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University of South Carolina

BOARD OF TRUSTEES

June 29, 2006

The University of South Carolina Board of Trustees met on Thursday, June 29, 2006, at 12:15 p.m. in the 1600 Hampton Street Board Room.

Trustees present were: Mr. Herbert C. Adams, Board Chairman; Mr. Miles Loadholt, Board Vice Chairman; Mr. Arthur S. Bahnmuller; Mr. James Bradley; Mr. Mark W. Buyck, Jr.; Mr. John W. Fields; Dr. C. Edward Floyd; Mr. Samuel R. Foster, II; Mr. William C. Hubbard; Mr. William W. Jones; Mr. Toney J. Lister; Ms. Rita M. McKinney; Mr. M. Wayne Staton; Mr. John C. von Lehe, Jr.; Mr. Eugene P. Warr, Jr.; and Mr. Othniel H. Wienges, Jr. Trustees absent were: Ms. Darla D. Moore; Mr. Michael J. Mungo; Mrs. Inez M. Tenenbaum; and Mr. Mack I. Whittle, Jr. The faculty representative, Dr. Gene Reeder, and the student representative, Mr. Tommy Preston, were also present.

Others present were: President Andrew A. Sorensen; Secretary Thomas L. Stepp; Executive Vice President for Academic Affairs and Provost Mark P. Becker; Vice President and Chief Financial Officer Richard W. Kelly; Vice President for Information Technology and Chief Information Officer William F. Hogue; Vice President for Advancement Brad Choate; Associate Vice President for Research Sonya F. Duhé; Vice President for Human Resources Jane M. Jameson; Vice President for Student Affairs Dennis A. Pruitt; General Counsel Walter (Terry) H. Parham; Vice Provost and Executive Dean for Regional Campuses and Continuing Education Chris P. Plyler; Chancellor of USC Aiken Thomas L. Hallman; Chancellor of USC Beaufort Jane T. Upshaw; Associate Provost for Budget and Operations William T. Moore; Associate Provost for Institutional Outreach and Dean of the Graduate School Christine Ebert; Dean of the South Carolina Honors College Davis Baird; Dean of University Libraries Paul A. Willis; Executive Associate Dean, Arnold School of Public Health, Cheryl Addy; Director of Finance and Administration, Office of Research and Health Sciences, Edward Walton; Director of Student Development, Student Health, and University Housing, Division of Student Affairs, Gene Luna; Assistant Treasurer Susan D. Hanna; Director of Budget, Division of Business and Finance, Leslie Brunelli; Director of Finance and Budget, Division of Business and Finance, William P. Bragdon; Executive Director of the Alumni Association Marsha A. Cole; Director of the Office of Internal Audit Alton McCoy; Interim Chair and Professor in the

School of Hotel, Restaurant, and Tourism Management, College of Hospitality, Retail, and Sport Management, Charles Partlow; Director of Administrative Services, University Libraries, C.J. Cambre, Jr.; Assistant Professor in the College of Nursing Mary Foster Cox; Vice Chancellor for Business and Finance, USC Aiken, Virginia Steel Hudock; Director of Facilities and Operations, USC Aiken, Tony Ateca; Director of Periodicals, University Publications, Chris Horn; Campus Minister, Presbyterian Student Association; Reverend John Cook; Public Information Officer, USC Lancaster, Shana Funderburk; Executive Assistant, Campus Planning and Construction, Donna Collins; Vice President of the Student Government Association Ryan Holt; Treasurer of the Student Government Association Jennifer L. Guest; Public Information Officer, Office of Media Relations, Karen Petit; Director of University Communications, Division of University Advancement, Russ McKinney, Jr.; Board staff members Terri Saxon, Vera Stone, Karen Tweedy; and members of the media.

Chairman Adams welcomed everyone and invited Board members to introduce themselves. Mr. McKinney introduced members of the media who were in attendance.

At Chairman Adams request, Reverend John Cook, Campus Minister, Presbyterian Student Association, delivered the Invocation.

Chairman Adams stated that there were personnel matters relative to recommendations for honorary faculty titles, tenure and promotion, and appointments with tenure which were appropriate for discussion in Executive Session.

