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University of South Carolina  
BOARD OF TRUSTEES

Health Affairs Committee

November 19, 2010

The Health Affairs Committee of the University of South Carolina met on Friday, November 19, 2010, at 12:30 a.m. in the 1600 Hampton Street Board Room.

Members present were: Dr. C. Dorn Smith III, Chairman; Mr. Chuck Allen; Dr. C. Edward Floyd; Ms. Leah B. Moody; Mr. John C. von Lehe Jr.; Mr. Mack I. Whittle Jr.; Mr. Miles Loadholt, Board Chairman; and Mr. Eugene P. Warr Jr., Board Vice Chairman. Mr. Thad H. Westbrook and Mr. J. Egerton Burroughs were absent.

Other Board members present were: Mr. W. Lee Bussell Sr.; Mr. William C. Hubbard; Mr. William W. Jones Jr.; Mr. Toney J. Lister; and Mr. Charles H. Williams.

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 of Development and Alumni Relations Michelle D. Dodenhoff; Vice President for Information Technology and Chief Information Officer William F. Hogue; Vice President for Medical Affairs Donald J. DiPette; Vice Provost for Faculty Development Christine W. Curtis; Special Assistant to the President J. Cantey Heath Jr.; Dean of the Arnold School of Public Health Thomas Chandler; Chair of the USC Columbia Faculty Senate Patrick D. Nolan; Special Assistant to the President and Director of Athletics John D. Gregory; Director of Governmental and Community Relations and Legislative Liaison Shirley D. Mills; Director of Governmental Affairs and Legislative Liaison Casey Martin; USC Columbia, Student Government Association President Ebbie Yazdani; Former Chair of the Board of Trustees, College of Charleston, Marie M. Land; Secretary to the Board of Trustees, College of Charleston, Elizabeth W. Kassebaum; USC Columbia, SGA Vice President Taylor Cain and SGA Treasurer Peter Schaeffing; USC Sumter, Laboratory Instructor of Biology Daniel A. Kierman; USC Union, SGA Advisor and Career Transfer Counselor, Opportunities Scholars Program, John Crocker; USC Union, SGA President Dona N. Wright, Vice President Justin Mundy, and Senator Dustin Clayton; USC Upstate, SGA President Allison Berrian and SGA Secretary Devon Bolf; Director of Media Relations, Office of Communications, Margaret Lamb; University Technology Services Production Manager, Justin Johnson; and Board staff members Terri Saxon, Vera Stone, and Karen Tweedy.

Chairman Smith called the meeting to order, welcomed those present, asked everyone to introduce themselves. Ms. Lamb introduced members of the media who were in attendance.

Chairman Smith stated that the agenda had been posted and the press had been notified as required by the Freedom of Information Act; the agenda had been e-mailed to the Committee members; and a quorum was present to conduct business.

#### Open Session

Chairman Smith stated that potential items to be discussed in Executive Session were no longer applicable to the meeting today. Therefore, the committee would not have an Executive Session but move forward in Open Session.

I. Report from GHS Joint Board Liaison Committee: Chairman Smith called on Dr. Amiridis who stated that the Greenville Hospital Systems (GHS) Joint Board Liaison Committee was a group that had been created as a result of the Foundational Agreement. Currently, they were in the process of finalizing the By-laws of the committee which would eventually be presented for board approval. In the meantime, until the By-laws were approved and the committee was formally constituted, this former oversight group had been meeting to discuss some time-lines and provide input in terms of finalizing the operational agreement in the GHS Joint Board Liaison Committee By-laws.

The group had several meetings and discussed the budget projections for the expanded medical program.

Dr. Amiridis called on Dr. Moore to present the USC School of Medicine-Greenville budget projections for the next ten years as discussed by the group.

Dr. Moore distributed the Ten-Year Plan which summarized the Revenue and Expense projections.

The cumulative total of Revenues was projected to be approximately \$186,089,450 and total expenses were also \$186,089,450. He stated the totals were equal because the amount from GHS supported revenues was designed to give USC an anticipated zero bottom line at the end of each period.

Additionally, Dr. Moore stated that financial projections were predicated on tuition revenues and GHS support as primary funding sources. No state appropriations were included in these projections nor would they be sources of revenue for the Greenville campus. Funding from philanthropy, grants, and contracts would be sought to diversify revenue streams. Tuition for the USC School of Medicine-Greenville reflects that of the School of Medicine Columbia. Tuition would be set by USC Trustees in context of annual budgeting process. Student enrollment and resulting tuition was estimated at 75 percent in-state, 25 percent out-of-state. USC and GHS would provide in-kind support to Greenville campus to promote operational efficiencies. Operating shortfall, if it occurs would be addressed through standard business practices such as expense reduction and revenue enhancement. GHS would fund remaining annual operating deficits.

GHS would provide a building shell and capital for upfit and equipping of the building that would house the expanded medical education program. USC School of

Medicine-Greenville would enter a lease with GHS for the upfit and equipment in the building; GHS would provide the use of the building shell at no cost to USC.

Dr. Moore stated that student enrollment was planned according to the following schedule:

<u>School Year</u>	<u>Total Enrollment</u>
2012/13	40
2013/14	100
2014/15	180
2015/16	280 (first class graduates0
2016/17	340
2017/18	380
2018/19	400 (maximum projected enrollment)

Finally, Dr. Moore explained the risks in this particular proposal and how they would manage that risk to make it essentially zero for the USC.

II. Student Health Center Operation Update: The Board postponed this agenda item and stated it would be discussed at a later date.

III. Other Matters: Chairman Smith called for any other matters to come before the Committee.

Dr. Floyd responded that Mr. Hubbard suggested, and he concurred, that the Board should enter Executive Session to discuss the contractual matter.

Chairman Smith called for a motion to enter Executive Session to discuss a contractual matter which was appropriate for Executive Session. Mr. Hubbard so moved. Dr. Floyd seconded the motion. The vote was taken, and the motion carried.

Chairman Smith invited members of the University administration to remain.

Return to Open Session

Since there were no other matters to come before the Committee, Chairman Smith declared the meeting adjourned at 1:30 p.m.

Respectfully submitted,

Thomas L. Stepp  
Secretary