort to keep the project within the limits of available funding, the scope of the project had been revised to delete parking lot improvements, exterior security fencing, facade improvements, and other items not directly related to providing a fully functional police station.

On behalf of the Buildings and Grounds Committee, Mr. Adams moved to increase the project budget to \$490,000 to be funded with American Recovery and Reinvestment Act Funds. Mr. Lister seconded the motion. 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.

iii. USC Sumter Deferred Maintenance: A project to address various deferred maintenance items on the USC Sumter campus was funded with State Funds and was approved in August 2005. The work included in the original project scope had been completed. The remaining funds were to be utilized to renovate the restrooms on the first floor of the Administration Building. Additional private funding had been identified to augment the existing funding for this project.

On behalf of the Buildings and Grounds Committee, Mr. Adams moved to increase the existing budget by \$50,000 funded with Private Funds. This will result in a total project budget of \$300,000 funded with \$250,000 in State Funds and \$50,000 in Private Funds. Dr. Smith seconded the motion. 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.

iv. Cliff Apartments Life Safety Upgrades: This project was approved for Phase II design and construction in December 2008, entitled Cliff Apartments Kitchen Renovations. The scope was to provide kitchen renovations and the replacement of bathroom vanities.

The anticipated budget for this project was \$850,000 with construction to be completed by August 2011. The scope revision allowed the project to remain within the original cost estimate.

On behalf of the Buildings and Grounds Committee, Mr. Adams moved to rename and rescope the original project and to fund Phase II design and construction for a total project budget of \$850,000 to be funded with Housing Maintenance Reserve Funds. Mr. Gregory seconded the motion. 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.

4. Project Approval Authority Increase: The University was requesting that the Board of Trustees study the possibility of linking its approval authority limit to the State approval authority limit. Currently the State approved all projects greater than \$500,000. The Board of Trustees approved all projects greater than \$250,000. Linking these approval levels will (1) continue to ensure all projects

requiring State approval were first considered for approval by the Board, and (2) reduce the time required to gain approval on minor projects.

The current USC Policies and Procedures Manual, BTRU 1.30, Board of Trustees, Capital Planning Policy, Section II Procedures, B. Capital Budget Cycle, stated "In addition, any project that has a value over \$250,000 requires Board of Trustee approval. Projects less than \$250,000 can be completed at the discretion of the various University units." We recommend altering that language to state "In addition, any project requiring State approval will first require Board of Trustees approval. Projects not requiring State approval can be completed at the discretion of the President or his/her appointed authority." The same policy, Section II, D, Regulatory Environment, states "Projects below the state approval threshold but with a cost of \$250,000 or larger are subject to University Board approval. Projects less than \$250,000 can be completed at the discretion of the various University units." We recommend altering that language to state "All projects over \$500,000 are required by the State to become capital projects and require State approval. Board of Trustees approval is required for all capital projects prior to State approval. Projects not requiring State approval can be completed at the discretion of the President or his/her appointed authority."

Secretary Stepp commented that the University was further requesting that the study be in comparison with the contract signatory policy, which also had a funding limit as described in the above paragraph. Therefore, this matter was presented for information only.

5. Gift Naming Opportunities: The following gift naming opportunities were presented in Executive Session without objection:

a. Department of Athletics:

- "The Juk, McEntire & Sweatman Study Lounge"

b. University Libraries:

- i. "The Hemrick N. Salley Family Alcove" and
- ii. "The Hemrick N. Salley Family Endowment Fund"

c. School of Law:

- i. "The Harold and Martha Breibart Study Area"
- ii. "The C. Ben Garren, Jr. Faculty Office"
- iii. "The McNair Law Firm Dean's Administrative Suite"
- iv. "The Tuck B. Rion Jr. Reference Collection Area"
- v. "The Mortimer M. Weinberg, Jr. Clinic Director's Office"
- vi. "The Ellis, Lawhorne & Sims, P.A. Outdoor Event Space Patio"

On behalf of the Buildings and Grounds Committee, Mr. Adams moved approval of the gift namings as recommended by the Gift Naming Opportunities Committee. Mr. Warr seconded the motion. The vote was taken and the motion carried.

At the September 17th meeting, Mr. Meekins briefed the Committee on Development Foundation activities including the Adesso project, Wheeler Hill, and The Inn at USC.

B. Intercollegiate Athletics Committee:  
(The Honorable William C. Hubbard reported)

The Intercollegiate Athletics Committee met on September 17<sup>th</sup>. Mr. Hyman gave an overview of the major accomplishments in Athletics during the past five years (July 1, 2005 - June 30, 2010).