Mr. Bradley moved to enter Executive Session. Mr. Buyck seconded the motion. The vote was taken, and the motion carried.

The following individuals were invited to remain: President Sorensen, Secretary Stepp, Dr. Becker, Mr. Kelly, Dr. Duhé, Dr. Hogue, Ms. Jameson, Dr. Pruitt, Dr. Plyler, Mr. Parham, Mr. McKinney, Mrs. Saxon, Ms. Stone and Ms. Tweedy.

Return to Open Session

I. APPROVAL OF MINUTES: The following five sets of minutes were circulated by mail to the Board for review and were presented for approval:

- A. Buildings and Grounds Committee, April 20, 2006
- B. Executive Committee, April 20, 2006
- C. Board of Trustees, April 20, 2006
- D. Executive Committee, May 1, 2006
- E. Executive Committee, May 13, 2006

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

II. COMMITTEE REPORTS:

- A. Fiscal Policy Committee:
(The Honorable Eugene P. Warr reported)

The Fiscal Policy Committee met on Monday, June 19th.

The Committee approved the Designated Fund Budget for FY 2006-2007, which increased Scholarships from \$1,814,000 to \$2,014,000. The increase was a direct result of increased revenues generated from the USC Bookstore. The budget was recommended to the Executive Committee and was included in the proposed full budget for consideration later today.

The Committee also approved the proposed Internal Audit budget, which was also included as part of the overall FY 2007 University budget proposal as recommended by the Executive Committee for Board consideration.

Mr. McCoy discussed the Audit Tracking Report which had eleven items more than six months old: Colonial Center (1); Athletics (2); USC Beaufort (2); Carolina Card (4); Advancement Administration and University Development (1); and Campus Planning and Construction (1). He noted that all of the departments involved were making progress toward resolving the findings.

Comprehensive audits of the following areas were conducted: University Library System; Office of the Registrar; Student Financial Aid; and Legal Residency Office.

There were two findings cited as a result of the University Library System audit. One finding involved a contract, which was resolved by approval during the June 19th Executive Committee meeting. The second area of concern involved adequate insurance coverage for the Thomas Cooper and the South Caroliniana Libraries and their contents. The University Library System Office and the Office of Risk Management agreed to work together to develop a risk analysis to determine the cost/benefit factors related to raising or maintaining the current level of insurance coverage for the University Library System. The Fiscal Policy Committee

directed that a report on the total values of USC properties versus the insurance values on those properties be prepared for their review.

Only minor findings were cited in the remaining three audits.

B. Academic Affairs and Faculty Liaison Committee:
(The Honorable John C. von Lehe, Jr. reported)

The Academic Affairs and Faculty Liaison Committee met on Monday, June 29, 2006. The following items were approved for recommendation to the Board:

1. Honorary Faculty Titles: Nineteen requests for honorary faculty titles were mailed with the materials for this meeting. They had received all appropriate approvals and were presented to the Committee and to the Board in Executive Session.

The following individuals would be awarded their appropriate titles effective with their retirement:

- a. Dr. Patricia Moody
Dean Emerita and Distinguished Professor Emerita
- b. Professor Robert Felix
James P. Mozingo III Professor of Legal Research Emeritus
Distinguished Professor Emeritus
- c. Dr. John McFadden
Benjamin Elijah Mays Professor Emeritus
Distinguished Professor Emeritus
- d. Dr. Natalie Kaufman
Distinguished Professor Emerita
- e. Dr. Constance Lane
Distinguished Professor Emerita
- f. Dr. Gary Allen
Distinguished Professor Emeritus
- g. Dr. Donald Blount
Distinguished Professor Emeritus
- h. Dr. Reginald Brasington
Distinguished Professor Emeritus
- i. Dr. Kendrick Clements
Distinguished Professor Emeritus
- j. Professor Roy Drasites
Distinguished Professor Emeritus
- k. Professor William Price Fox
Distinguished Professor Emeritus
- l. Dr. Paul Johnson
Distinguished Professor Emeritus
- m. Dr. J. Stanley Rich
Distinguished Professor Emeritus
- n. Dr. Peter Werner
Distinguished Professor Emeritus
- o. Dr. Clyde Wilson
Distinguished Professor Emeritus
- p. Professor Ann Dreher
Professor Emerita
- q. Professor Ann Swafford
Professor Emerita

- r. Dr. Thomas Cafferty
Professor Emeritus
- s. Dr. Michael Dewey
Professor Emeritus

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. von Lehe moved approval of these nineteen honorary faculty title requests as presented. Mr. Wienges seconded the motion. The vote was taken, and the motion carried.

