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University of South Carolina

BOARD OF TRUSTEES

December 13, 2010

The University of South Carolina Board of Trustees met on Monday, December 13, 2010, at 9:50 a.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. W. Lee Bussell, Sr.; Mr. Mark W. Buyck, Jr.; Dr. C. Edward Floyd; Mr. Greg Gregory; Mr. William C. Hubbard; Mr. William W. Jones, Jr.; 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; and Mr. Mack I. Whittle, Jr.; and Mr. Charles H. Williams.

Mr. J. Egerton Burroughs and Dr. James H. Rex were absent.

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

Others present were: President Harris Pastides; Secretary Thomas L. Stepp; Chief Financial Officer and Vice President for Finance and Planning William T. Moore; Vice President for Academic Affairs and Provost Michael D. Amiridis; Vice President for Information Technology and Chief Information Officer William F. Hogue; Interim Administrator for the Division of Human Resources Judith Owens; Vice President for Communications Luanne M. Lawrence; Vice President of Development and Alumni Relations Michelle D. Dodenhoff; Vice President for Student Affairs and Vice Provost for Academic Support Dennis A. Pruitt; General Counsel Walter (Terry) H. Parham; University Treasurer Susan D. Hanna; Special Assistant to the President J. Cantey Heath; Chancellor of USC Aiken Thomas L. Hallman; Chancellor of USC Upstate John C. Stockwell; Dean of USC Lancaster John Catalano; Dean of USC Salkehatchie Ann Carmichael; Dean of USC Sumter C. Leslie Carpenter; Dean of the School of Medicine Richard A. Hoppmann; Dean of the School of Music and Interim Dean of the South Carolina Honors College Tayloe Harding; Dean of the College of Nursing Peggy O. Hewlett; Dean of the School of Law Walter F. Pratt, Jr.; Executive Vice Chancellor for Academic Affairs, USC Beaufort, Harvey Varnet; Executive Associate Dean, Arnold School of Public Health, Cheryl Addy; Senior Vice Provost Christine W. Curtis; Associate Vice President for Finance and Budget Director, Division of Finance and Planning, Leslie Brunelli; Associate Vice President for Resource Planning Edward L. Walton; Director of Facilities, Division of Business and Finance, Tom Quasney; Controller, Division of Business and Finance, Patrick M. Lardner; Director of Athletics Eric C. Hyman;

Director of the Department of Internal Audit Alton McCoy; Special Assistant to the President and Athletics Director John D. Gregory; Executive Associate Athletics Director for External Affairs Kevin O'Connell; Chief Financial Officer, Department of Athletics, Jeff Tallant; Director of Capital Budgets and Financing, Division of Finance and Planning, Charlie Fitzsimons; Director of Accounting Services, Controller's Office, Mary T. Peak; Assistant Provost for Academic Programs Kristia H. Finnigan; Associate Director of Governmental Affairs and Legislative Liaison Casey Martin; John Augustine, Brian Frankel, and Christoph Muelbers of Barclays Capital; The Reverend John R. Cook, Campus Minister, Presbyterian Student Association; Director of Media Relations, Division of University Advancement, Margaret Lamb; University Technology Services Production Manager, Justin Johnson; and Board staff members Terri Saxon, Vera Stone, and Karen Tweedy.

Chairman Loadholt 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 stated that in the essence of time he would dispense with the introductions; Mrs. Lamb indicated that no members of the media were in attendance.

At Chairman Loadholt's request, The Reverend John R. Cook, Campus Minister, Presbyterian Student Association, delivered the Invocation.

Chairman Loadholt reminded the Board that while Board business is of paramount importance, they needed to adjourn the meeting by 11:00 a.m. for the commencement luncheon to begin at 11:30 a.m. in the Capstone House Campus Room.

Chairman Loadholt stated that there were personnel matters relative to recommendations for honorary faculty titles, and honorary degree nominations, as well as contractual matters relative to gift naming opportunities and educational programs, which were appropriate for discussion in Executive Session.

