

University of South Carolina
BOARD OF TRUSTEES

February 28, 2013

The University of South Carolina Board of Trustees met on Thursday, February 28, 2013, at 4 p.m. in Room 122 of the Business and Science Education Building at USC Aiken.

Members present were: Mr. Eugene P. Warr, Jr., Chairman; Mr. John C. von Lehe, Jr., Vice Chairman; Mr. Chuck Allen; Mr. Robert "Eddie" Brown; Mr. J. Egerton Burroughs; Mr. Mark W. Buyck; Mr. Thomas C. Cofield; Mr. A.C. "Bubba" Fennell; Dr. C. Edward Floyd; Mr. William C. Hubbard; Mr. William W. Jones, Jr.; Mr. Toney J. Lister; and Mr. Miles Loadholt, Chairman Emeritus; Mr. Hubert F. Mobley; Ms. Leah B. Moody; Dr. C. Dorn Smith; Mr. Thad H. Westbrook; Mr. Charles H. Williams; and Dr. Mitchell M. Zais. Absent was Mr. Mack I. Whittle, Jr.

Also present were faculty representative Dr. Sandra J. Kelly and student representative Kenny Tracy.

Others present were: President Harris Pastides; Secretary Amy E. Stone; Vice President for Academic Affairs and Provost Michael D. Amiridis; General Counsel Walter "Terry" H. Parham; Chief Financial Officer Edward L. Walton; Vice President for Development and Alumni Relations Michelle Dodenhoff; Vice President for Human Resources Chris Byrd; Vice President for Student Affairs and Vice Provost for Academic Support Dennis A. Pruitt; Vice President for Communications Luanne Lawrence; USC Aiken Chancellor Sandra J. Jordan; USC Beaufort Chancellor Jane Upshaw; USC Upstate Chancellor Tom Moore; Palmetto College Chancellor Susan Elkins; Athletics Director Ray Tanner; College of Arts and Sciences Dean Mary Anne Fitzpatrick; School of Law Dean Robert Wilcox; Senior Vice Provost and Director of Strategic Planning Christine W. Curtis; Associate Vice President for Business and Finance Leslie Brunelli; Director of Capital Budgets and Financing, Division of Finance and Planning, Charlie Fitzsimons; Executive Associate Athletics Director Kevin O'Connell; Associate Athletics Director and Senior Women's Administrator Judy Van Horn; Assistant Athletics Director, Ticket Operations, Lance Grantham; Chief Financial Officer, Athletics Department, Jeff Tallant; Interim Executive Vice Chancellor for Academic Affairs, USC Aiken, Jeff Priest; Vice Chancellor for Student Affairs, USC Aiken, Deb Kladviko; Vice Chancellor for University Advancement, USC Aiken, Deidre Martin; Vice Chancellor for Business and Finance, USC Aiken, Joe Sobieralski; Vice Chancellor for Information Technology, USC

Aiken, Ernest Pringle; Assistant Chancellor for Facilities, USC Aiken, Michael F. Jara; USC Aiken Athletic Director Randy Warrick; Special Assistant to the President J. Cantey Heath Jr.; Director of News and Internal Communications Wes Hickman; and Board staff members Debra Allen and Leah Kososki. Also present was Margaret and Gary Pope of the Pope Zeigler Law Firm.

Chairman Warr 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; and a quorum was present to conduct business. Mr. Hickman introduced members of the media in attendance: Scott Hood of *Gamecock Central*; Thad Moore of *The Daily Gamecock*; Andy Shain of *The State*; and John Whittle of *The Big Spur*. Chairman Warr invited University of South Carolina Aiken Chief of Police Kevin Liles, a lay speaker at Aiken United Methodist Church, to deliver the invocation.

Chairman Warr stated that without objection the executive session matters would be skipped and he would begin with the first open session agenda item.