He reported that there were 17 areas of the Athletics Department that developed annual goals. From those 17 areas, a total of 149 goals were generated.

Mr. Hyman presented the department's goals for FY 2010-11. Also, he reiterated that the department's major goal was to build a nationally prominent program and to win championships.

In closing, Mr. Hyman commented that the baseball team (2010 National Champions) was honored in Washington, D.C. recently. The team visited the White House and toured the capital. Some of the athletes talked with President Obama and snapped pictures with him. Senators DeMint and Graham also spent time with the team. This experience was very educational for the students and they represented the University well.

C. Health Affairs Committee:  
(The Honorable C. Dorn Smith III reported)

The Health Affairs Committee met on Friday, September 17<sup>th</sup>.

Provost Amiridis explained that the deans of the five health sciences colleges had selected Dr. Tom Chandler, Dean of the Arnold School of Public Health, to be the liaison between the Office of the Provost and those colleges. This appointment lasts for one year and carried the title of "Vice Provost for Health Sciences."

Dean Chandler highlighted various major accomplishments of the past year and challenges in the upcoming year for the five health sciences colleges which consisted of the College of Social Work; College of Nursing; School of Medicine; South Carolina College of Pharmacy; and the Arnold School of Public Health.

He was pleased to report that all of colleges had been able to maintain an outstanding level of research dollars. Current fiscal year research growth was very promising.

Despite many budget issues, student growth was characterized as "quite remarkable" across the colleges. Currently, total students for the health sciences colleges numbered 2,017 undergraduate students and 1,863 graduate students. These colleges contributed extensively to the University's doctoral education which helped to maintain and improve the Carnegie I Research ranking.

Dean Chandler also reported that faculty retention was a big issue in all of the colleges. He described market pressures as "extreme" in health sciences.

Specifically, for the Arnold School of Public Health, individuals who supported their core strengths in the areas of physical activity, nutrition and health were being sought.

He also indicated that the school was planning to move from their current location to the new Discovery I building in the near future.

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

The Academic Affairs and Faculty Liaison Committee met on September 17<sup>th</sup>. The following items were approved for recommendation to the Board and had received all appropriate academic and administrative approvals:

1. Honorary Faculty Titles: The following five individuals will be awarded honorary faculty titles effective with their retirement:

For the title Distinguished Professor Emerita:

Professor Christine Ebert

For the title Distinguished Professor Emeritus:

Professor Kevin Swick

For the title Professor Emerita:

Professor Ellen Potter

For the title Librarian Emerita:

Roberta Copp  
Patricia Harwell

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

2. Appointments with Tenure: Listed below were four requests for appointments with tenure:

a. Dr. Robert Ackerman will be awarded tenure at the rank of Professor in the Department of Social Sciences at USC Beaufort.

b. Dr. Anthony Ambler will be awarded tenure at the rank of Professor in the Department of Electrical Engineering, College of Engineering and Computing.

c. Dr. Susan Poslusny will be awarded tenure at the rank of Associate Professor in the College of Nursing. She will serve as Associate Dean for Academics.

d. Dr. Charles Spirrison will be awarded tenure at the rank of Professor in the Department of Social Sciences at USC Beaufort.

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

3. Terminations: It had been requested to terminate the Doctor of Public Health in Epidemiology, USC Columbia and to terminate the distance delivery to the Bermuda receiver site for the Bachelor of Arts in Middle Grade Education, USC Upstate.

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

4. Program Change: USC Upstate was requesting to change the name of the Bachelor of Fine Arts in Art Studio with an emphasis in Graphic Design to the Bachelor of Art with an emphasis in Graphic Design.

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

5. New Certificate: USC Beaufort was requesting the establishment of the Undergraduate Certificate in Event Management.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval of the establishment of the Undergraduate Certificate in Event Management at USC Beaufort. Mr. Westbrook seconded the motion. The vote was taken and the motion carried.

6. New Center: The South Carolina College of Pharmacy was requesting the establishment of the William P. & Lou W. Kennedy Pharmacy Practice Innovation Center.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval to establish this center as presented. Dr. Floyd seconded the motion. The vote was taken and the motion carried.

7. Name Change: The College of Arts and Sciences was requesting to change the name of the School of the Environment to Environment and Sustainability Program.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval to change the name of the School of the Environment to Environment and Sustainability Program in the College of Arts and Sciences as stated in the meeting materials. Mr. Adams seconded the motion. The vote was taken and the motion carried.