Chairman Loadholt called for a motion to enter Executive Session. Mr. Allen so moved and Dr. Smith 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. Lawrence, Ms. Owens, Dr. Hogue, Mr. Parham, Mr. Heath, Mr. Walton, Ms. Brunelli, Mrs. Hanna, Mr. Gregory, Mrs. Martin, Ms. Mills, and Mrs. Lamb.

Return to Open Session

I. COMMITTEE REPORTS:

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

The following personnel matters received all appropriate academic and administrative approvals and were presented without objection to the Academic Affairs and Faculty Liaison Committee on Friday, November 19<sup>th</sup> and, where appropriate, to the full Board in Executive Session.

1. Honorary Faculty Titles: Seven requests for honorary faculty titles were e-mailed with the meeting materials. The following individuals will be awarded titles effective with their retirement:

For the title Dean Emeritus and Distinguished Professor Emeritus:

- Professor Davis W. Baird

For the title Distinguished Professor Emerita and Strom Thurmond Chair in Political Science or History Emerita:

- Professor Elaine C. Lacy

For the title Distinguished Professor Emeritus and Cleora Toole Murray Chair in History Emeritus:

- Professor Valdis O. Lumans

For the title Distinguished Professor Emeritus:

- Professor Richard S. Bell

For the title Professor Emerita:

- a. Professor Christine Borycki
- b. Professor Sara G. Fuller

For the title Professor Emeritus:

- Professor James R. Yates

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

2. Terminations: Master of Science in Public Health degree with a major in Environmental Health Sciences, USC Columbia: On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval to terminate the Master of Science in Public Health degree with a major in Environmental Health Sciences, USC Columbia as described in the materials. Dr. Smith seconded the motion. The vote was taken and the motion carried.

3. New Certificate: Undergraduate Certificate in Gerontological Nursing, USC Beaufort: On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval to establish the Undergraduate Certificate in Gerontological Nursing, USC Beaufort, as described in the materials. Dr.

Smith seconded the motion. The vote was taken and the motion carried.

4. Name Change: Master of Industrial Statistics to Master of Applied Statistics, USC Columbia: On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval to change the name of the Master of Industrial Statistics to the Master of Applied Statistics, USC Columbia as described in the meeting materials. Dr. Smith seconded the motion. The vote was taken and the motion carried.

5. USC Beaufort Faculty Manual Changes: On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval of the USC Beaufort *Faculty Manual* changes as described in the materials. Dr. Smith seconded the motion. The vote was taken and the motion carried. [Exhibit A]

In addition, the Committee heard a report from Dr. Amiridis about two new initiatives: the Faculty Retention Initiative and the Faculty Replenishment Initiative.

Provost Amiridis also updated the Committee about the progress of addressing various issues raised by the Blue Ribbon Panel report. He explained that the Law School faculty was in the process of rewriting the school's bylaws; a draft will be submitted to President Pastides no later than December 31<sup>st</sup> of this year. They had also begun the process of gathering data to develop a strategic plan.

The lawyers on the Board were meeting frequently with the Provost and others to monitor the progress of these matters.

B. Buildings and Grounds Committee:  
(The Honorable Mark W. Buyck, Jr. reported)

The Buildings and Grounds Committee met on November 19<sup>th</sup>, and the following items required Board approval.

1. Items Requiring Board Approval:

The Committee deferred action on the agenda item with respect to the USC Aiken Pedestrian Bridge Construction.