2. Tenure and Promotion Recommendations: Two lists of tenure and promotion recommendations were mailed with the materials for this meeting. They had received all appropriate approvals and were presented to the Committee and to the Board without objection.

a. Columbia Campus: From the Columbia Campus, the names and brief curriculum vitae of those faculty members who were recommended for promotion to professor; promotion to associate professor with tenure; tenure at associate professor; and tenure at librarian were listed in the materials distributed for the meeting. [Exhibit A]

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. von Lehe moved approval of these Columbia Campus tenure and promotion recommendations as distributed. Mr. Fields seconded the motion. The vote was taken, and the motion carried.

b. Other Campuses: From the Campuses other than Columbia, the names and brief curriculum vitae of those faculty members who were recommended for promotion to professor; promotion to associate professor with tenure; promotion to professor with tenure; tenure at associate professor; tenure at assistant professor; and tenure at professor were also listed in the materials distributed for the meeting.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. von Lehe moved approval of these tenure and promotion recommendations as distributed. Mr. Bahnmuller seconded the motion. The vote was taken, and the motion carried.
[Exhibit A]

3. Appointments with Tenure: The following twelve requests for appointments with tenure were mailed with the materials for this meeting. They had received all appropriate approvals and were presented to the Committee and to the Board in Executive Session without objection.

a. Dr. Sanjay Ahire would be awarded tenure at the rank of Professor in the Moore School of Business effective with his appointment as Professor;

b. Dr. Nigel Boston would be awarded tenure at the rank of Professor in the College of Arts and Sciences effective with his appointment as Professor;

c. Dr. Robert Brinkmeyer would be awarded tenure at the rank of Professor in the College of Arts and Sciences effective with his appointment as Professor;

d. Dr. Melinda Forthofer would be awarded tenure at the rank of Associate Professor in the College of Social Work effective with her appointment as Associate Professor;

e. Dr. Andrew Freese would be awarded tenure at the rank of Professor in the School of Medicine effective with his appointment as Professor;

f. Dr. Edward Frongillo would be awarded tenure at the rank of Professor in the Arnold School of Public Health effective with his appointment as Professor;

g. Dr. Samantha Hastings would be awarded tenure at the rank of Professor in the College of Mass Communications and Information Studies effective with her appointment as Professor; she will serve as Director of the School of Library and Information Science;

h. Professor Robyn Hunt would be awarded tenure at the rank of Professor in the College of Arts and Sciences effective with her appointment as Professor;

i. Professor Steven Pearson would be awarded tenure at the rank of Professor in the College of Arts and Sciences effective with his appointment as Professor;

j. Professor Walter F. (Jack) Pratt, Jr. would be awarded tenure at the rank of Professor in the School of Law effective with his appointment as Professor; he will serve as the Dean of the Law School;

k. Dr. Ercan Sirakaya would be awarded tenure at the rank of Professor in the College of Hospitality, Retail, and Sport Management effective with his appointment as Professor;

l. Dr. Lynn Zoch would be awarded tenure at the rank of Associate Professor in the College of Mass Communications and Information Studies effective with her appointment as Associate Professor.

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

4. Program Name Changes:

- a. Master of International Hospitality and Tourism Management, College of Hospitality, Retail, and Sport Management: The College of Hospitality, Retail, and

Sport Management was requesting to change the name of the Master of Hotel, Restaurant, and Tourism Management to the Master of International Hospitality and Tourism Management. This program name change had received all appropriate academic and administrative approvals.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. von Lehe moved approval of the program name change as described in the materials distributed for this meeting. Mr. Lister seconded the motion. The vote was taken, and the motion carried.