8. Fixed Term Chairs for Recruitment and Retention in the College of Arts and Sciences, School of Music, and School of Law:

Dean Mary Anne Fitzpatrick, College of Arts and Sciences; Dean Tayloe Harding, School of Music; and Dean Walter Pratt, School of Law, were requesting the creation of fixed term chairs for recruitment and for meritorious performance, and retention of faculty members of any rank. The chair term was for one to three years and may be renewed for another term if permitted.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval to establish these fixed term chairs as presented. Mr. Hubbard seconded the motion. The vote was taken and the motion carried.

Mr. Jones reminded members of the Academic Affairs and Faculty Liaison Committee as well as all Board members about the upcoming called meeting of that committee on October 14<sup>th</sup> at 4:00 p.m. to review the report of the Blue Ribbon Committee and to discuss the appointment of an advisory ad hoc committee to assist the Provost with the prioritization and implementation of the recommendations of that panel.

E. Executive Committee  
(The Honorable Miles Loadholt reported)

The Executive Committee met earlier today and approved a Basketball Charter Flight agreement with Delta Airlines to provide roundtrip transportation to the men's basketball team during the current season; a coin-operated laundry services contract; a contract with Pacific Biosciences; and amendments to Head Baseball Coach Ray Tanner's and Head Basketball Coach Darrin Horn's employment agreements.

The following items had been approved for recommendation to the Board for action:

1. Off-Cycle Fee Request - USC Upstate Athletic Activity Fee:

USC Upstate was requesting approval to proceed with a Request for Proposal for a third party provider of athletic insurance as required by the NCAA for Division I institutions. The fee will ensure that student-athletes had primary insurance coverage for medical expenses from injuries sustained during participation in intercollegiate sports activities if a student did not carry independent coverage that satisfied this requirement.

Mr. Lister moved to approve the USC Upstate Athletic Activity Fee as presented. Mr. von Lehe seconded the motion. The vote was taken and the motion carried.

2. Prudential Demutualization: Mr. Adams moved approval of the Prudential Demutualization recommendation as discussed and as presented earlier today during the Executive Committee meeting. Mr. Hubbard seconded the motion. The vote was taken and the motion carried.

3. Bond Refunding Resolution:

a. Refund Series 2001B State Institution Bonds: The University was requesting approval of a resolution to issue State Institution Refunding Bonds not to exceed \$22,250,000 to be used to refund outstanding Series 2001B State Institution Bonds which were projected to result in substantial debt service savings.

Mr. Warr moved to approve the bond refunding resolution as presented. Mr. Burroughs seconded the motion. The vote was taken and the motion carried. [Exhibit A]

b. New Medical School Trust Debt Agreement: The University was requesting approval to authorize the Medical School Trust to enter a new Debt Agreement.

Dr. Floyd moved to authorize the Medical School Trust to enter a new Debt Agreement as presented. Mr. Bussell seconded the motion. The vote was taken and the motion carried.

4. Board of Visitors Nomination: Dr. Floyd moved to approve the nomination of Dr. William Weston III as an out-of-state member-at-large of the Board of Visitors. Mr. Adams seconded the motion. The vote was taken and the motion carried.

F. Fiscal Policy Committee:  
(The Honorable J. Egerton Burroughs reported)

The Fiscal Policy Committee met earlier today.

Mr. McCoy stated that the following audits have been resolved since the last meeting: Gamecock Apple Hub; Russell House; Depository; College of Engineering and Computing; and USC Upstate. One outstanding finding is in the process of being addressed for the Colonial Life Arena and four for Human Resources.

Comprehensive audits of the following areas were presented:

1. Payroll: There were four findings: liability accounts; compensatory leave payments; tax-sheltered annuities; and mandatory direct deposit.

Various reconciliation issues were noted for liability accounts. Recommended was an account reconciliation policy requiring the monthly reconciliation of all asset and liability accounts.

Regarding compensatory leave balances for nonexempt employees, it was recommended that the department pay employees at the time of promotion and/or pay increases so that payments will be based on the rate of pay in effect at the time the leave was earned.

For tax-sheltered annuities, the department will add internal procedures to include sending an e-mail to the employee notifying the individual that the requested deduction was lowered to comply with the IRS limit.

In the area of mandatory direct deposit, two employees had not complied. They will be notified in writing to submit electronic deposit authorization forms.