2. Project Approvals Under \$500,000:

a. Classroom Enhancement Projects:

i.	Amoco Hall Auditorium	\$495,000
ii.	PSC 210 Auditorium	\$495,000
iii.	Humanities Classrooms	\$495,000
iv.	Gambrell Hall Classrooms	\$495,000

On behalf of the Buildings and Grounds Committee, Mr. Buyck moved to establish and fully fund the four classroom enhancement projects with budgets as indicated above. Each project was to be funded with \$315,000 in ICPF and \$180,000 in Institutional 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.

b. Beckham Softball Field Drainage and Grading Improvements:

On behalf of the Buildings and Grounds Committee, Mr. Buyck moved to establish and fully

fund this project with a budget of \$495K funded with Athletic Operating 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.

c. USC Upstate Villa One Renovation: On behalf of the Buildings and Grounds Committee, Mr. Buyck moved to establish and fully fund this project with a budget of \$490K funded with USC Upstate Housing 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.

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

- a. Darla Moore School of Business:
  - i. "The Lindsey B. Cushing Faculty Office"
  - ii. "The Lindsey B. Cushing Administrative Office"
- b. School of Law:
  - i. "The Kevin H. Good Library Staff Lounge"
  - ii. "The Neil C. Robinson Jr. Library Conference Room"
- c. USC Upstate:
  - i. "The Cheryl and Frank Rudisill Office"
  - ii. "The Dean's Administrative Assistant Office"
- d. School of Music:
  - "The James K. Copenhaver Lobby"

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

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

The Executive Committee met earlier today; the following items were approved for recommendation to the Board for action:

1. Arius3D, Inc.: Mr. Allen moved to approve this contract as described in the materials. Mr. Whittle seconded the motion. The vote was taken and the motion carried.

2. Microsoft Licensing Agreement: Mr. Williams moved to renew the Microsoft Licensing agreement for use by faculty, staff and students at \$400,000 per year for a period of 3 years beginning December 2010. Mr. Whittle seconded the motion. The vote was taken and the motion carried.

3. Indefinite Delivery Contracts:
- a. S&ME, Inc.
  - b. ECS Carolinas, LLP
  - c. F&ME Consultants
  - d. GS2 Engineering & Environmental Consultants, Inc.
  - e. Wilbur Smith Associates

- f. Cox and Dinkins, Inc.
- g. B. P. Barber & Associates, Inc.
- h. Chao & Associates, Inc.
- i. American Engineering Consultants, Inc.
- j. Keck & Wood, Inc.
- k. Dennis Corporation
- l. Wilbur Smith Associates

Mr. Buyck moved to approve the civil and surveying indefinite delivery contracts as distributed. Mr. Gregory seconded the motion. The vote was taken and the motion carried.

4. Mandatory Study Abroad Insurance Fee: In June 2010, the Board of Trustees had approved a fee that was "to be determined" pending completion of a Request for Proposal for providing mandatory insurance for all students participating in study abroad. The RFP was concluded and a fee had been established based on an annual rate of \$360.

Mr. Adams moved to approve the mandatory study abroad insurance fee as presented and to begin billing in January 2011. Mr. Jones seconded the motion. The vote was taken and the motion carried.

5. State Institution Bond Resolution: Mr. Jones moved to approve a State Institution Bond Resolution authorizing up to \$26,000,000 for the construction and renovation of projects on the Columbia, Aiken and Beaufort campuses as described in the materials. Mr. Lister seconded the motion. The vote was taken and the motion carried.

[Exhibit B]

6. Resolution for Budget and Control Board Approval of Revenue Bonds:

Mr. Whittle moved to approve a Resolution requesting Budget and Control Board approval of Higher Education Revenue Bonds not to exceed \$80,000,000 for a portion of the construction costs of the Darla Moore School of Business on the Columbia campus. Mr. Williams seconded the motion. The vote was taken and the motion carried. [Exhibit C]

D. Health Affairs Committee:  
(The Honorable C. Dorn Smith, to report)

This report was deferred until the December 20, 2010, meeting of the Board of Trustees.

E. Student-Trustee Liaison Committee:  
(The Honorable Leah B. Moody to report)

This report was deferred until the December 20, 2010, meeting of the Board of Trustees.

F. Ad Hoc Committee on Strategic Planning:  
(The Honorable Mack I. Whittle, Jr. to report)

This report was deferred until the December 20, 2010, meeting of the Board of Trustees.