- b. Doctor of Philosophy in Communication Sciences, Arnold School of Public Health: The Arnold School of

Public Health was requesting to change the name of the Doctor of Philosophy in Speech-Language Pathology and Audiology to the Doctor of Philosophy in Communication Sciences and Disorders. This program name change had received all appropriate academic and administrative approvals.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. von Lehe moved approval of the program name change as described in the materials distributed for this meeting. Mr. Loadholt seconded the motion. The vote was taken, and the motion carried.

5. Institute/Office Name Changes:

- a. International Institute for Foodservice Research - College of Hospitality, Retail, and Sport Management:

The College of Hospitality, Retail, and Sport Management was requesting to change the name of the National Restaurant Institute to the International Institute for Foodservice Research. This name change request had received all appropriate academic and administrative approvals.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. von Lehe moved approval of this institute name change as described in the materials distributed for this meeting. Mr. Jones seconded the motion. The vote was taken, and the motion carried.

- b. Office of Institutional Assessment and Compliance:

It had been requested to change the name of the Office of Institutional Planning and Assessment to the Office of Institutional Assessment and Compliance. This office name change request had received all appropriate academic and administrative approvals.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. von Lehe moved approval of the office name change as described in the materials distributed for this meeting. Mr. Warr seconded the motion. The vote was taken, and the motion carried.

6. Program Proposals:

a. Bachelor of Science in Tourism Management - College of Hospitality, Retail, and Sport Management, USC Columbia: The College of Hospitality, Retail, and Sport Management was requesting the establishment of the Bachelor of Science in Tourism Management. This request had received all appropriate academic and administrative approvals.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. von Lehe moved approval of the establishment of this program as described in the materials distributed for this meeting. Ms. McKinney seconded the motion. The vote was taken, and the motion carried.

b. Certificate of Graduate Study in Public Health - Arnold School of Public Health, USC Columbia: The Arnold School of Public Health was requesting the establishment of the Certificate of Graduate Study in Public Health. This request had received all appropriate academic and administrative approvals.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. von Lehe moved approval of the establishment of this certificate program as described in the materials distributed for this meeting. Mr. Bradley seconded the motion. The vote was taken, and the motion carried.

7. Institute Proposal: Sea Islands Institute, USC Beaufort:

USC Beaufort was requesting the establishment of the Sea Islands Institute which will pursue three goals: curriculum enrichment, community partnerships and scholarly research and publications about the Gullah population and the Lowcountry region. This request had received all appropriate academic and administrative approvals.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. von Lehe moved approval of the establishment of the Sea Islands Institute as described in the materials distributed for this meeting. Mr. Jones seconded the motion. The vote was taken, and the motion carried.

8. USC Aiken Faculty Manual Changes: Proposed changes to the USC Aiken *Faculty Manual* were mailed with the materials for this meeting. These changes had received all appropriate academic and administrative approvals.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. von Lehe moved approval of the proposed changes to the USC Aiken *Faculty Manual* as described in the materials distributed for this meeting. Mr. Loadholt seconded the motion. The vote was taken, and the motion carried. [Exhibit B]

9. USC Columbia Faculty Manual Changes: Proposed changes to the USC Columbia *Faculty Manual* were mailed with the materials for this meeting. These changes had received all appropriate academic and administrative approvals.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. von Lehe moved approval of the proposed changes to the USC Columbia *Faculty Manual* as described in the materials distributed for this meeting. Mr. Hubbard seconded the motion. The vote was taken, and the motion carried. [Exhibit C]

10. USC Upstate Faculty Manual Changes: Proposed changes to the USC Upstate *Faculty Manual* were mailed with the materials for this meeting. These changes had received all appropriate academic and administrative approvals.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. von Lehe moved approval of the proposed changes to the USC Upstate *Faculty Manual* as described in the materials distributed for this meeting. Mr. Lister seconded the motion. The vote was taken, and the motion carried. [Exhibit D]

11. Regional Campuses Faculty Manual Changes: Proposed changes to the Regional Campuses *Faculty Manual* were mailed with the materials for this meeting. These changes had received all appropriate academic and administrative approvals.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. von Lehe moved approval of the proposed changes to the Regional Campuses *Faculty Manual* as described in the materials distributed for this meeting. Mr. Foster seconded the motion. The vote was taken, and the motion carried. [Exhibit E]

12. USC Upstate Mission Revision: USC Upstate was requesting to update its mission statement as periodically required by the South Carolina Commission on Higher Education and to reflect the campus name change from "USC Spartanburg" to "USC Upstate." This request had received all appropriate academic and administrative approvals.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. von Lehe moved approval of the USC Upstate mission revision as described in the materials distributed for this meeting. Dr. Floyd seconded the motion. The vote was taken, and the motion carried.