I. Approval of Minutes

The following nine (9) sets of minutes were posted electronically in the Board Book for review and were presented for approval:

- A. Ad Hoc Committee on Strategic Planning, December 18, 2012
- B. Academic Affairs and Faculty Liaison Committee, December 18, 2012
- C. Executive Committee, December 18, 2012
- D. Board of Trustees, December 18, 2012
- E. Called Executive Committee, January 14, 2013
- F. Called Board of Trustees, January 14, 2013
- G. Called Health Affairs Committee and Academic Affairs and Faculty Liaison Committee, January 29, 2013
- H. Called Board of Trustees, January 29, 2013
- I. Called Joint Meeting of the Executive Committee and the Health Affairs Committee, February 8, 2013

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

II. COMMITTEE REPORTS

- A. Buildings and Grounds Committee
(The Honorable William W. Jones, Jr., reported)

The Buildings and Grounds Committee met earlier in the day, and the following items require Board approval.

The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amounts of proceeds of the tax-exempt bond issue.

1. Project Approvals:

a. New School of Law Building – On behalf of the Buildings and Grounds Committee, Mr. Jones moved to fund Phase II design and construction for a total project budget of \$80 million funded with up to \$48.1 million in State Institution Bonds, \$10 million in State Capital Improvement Bonds, \$10 million in State Capital Reserve Funds, and a minimum of \$11.9 million in Private Funds. Mr. Hubbard seconded the motion. The vote was taken and the motion carried.

b. Hamilton College Renovation – On behalf of the Buildings and Grounds Committee, Mr. Jones moved to fund Phase II design and construction for a total project budget of \$15.0 million funded with \$14.7 million in Institutional Capital Project Funds, and \$300,000 in Capital Improvement Bonds. In the event that State Capital Reserve Funds are received, the funding will be changed to reduce the Institutional Capital Project Funds by the amount of State funds received. Mr. Lister seconded the motion. The vote was taken and the motion carried.

c. Athletics Projects – On behalf of the Buildings and Grounds Committee, Mr. Jones moved to approve the following eleven (11) Athletics Projects with the budgets and funding sources as presented in the summary document provided for this meeting:

- i. Outdoor Football Practice Fields Construction – Fund Phase II design and construction for a total project budget of \$3 million funded with Athletic Operating Funds.
- ii. Indoor Practice Facility Construction – Fund Phase II design and construction for a total project budget of \$14.55 million funded with \$12.1 million in Athletic Revenue Bonds and \$2,450,000 in Athletic Operating Funds.
- iii. Athletic Village Sand Volleyball Court Construction – Establish and fully fund this project with a budget not to exceed \$995,000 to be funded with Athletic Operating Funds.
- iv. Williams-Brice Stadium Plaza Site Work – Establish this project for Phase I Design with a budget of \$210,000 funded with Private Funds.
- v. Williams-Brice Stadium Field Site Work – Establish and fully fund this project with a budget of \$995,000 to be funded with Athletic Operating Funds.
- vi. Williams-Brice Stadium “The Zone” HVAC Replacement – Establish and fully fund this project with a budget of \$550,000 to be funded with Athletic Operating Funds.
- vii. Williams-Brice Stadium Waterproofing III – Establish and fully fund this project with a budget of \$500,000 to be funded with Athletic Operating Funds.

- viii. Athletic Village Track and Field Upgrades – Establish this project for Phase I Design with a budget of \$150,000 funded with Athletic Operating Funds.
- ix. Athletic Village Tennis Complex Addition – Establish this project for Phase I Design with a budget of \$15,000 funded with Athletic Operating Funds.
- x. Soccer Building Construction – Establish this project for Phase I Design with a budget of \$37,500 funded with Athletic Operating Funds.
- xi. Field House Conversion – Establish this project for Phase I Design with a budget of \$75,000 funded with Athletic Revenue Bonds. Athletic operating funds will be used as interim funding until Revenue Bonds are issued.

Mr. Buyck seconded the motion. The vote was taken and the motion carried.