G. Ad Hoc Committee on Legislative Relations:  
(The Honorable Thad H. Westbrook to report)

This report was deferred until the December 20, 2010, meeting of the Board of Trustees.

H. Fiscal Policy Committee:  
(The Honorable Thad H. Westbrook to report)

The Fiscal Policy Committee met on Tuesday, December 7<sup>th</sup>.

Mr. Tom McNeish of Elliott Davis presented the USC Financial Statements and External Audit report accompanied by the audit report of the Federal Awards for the Year Ended June 30, 2010. He summarized the guidelines for conducting these audits and reviewed and discussed any findings. Following this presentation, the committee approved the audit.

The following items required Board action:

1. Presentation of External Audit of Financial Statements for June 30, 2010: On behalf of the Fiscal Policy Committee, Mr. Westbrook moved to approve the Presentation of External Audit of Financial Statements for June 30, 2010. Ms. Moody seconded the motion. The vote was taken and the motion carried.

2. Presentation of Financial Analysis of Financial Statement Information for June 30, 2010: On behalf of the Fiscal Policy Committee, Mr. Westbrook moved to approve the Presentation of Financial Analysis of Financial Statement Information for June 30, 2010. Mr. Whittle seconded the motion. The vote was taken and the motion carried.

Also reviewed was a draft charter of the Committee. Several members offered suggestions to include in this document. In consultation with the General Counsel, Dr. Ted Moore will review these suggestions for inclusion in the document and present the revised document for consideration to the Committee in the near future. When the Committee has adopted the charter, the Board of Trustees will also be asked to review and adopt the charter.

3. Committee Name Change: The Committee unanimously voted to change the name of the committee from the Fiscal Policy Committee to the Audit and Compliance Committee.

In accordance with the Bylaws, and on behalf of the Fiscal Policy Committee, Mr. Westbrook moved that the Board begin the process to amend the Bylaws to change the name of the Fiscal Policy Committee to the Audit and Compliance Committee. Mr. Adams seconded the motion. The vote was taken and the motion carried.

The second reading of this request to amend the Bylaws will be presented at the next regularly scheduled meeting of the full Board.

III. REPORT OF THE ALUMNI ASSOCIATION: Chairman Loadholt called on Mr. Bussell who explained that the Alumni Association had been in negotiations with the Convention Authority Commission regarding the possibility of co-locating the Alumni Center in the Convention Center. An initial consultant report had indicated significant revenue potential based on reports from other alumni centers in similar situations.

Mr. Bussell anticipated presenting a recommendation to the Alumni Association's Board of Governors at its next meeting.

IV. REPORT OF THE PRESIDENT: Chairman Loadholt called on President Pastides, who announced that 1300 students will graduate later today during Winter Commencement.

He also recognized Dr. Ted Moore who had accepted the position of Provost and Vice President for Academic Affairs at Georgia Southern University beginning March 1, 2011. "You know we are losing a wonderful mind; a tremendous financial mind; truly one of the best people, not to mention one of the best professors we have ever had. You also know that beyond being the great mind and leader that he is, Ted is a real gentleman." He asked Dr. Moore to stand for a moment and be recognized; the Board extended to him a round of applause.

President Pastides also recognized Dr. John Stockwell, Chancellor of USC Upstate, who will be retiring at the end of the academic year. He noted that Dr. Stockwell had been in that position for 17 years during which time the campus had experienced phenomenal growth. USC Upstate was the second largest campus in the University System. He also asked Dr. Stockwell to stand and be recognized; the Board extended to him a round of applause.

President Pastides also advised that he would report to them early next year regarding his reorganization plans for operating more effectively and efficiently.

Since there were no other matters to come before the Board of Trustees, Chairman Loadholt declared the meeting adjourned at 10:55 a.m.

Respectfully submitted,

Thomas L. Stepp  
Secretary