13. Removal of Honorary Degree Candidates From the Table: On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. von Lehe moved

approval to remove the names of the following honorary degree recipients from the table. Mr. Buyck seconded the motion. The vote was taken, and the motion carried.

Joseph F. Anderson Jr.
Mortimer M. Caplin
Stephen Grant Hanks
Thomas Richard Herold
Kathleen Matthews
Christopher J. Matthews
Charles R. Stith

C. Intercollegiate Activities Committee:
(The Honorable Samuel R. Foster, II reported)

The Intercollegiate Activities Committee met on Monday, June 19, 2006.

Mr. Hyman presented an overview of the Athletics Department Budget for FY 2006-2007. Projected was a departmental revenue of \$53,663,619 (\$48,149,744 was derived from departmental operations and \$5,513, 875 was generated by the Colonial Center). Overall, this figure represented an approximately 17 percent increase over the budgeted FY 2005-2006 revenues.

Revenues for FY 2006-07 had increased substantially primarily due to ticket price increases for home football games and baseball games; new members and membership upgrades in the Gamecock Club; and an increase in the Southeastern Conference broadcasting revenue.

Mr. Hyman summarized projected departmental expenses and operational expenses for FY 2006-2007. It was anticipated that the Athletics Department would expend slightly more than \$43 million for departmental operations and nearly \$5 million for Colonial Center operational expenses.

During FY 2006-2007, the Athletics Department will fund approximately \$8.2 million dollars in grants-in-aid expenditures which will increase by 15 percent to cover anticipated rises in tuition and fees, room and board costs and a reallocation of out-of-state grants.

The proposed budget was approved by the Committee for inclusion in the University's FY 2006-07 budget recommendation of the Executive Committee.

The Committee presented a unanimous Resolution of Appreciation to Dr. Russ Pate for outstanding contributions and service as our Faculty Athletics representative to the SEC and NCAA since 2002.

D. Buildings and Grounds Committee:
(The Honorable William D. Hubbard reported)

The Buildings and Grounds Committee met earlier today regarding the following items of business.

1. Administrative Project Increase(s) - Kirkland Apartments
Renovation: The budget for the existing project was

increased by \$8,808.39 through administrative approval to fund additional work. The increase was funded by the Department of Justice and resulted in a total budget of \$2,405,826.70.

The following items will require Board approval:

2. Master Land Acquisition Plan: The University was requesting Board approval of the formal Development Boundary for USC Columbia so that it can be presented to the Commission on Higher Education as a Master Land Acquisition Plan (MLAP) which required Commission endorsement every five years. It was understood that within the boundary of the MLAP, the University can pursue property acquisition as it became available and as it met the needs for continued development of the campus in accordance with the master plan.

On behalf of the Buildings and Grounds Committee, Mr. Hubbard moved to approve the formal Development Boundary for USC Columbia as described in the materials distributed for the meeting. Mr. Wienges seconded the motion. As noted during the Buildings and Grounds Committee meeting earlier today, Mr. Buyck again commented that the State Fairgrounds fell within this boundary; it was his understanding that the University had no intention of acquiring that property. The vote was taken, and the motion carried.

3. Sumwalt HVAC Renovations: Establishment of this project will involve upgrading the HVAC system on the first floor south wing of Sumwalt College.

On behalf of the Buildings and Grounds Committee, Mr. Hubbard moved approval to establish the Sumwalt HVAC renovations project with a budget of \$240,000 to be funded with Institutional Funds. Mr. Warr seconded the motion. The vote was taken, and the motion carried.