- d. Other Projects: On behalf of the Buildings and Grounds Committee,

Mr. Jones moved to approve the following seventeen (17) Other Projects with the budgets and funding sources as presented in the summary document provided for this meeting:

- i. Close-Hipp Building Renovation – Fund Phase II design and construction for a total project budget of \$64.5 million funded with \$49.5 million from the Department of Justice and \$15 million in Institutional Capital Project Funds.
- ii. War Memorial Renovation – Establish this project for Phase I Design with a budget of \$45,000 funded with Institutional Capital Project Funds.

The next seven (7) projects are Campus Energy Projects to be funded with Institutional Funds.

- iii. East Energy Cooling Tower No. 2 Cell Addition – \$292,000
- iv. West Energy Switchgear and Transformer Replacements – \$350,000
- v. Columbia Campus Control Valve Installation – \$670,000
- vi. Energy Plant Asbestos Abatement (Phase I) – \$400,000
- vii. West Energy Boiler Replacement – \$950,000
- viii. Utility Line Replacement, Davis College to Currell College – \$986,000
- ix. West Energy No. 3 Chiller Replacement – \$995,000
- x. Greek Village Site Improvements – Establish and fully fund this project with a budget of \$400,000 to be funded with Institutional Funds from Greek Life Operations.

The next three (3) projects planned for implementation in 2014, are part of the Classroom Enhancement Project, which was initiated in

1993/1994 to upgrade existing classrooms to a higher standard and to provide capabilities for multi-media instruction.

- xi. 2014 LeConte Classroom Enhancements – \$400,000
- xii. 2014 Swearingen Classroom Enhancements – \$330,000
- xiii. 2014 Booker T. Washington Auditorium and Classroom Enhancements – \$460,000
- xiv. McKissick Fire Alarm Upgrade – Establish and fully fund this project with a budget of \$490,000 to be funded with Institutional Capital Project Funds.
- xv. Strom Thurmond Wellness and Fitness Center Outdoor Pool Repair – Establish and fully fund this project with a budget of \$575,000 to be funded with Institutional Funds from Campus Recreation Maintenance Reserve Funds.
- xvi. USC Upstate North Campus Boulevard Repairs/Improvements – Establish and fully fund this project with a budget of \$400,000 to be funded with USC Upstate Parking Revenue.
- xvii. Capstone 17th Floor Renovations – Establish and fully fund this project with a budget of \$600,000 to be funded with Auxiliary Funds.

Mr. Fennell seconded the motion. The vote was taken and the motion carried.

- 2. 2013 CPIP Approval – On behalf of the Buildings and Grounds Committee,

Mr. Jones moved to adopt the 2013 Comprehensive Permanent Improvement Plan (CPIP) as presented.

Mr. Westbrook seconded the motion. The vote was taken and the motion carried. [Exhibit A: CPIP]

- 3. Project Budget Adjustment – USC Columbia Deferred Maintenance 2012

On behalf of the Buildings and Grounds Committee, Mr. Jones moved to increase the budget for this project by \$301,672.39 funded with School of Medicine Institutional Funds, State Supplemental Funds, and State Capital Reserve Funds resulting in a total project budget of \$4,989,405.39 funded with \$4,687,733 in S.C. Education Lottery Funds and \$300,000 in School of Medicine Institutional Funds, \$1,664.28 in State Supplemental Funds, and \$8.11 in State Capital Reserve Funds. Mr. Westbrook seconded the motion. The vote was taken and the motion carried.

- 4. Gift Naming Opportunities – On behalf of the Buildings and Grounds

Committee, Mr. Jones moved to approve the following gift namings as recommended by the Gift Naming Opportunities Committee and distributed in the Board materials.