2. Student Loan Accounting: Three audit findings were cited in this area. The Bursar's Office had experienced a change in management and was currently working to correct the findings and to establish better controls regarding reconciliations.

3. Accounts Receivable: In the area of Accounts Receivable, it was noted that there was no Accounts Receivable Policy that addressed University Receivables. The Bursar's Office will work with Administration to develop a formal policy that addresses current procedures within the next six months.

Dr. Moore reported on the status of outstanding audit issues.

Secretary Stepp advised that the Fiscal Policy Committee Retreat is scheduled for Monday, October 18<sup>th</sup> from 10:00 a.m. to 4:30 p.m. in the Carolina Room on the 17<sup>th</sup> floor of Capstone.

Mrs. Hanna reported that each member of the search committee for the Director of the Internal Audit Department has submitted a list of their top candidate choices for consideration from a list of 30 applicants. Telephone and on-site interviews will follow and the committee will identify the 3 strongest candidates for consideration by the Board. The committee hopes to have the position filled by December 1, 2010.

III. REPORT OF THE ALUMNI ASSOCIATION: Chairman Loadholt called on Mr. Bussell who announced that Homecoming Weekend was scheduled November 5<sup>th</sup>-6<sup>th</sup>. He noted particularly that the Alumni Awards Gala would be held on Friday evening. "We have some really good honorees this year and we certainly encourage everyone to attend that event." Prior to the Arkansas game on Saturday, football reunions from the 60s, 70s, 80s, 90s and the year 2000 will be held. Former football players will be available three hours before kickoff to sign autographs.

Mr. Bussell also advised that the Alumni Association was moving forward with realigning and restructuring its mission in order to better support the University.

Finally, he noted that under consideration was the possibility of locating the Alumni Center in the Convention Center. It was hoped that by the end of the year the Alumni Association will be in a position to move forward with that site.

IV. REPORT OF THE PRESIDENT: Chairman Loadholt called on President Pastides who made the following comments:

It's the eve of a great football game against the Crimson Tide and tomorrow all eyes will be on The Garnet Way and our beautiful, historic Horseshoe as we host ESPN's GameDay. This may be the hottest ticket in America and I'm as excited as everyone else. But all is not fun and games these days.

Last Tuesday, we experienced a higher education summit and, frankly, I hope it's the first of many times forthcoming that state government will focus on higher education and the University FOR South Carolina. We have a strong story to tell about access, affordability, and commitment to the State.

I know full well that no one is as sensitive to the pressures placed on families when tuitions are increased as this BOT, and you know that my administration feels the same way. Carolina welcomes civil discourse and debate about tuition, about capital projects, and about state funding for higher education.

The USC system has lost half of its state funding in two years; that's \$105 million in recurring dollars. State support is now a small fraction of our total budget... about 10 percent.

How do we stack up with neighbors?

According to the State Higher Education Executive Officers annual report for 2009, the state appropriation is now about \$5,700 per SC resident student. For Georgia, it is \$8,765 and for North Carolina, it is \$8,844 per resident student. The national average is \$6,928. Again, SC is \$5,700.

Public universities all over America are increasing tuition levels due to declining state support. It costs a significant amount to provide a quality college education; in fact, it costs between \$16,000-\$17,000 per full-time equivalent student. This cost does not differ much between institutions or between states.

The question is how the cost is funded - state appropriation and tuition are the key sources in every public college in America. If one goes down, the other must increase in order to maintain educational quality.

We've heard the assertion that capital spending is driving tuition costs up, but at USC Columbia, capital items represent only 6-7 percent of tuition, and this has been true for years.

In last year's 6.9 percent tuition increase, which generated about \$15.8 million, only \$650,000 (or 4 percent of the increase) was for capital spending, and that is for a Student Health Center that our students need, have demanded, and deserve.

Still, the University of South Carolina will never increase tuition by any amount that is not absolutely necessary for directly funding student learning and student well being.

Given that we are a 200 year-old campus, one might fairly ask why it doesn't cost more to support our capital needs, especially since there's been no State bond bill for a decade. North Carolina had a \$3.1 *billion* bond bill during the past decade.

On the day following the Governor's Summit, the State Budget & Control Board imposed a moratorium on capital spending, with exceptions given to health & safety needs, deferred maintenance, and projects that are privately funded.

The moratorium applies to four-year institutions that raised tuition by more than 7 percent this year, and to two-year institutions that raised theirs by over 6.3 percent.