4. Honors Residence Hall: The Board had approved the construction of a new honors living and learning community on the land currently occupied by the four towers residence halls.

The Honors College would like to add an academic center and a full dining component.

On behalf of the Buildings and Grounds Committee, Mr. Hubbard moved approval to increase the project budget to incorporate the academic center and the dining component as well as the inclusion of an additional residential component of 113 beds for a total budget of \$47,600,000 funded with Housing Revenue Bonds. Mr. von Lehe seconded the motion. The vote was taken, and the motion carried.

5. Wheat Street Acquisition: The Horizon Center Parking Garage, which was part of the research campus development and currently under construction, extended beyond the southern property line into the Wheat Street right-of-way. The City of Columbia had agreed to deed this parcel to the University for \$5.00 and "other good and valuable consideration."

On behalf of the Buildings and Grounds Committee, Mr. Hubbard moved approval of the University purchasing approximately 0.219 acres of the Wheat Street right-of-way from the City of Columbia for the sum of \$5.00 as described in the materials distributed for the meeting. The entire Board seconded the motion. The vote was taken, and the motion carried.

6. Energy Performance Contract: The University was requesting to upgrade the initial design of the Bio-Mass Plant to be compatible with the University environment and to meet the requirements of the Architectural Design Review Committee and the City of Columbia Design Development Review Committee.

On behalf of the Buildings and Grounds Committee, Mr. Hubbard moved approval to increase the Energy Performance Contract project budget \$1,265,191 funded by the State Treasurer Master Lease to upgrade the design of the Bio-Mass Plant as presented. This will result in a total project budget of \$54,656,160 funded as follows: \$47,795,639 from the State Treasurer Master Lease; \$3,349,194 from State Institution Bonds; \$2,511,327 from Research University Infrastructure Bonds; and \$1,000,000 from the State Energy Office Loan. Mr. Buyck seconded the motion. The vote was taken, and the motion carried.

7. USC Aiken Student Residence Hall: This project was to construct a new residence hall of approximately 300 beds on an undeveloped site adjoining existing campus housing facilities. The land was owned by the Aiken County Commission on Higher Education and will be transferred to the University of South Carolina upon completion of the project.

On behalf of the Buildings and Grounds Committee, Mr. Hubbard moved approval to establish this project as presented with a budget of \$16,535,000 funded with \$35,000 in Housing Revenues and \$16.5 million in Housing Revenue Bonds. Mr. Loadholt seconded the motion. The vote was taken, and the motion carried.

8. USC Aiken Student Activities Center Renovation:

Originally, the USC Aiken Student Activities Center Renovation project was approved with a budget of \$3,250,000. Additional renovations described in the materials distributed for this meeting were needed.

On behalf of the Buildings and Grounds Committee, Mr. Hubbard moved approval to increase the project budget by \$2.5 million funded with State Institution Bonds. This will result in a total project budget of \$5.75 million funded with \$3 million in State Capital Improvement Bonds, \$2.5 million in State Institution Bonds, and \$250,000 in 2005/2006 State Funding as described in the materials distributed for the meeting. Mr. Wienges seconded the motion. The vote was taken, and the motion carried.

9. Indefinite Delivery Contracts: On behalf of the Buildings and Grounds Committee, Mr. Hubbard moved approval of the following eight indefinite delivery contracts as described in the materials distributed for the meeting:

- a. Accent Contracting, Inc.
- b. Asbestos and Demolition, Inc.
- c. C.E. Bourne and Company
- d. First Class Construction, LLC
- e. JA Piper Roofing Company
- f. Preferred Construction Co., Inc.
- g. R& R Associates Environmental Company
- h. Strickland Waterproofing Services

Mr. Bahnmuller seconded the motion. The vote was taken, and the motion carried.

Mr. Hubbard noted that the Committee had heard a report from Mr. Kelly regarding the possible reuse of the Coliseum; that topic will become a priority item to explore and compare with other options in order to determine which choice would best address the programmatic needs of the University. "We look forward to a continuing dialogue with Mr. Kelly and the Administration on that particular project."