- a. Department of Athletics:
 - i. "The Tracy and Charles Hardaway Family Court"
 - ii. "The Connie and Bill Timmons Family Court"
 - iii. "Roth's Bullpen"

- b. School of Law:
 - "The Elinor V. Lister Library Carrel"
- c. College of Mass Communications and Information Studies:
 - "The Albert T. Scroggins Dean's Suite"

Mr. Mobley seconded the motion. The vote was taken. Mr. Lister abstained and the motion carried.

Also in the meeting, the Committee was provided an update of the Five-Year Plan, and an Administrative Notification of Project Increase for the Baruch Marine Field Laboratory Roof/Mechanical Replacement. Planning items discussed included: Public Private Partnerships; Land Acquisitions (SCANA, Columbia Venture, and The Wedge); Greene Street Closure from Pickens to Bull Streets; and Greene Street and the Innovista Master Plan.

B. Academic Affairs and Faculty Liaison Committee
(The Honorable Thad H. Westbrook, reported)

The Academic Affairs and Faculty Liaison Committee met earlier in the day, and the following item required Board approval.

- Mid-Year Tenure and Promotion Recommendations – On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Westbrook moved to approve the additional three (3) mid-year tenure and promotion recommendations as described in the materials posted in the Board Book. Mr. Cofield seconded the motion. The vote was taken and the motion carried.

C. Executive Committee
(The Honorable Eugene Warr, Jr. reported)

Earlier in the day, the Executive Committee approved contracts valued in excess of \$250,000. These included two-year Athletics employment contracts for the following assistant football coaches: Deke Adams, Kirk Botkin, Grady Brown, Shawn Elliott, G.A. Mangus, Joseph Robinson, Everette Sands, and Steve Spurrier, Jr.

The Executive Committee also approved acceptance of a gift, valued at \$285,000, from The Prosper Foundation that provides access to consumer respondent data and corresponding analysis software by the University's Department of Retailing.

The following contracts, with values exceeding \$750,000 were approved by the Executive Committee earlier in the day for recommendation to the Board for action:

- 1. Contracts:
 - a. Athletics Employment Contract for Assistant Football
 - Coach Lorenzo Ward – On behalf of the Executive Committee,

Chairman Warr moved approval of the employment contract for Coach Ward that provides for an annual base salary of \$300,000 along with annual media payments, incentives and perquisites as described in the materials provided for this meeting. Mr. Westbrook seconded the motion. The vote was taken and the motion carried.

b. IMG College Seating LLC – On behalf of the Executive Committee, Chairman Warr moved approval of the seating services agreement under which IMG will lease/rent its stadium seats to fans attending University home football games. Under this agreement IMG will pay the University 50 percent of gross sales revenue generated from Stadium Seats rented/leased seasonally, as well as revenue generated from per game rents/leases. Dr. Smith seconded the motion. The vote was taken and the motion carried.

c. Wiley Subscription Service – On behalf of the Executive Committee, Chairman Warr moved approval of the amended contract with Wiley Subscription Service that provides online access to electronic journals across a host of academic disciplines. The annual value of this subscription service is \$637,295.20. Mr. Westbrook seconded the motion. The vote was taken and the motion carried.

d. Symantec Software Agreement – On behalf of the Executive Committee, Chairman Warr moved approval of an academic subscription program agreement with Symantec for a period of five years under which the University may obtain Symantec antivirus software for use by faculty, staff and students. The total value of this agreement is \$923,979. Dr. Smith seconded the motion. The vote was taken and the motion carried.

2. Bond Resolutions:

a. State Institution Bond Resolution for Law School – On behalf of the Executive Committee, Chairman Warr moved approval of a State Institution Bond Resolution authorizing up to \$49,575,000 for a portion of the costs associated with the construction of the new Law School. The authorized amount will provide up to approximately \$48.1 million toward construction costs and the amount necessary for issuance costs associated with the bonds. The intent is to service the bonds with the bond fee component of tuition. The final par amount of the bonds will be adjusted downward to reflect the benefit of any New Markets Tax Credit allocation obtained, additional gifts, and other contributions, if available at the time of the sale of the bonds. Mr. Allen seconded the motion. The vote was taken and the motion carried.