USC Columbia is not hampered by the moratorium, but USC Beaufort is. A 2-year school until a few years ago, it was funded accordingly. Now, as a senior campus, its state appropriation is only 6 percent of its annual budget, the lowest of any 4 year institution in South Carolina. The 9.5 percent increase in tuition this year was largely to catch up to the support

of our state's other 4-year schools. USC-B does a magnificent job in educating students from the Lowcountry and beyond and interest in attending there is exploding. This demonstrates why government needs a new funding formula that is equitable and rewards institutions that are doing more for South Carolina.

In the meantime, we will continue to strive for even more efficiency. We have been working with the Huron group to review our university system organization and operations and we plan to present their system study, along with our recommendations, to the strategic planning committee and to the full board. This may well be a central topic of our next Board retreat.

However, under my leadership, efficiency will not become a code word for reduced quality.

Working with this board, my predecessors and I have advanced a university that all of our alumni and indeed all of our state's citizens are increasingly proud of...

Our faculty is the highest ranked faculty in the state and we continue to increase our status nationally. We are the only university in SC to be designated by Carnegie in its top level of research universities, and now have the National Research Council's validation of our accomplishments. The NRC is widely considered to be the best indicator of the quality of the nation's doctoral granting programs. Over 5,000 doctoral programs at 212 institutions in the US were assessed; the study does not include law, medicine, business and education programs. We learned that, relative to the nation, and relative to the 15 Southeastern states from Delaware to Texas, we have many very highly ranked programs:

- Electrical engineering ranks 7th nationally - public and private universities - in program quality and 6th in faculty research productivity...and is ranked 1st in the South in both areas.
- 3 College of Engineering and Computing programs are ranked in the top 10 in the Southern region and the US.
- Geography PhD program is 10th in US and 2nd in South
- History PhD program is 36th in US and 7th in the South
- Biological sciences are 29th in US and 8th in the South
- Other programs with high national rankings are: public health, chemistry, chemical engineering, comparative literature, English, mechanical engineering, and pharmacy.

I could not be more proud of our faculty and I thank the board for supporting the administration's investments in the FEI and CP programs in the years past.

So here we are; a university given less but doing more. We'll continue on this path and look forward to additional conversations with what will be a new state government, come January.

In the meantime, the focus is on tomorrow. I would love to beat Alabama as much as you and I know we will give it our all.

Let's go out and showcase what we know is already one of America's great universities. Let's support our team and let's support each other.

I pledge to continue to work with this Board of Trustees and I know that Carolina will continue to be a winner.

That is my report.

Mr. Hubbard asked the nature of the strategy to disseminate the information presented above. President Pastides indicated that the University had in place a strong communication program. He further explained that he planned "to hit hard" in his presidential comments the Carnegie I research ranking; that fact, he believed, was an arbiter of faculty and program quality.

Mr. Gregory remarked that the University had "a great story to tell." He further stressed that Carolina will never be able to influence the General Assembly in a wholesale fashion until "you harness the power of your alumni."

President Pastides responded that spreading the good news to all constituents will be the University's single-minded focus.

Mr. Jones commented that he had attended the Governor's Higher Education Summit recently and wanted to take this opportunity to compliment Provost Amiridis and Vice President Ted Moore for clearly and succinctly stating the University's position and "whittling away" at some of the incorrect statistical numbers.

IV. OTHER MATTERS: Chairman Loadholt called on Mr. Jones who made the following motion:

In accordance with Article 7 Section 3 of the Bylaws of the University as amended, I would like to move to amend Board of Trustees Policy 1.04, specifically subsection 7b, to read as follows: 'Contracts and agreements including coaches' contracts with a total value in excess of \$750,000 shall require the approval of a majority of the Executive Committee and a majority of the Board of Trustees...'

Mr. Burroughs seconded the motion.

Mr. Warr advised that this recommendation was being made by Mr. Burroughs, Mr. Jones and him after listening to many comments from Board members. Earlier today, the Executive Committee had "handed over" to the full Board the opportunity and the authority to change it however members deemed appropriate. The language Mr. Jones used was as the General Counsel last presented to the Executive Committee except that "coaches' contracts" had been added for clarification.

The vote was taken and the motion carried.

It was decided to refer consideration of contract amounts requiring Executive Committee/Board of Trustees actions to the Buildings and Grounds Committee for further study. Dr. Floyd asked that specific evidence be presented to change the current amount requiring action from \$250,000 to \$500,000.

Since there were no other matters to come before the Board, Chairman Loadholt declared the meeting adjourned at 4:25 p.m.

Respectfully submitted,

Thomas L. Stepp  
Secretary