b. Athletic Facility Revenue Bond Resolution for Football Indoor

Practice Facility – On behalf of the Executive Committee, Chairman Warr moved approval of an Athletic Facility Revenue Bond Resolution authorizing up to \$14 million for construction of a new Football Indoor Practice Facility. The authorized amount will provide approximately \$12.1 million toward construction costs and the amount necessary for capitalized interest, debt service reserve and issuance costs associated with the bonds. The intent is to service these bonds with Net Revenues of the athletic department and the existing Admission Fee and Special Student Fee. Dr. Smith seconded the motion. The vote was taken and the motion carried.

Presented for information to the Executive Committee was the Mid-Year Budget Review for Campuses and Columbia Auxiliaries. The report is available for all Trustees on the Board Portal.

The Executive Committee also approved an off-cycle fee request for online graduate programs at its meeting earlier in the day that will reduce the non-resident tuition charge from \$1,008 per credit hour to \$625 per credit hour. USC Columbia non-resident tuition is significantly higher than other comparable online graduate programs and this change will allow the University to provide competitively priced online graduate programs.

Chairman Warr reported that the Executive Committee approved updates to the Bylaws at its meeting earlier in the day and voted to forward the updated Bylaws to the full Board for consideration. The proposed updates will lay on the table for today's meeting of the full Board and will be scheduled for discussion at the April 17 meeting.

III. Report of the Alumni Association

Due to the lateness of the day, this report was postponed.

IV. Report of the President

President Pastides recognized the beauty of the Aiken campus and thanked the Aiken administration for its hospitality, noting that investiture ceremonies would be held for Chancellor Sandra Jordan the following day. The President also recognized and thanked outgoing Student Government Association (SGA) President Kenny Tracy, who was attending his last meeting as the official student representative to the Board.

President Pastides announced that the incoming SGA President is Chase Mizzell, current vice president and an international business major originally from St. George now living at Folly Beach. Mr. Mizzell's inauguration is scheduled for March 20. The new vice president is Ryan Bailey, political sciences major from North Charleston, and the new treasurer is Haley Guyton, a junior European studies and

biology premed major from Greenville, S.C. The incoming Graduate Student Association President, who started serving in January, is Danielle Schoffman. She did her undergraduate work at Stanford and is a graduate student at the Arnold School of Public Health.

The President also recognized administrators present for their last Board meeting, Vice Presidents Michelle Dodenhoff and Luanne Lawrence. Both are responsible he said for much of the University's recent progress. There would be no Carolina's Promise, the University's million dollar campaign, without Michelle Dodenhoff who is leaving to return to her native New Orleans for a senior position at the Ochsner Health System. He said whenever members of the University family think "No Limits" that they would recall Luanne Lawrence, Vice President for Communications, who is leaving for a senior position at the University of California Davis.

President Pastides assured the Board of his ongoing commitment to safety. He said he was shocked and saddened by the assault that recently affected the campus, noting that he has had meetings every day since that incident with all of the professionals on the campus. He reiterated that the Board has made available \$1.8 million in new recurring money to USC Columbia's Law Enforcement and Safety Division and that the administration is in the process of hiring 18 new officers, six of whom have recently joined the campus. In addition to increasing the number of officers, the University will continue to address safety through the use of technology, cameras, call boxes and anything else that could be done. He also noted the working relationship with the city to help create the required safe environment necessary for the Columbia campus, as well as all other campuses of the University. "There can be no excellence without safety," he said. "I've met with many students and student groups in the past week or 10 days and have told them that I believe we do have safe campuses and safe communities. Our crime statistics are far below the statistics in the communities in which we live and of course far better than national averages. But, we won't rest until we're confident that we have, and will continue to do, every single thing possible."

President Pastides provided a General Assembly update. He said the House Ways and Means Committee concluded its budget and that he was grateful for the work of Board members and staff like Shirley Mills, Trey Walker and many other people on budget issues. President Pastides said that at this point in the budget process, the University had received annualization of the \$2.115 million for Palmetto College and new one-time funding of \$2.5 million for the On Your Time Graduation initiative for which efforts would continue for obtaining recurring funding.

The Small Business Development Center received an increase of \$300,000 in recurring funds and the University's senior campuses received base budget adjustments of \$1.7 million in new, recurring funds.

The full House will take up the budget debate beginning on March 12, with President Pastides presenting the University's budget request to the Senate Finance Committee on April 2. "We have a long way to go, but we're hopeful for ongoing and continuing positive conversations with the Senate and the House as well," he said, noting that Governor Haley will hold a meeting of college presidents on March 19 to discuss accountability-based funding.

President Pastides concluded his remarks citing the following highlights from around the system:

- Junior Jeannelle Scheper became the first Gamecock female athlete to win an SEC high jump championship on the final day of the 2013 SEC Championships.
- Jadeveon Clowney will be on the cover of the March 4 issue of Sports Illustrated. The magazine will report that the online video of "The Hit" received more than four million aggregate views.
- Theatre Professor Robert Richmond is directing Shakespeare's Henry VIII at the Folger Theatre in Washington, D.C. The production has been nominated for 10 Helen Hayes Awards, including one for Outstanding Director and one for Outstanding Resident Play.
- In Aiken, the Women's Cross Country Team earned the 2012 All-Academic status from the United States Track & Field and Cross Country Coaches Association, and Keely Gillespie was selected for the 2012 All-Academic Women's Cross Country Team.
- USC Beaufort was named Organization of the Year by the Hilton Head Island - Bluffton Chamber of Commerce.
- USC Upstate professor Julie Moss and Student Jane Montero have received Palmetto Gold recognitions from the South Carolina Nurses Foundation.
- Finally, Palmetto College is off and running under Chancellor Susan Elkins' leadership.

Chairman Warr stated that this report was received as information.

V. Other Matters

A. BTRU 2.01 Honorary Degree Policy: Chairman Warr said that on November 16, 2011, the Academic Affairs and Faculty Liaison Committee approved the addition of the word "University" to Board of Trustees Policy, BTRU 2.01 Honorary Degree Recipients, under the heading of "Criteria." With the addition, the sentence would read: "Recipients of honorary degrees are restricted to those persons outstanding in their contributions or service to the University, State of South Carolina, the nation or the international community, or in their profession or field of endeavor."

The amendment of a Board policy requires action of the full Board. Therefore, Chairman Warr asked the full Board to vote on this amendment as a motion from the Academic Affairs and Faculty Liaison Committee based on its action of November 16, 2011. Mr. von Lehe seconded the motion. The vote was taken and the motion passed.

B. Change to the June Meeting Schedule: Chairman Warr stated that due to scheduling conflicts, it was necessary to combine the meetings scheduled for Friday, June 28, with those scheduled for Monday, June 17. He noted that the Board office would send a reminder to everyone about this calendar change and that it also would be included on the Board Portal.

Chairman Warr thanked Kenny Tracy, Michelle Dodenhoff and Luanne Lawrence and wished them well in their future endeavors. He called for any other matters to come before the Board.

Secretary Stone announced details for transportation of Board members to and from the Wilcox and a dinner being hosted that evening by the Aiken County Commission on Higher Education. She also provided details for attending Chancellor Jordan's investiture the following morning.

Secretary Stone announced that Mr. Hubbard would participate as part of a national webinar on intercollegiate athletics sponsored by the Association of Governing Boards (AGB) on March 7 and also would join the same panel for a presentation in April at the AGB national meeting in San Francisco.

VI. Adjournment

Since there were no other matters to come before the Board, Chairman Warr declared the meeting adjourned at 4:35 p.m.

Respectfully submitted,



Amy E. Stone
Secretary