D. Executive Committee:
(The Honorable Herbert C. Adams reported)

The Executive Committee met on Monday, May, 1st; Saturday, May 13th; and Monday, June 19th.

During the May 1st meeting, Mr. Gregory summarized the status of the University's 2006-2007 budget request; during the May 13th meeting, the status of the Research Campus was discussed.

The following contracts were approved at the June 19th meeting: South Carolina Electric and Gas Co. to provide electric service for the new Arnold School of Public Health building and the new North Energy Facility; a lease agreement with the Development Foundation for 707 Catawba Street contingent upon approval of the Budget and Control Board; Innovative Interfaces, Inc., an integrated library system to be jointly used by several post secondary institutions in the state; a property lease between USC Upstate and Spartanburg Housing Authority which will provide space for a number of community outreach initiatives; and a new property lease between USC Upstate and Carolina Piedmont Foundation which purchased the Valley Falls Road Properties that will provide program space as well as integrate adjacent property into the campus master plan.

- FY 2006-2007 Budget:

On June 19, 2006, the Executive Committee, with most of the members of this Board present, unanimously approved the proposed FY 2007 budget.

Over the last few weeks, the Administration had been working with members of the Board about the concepts contained in the comprehensive budget document.

Members were presented an initial draft and direct briefings. The 168 page budget document, containing full detail, had been mailed in a timely fashion prior to this meeting.

Chairman Adams stated that the proposed budget had been responsibly formulated and shaped by input from the Board as the process had evolved. It had received intense scrutiny.

On behalf of the Executive Committee, Chairman Adams moved the adoption of the operating budget for fiscal year 2007, as presented in the materials distributed for this meeting, including tuition and fee schedules, the housing budget, and associated fee schedules, the athletics budget and the designated funds budget. Mr. Bradley seconded the motion.

Chairman Adams called on Dr. Sorensen and Mr. Kelly to define specifics of the budget. Dr. Sorensen commented that after four years of austere budgets, funding from the General Assembly this fiscal year would allow the University to keep tuition increases lower while committing resources toward hiring "top notch" faculty and the ongoing goal of building a nationally-renowned campus living/learning environment. He yielded the podium to Mr. Kelly who presented the details.

Mr. Kelly expressed enthusiasm regarding the proposed 2006-2007 University budget. A proposed 6.75 percent tuition increase represented a total amount of \$247 per semester per full-time in-state student on the Columbia campus. For the Law School, the amount of increase would total \$380; for the Medical School, it would equal \$488. Proposed tuition increases for the various campuses were as follows: USC Aiken - \$271; USC Beaufort - \$235; USC Upstate - \$261; and Regional Campuses - \$164.

He noted that the increased budget reflected a Board request that the University propose less than a double digit figure. "That was certainly made possible by the fact that the General Assembly 'came through' this year and provided \$4 million for the Faculty Excellence Initiative that you have previously agreed to fund for 6 years. That alone was the biggest impact to keep the tuition increase under 10 percent this year."

In addition, Mr. Kelly explained that the University had received \$2 million for a Congaree River Freshwater Environmental Initiative (\$500,000 of recurring and \$1.5 million of non-recurring funds). In conjunction with the School of the Environment, the University will seek to develop research projects involving the

Congaree River. The project will provide for K-12 research collaborations as well as undergraduate and graduate research opportunities.

Senior and regional campuses were also awarded "one-time money" to assist in achieving parity among the institutions for the mission resource requirement.

Mr. Kelly further stated that the Columbia campus was requesting \$17 million of new and continuing funding as follows: Academic Programs and Services - \$2,814,313; Other Academic and Student Services Programs - \$1,604,345; General Institutional Costs - \$8,223,367; Central Operations and General Support Programs - \$1,027,652; and Mandated Fee Distributions - \$3,347,000.

Under the heading of Academic Programs and Services, \$2 million had been requested to fund year 3 of a 6 year Faculty Excellence Initiative program. University Libraries would receive \$814,313.

For the second heading, Other Academic and Student Services Programs, an in-state undergraduate scholarship 4 percent fee waiver increase would total \$910,522. Also requested was the establishment of an Academic Success Center at a cost of \$589,779 to ensure that lottery scholarship recipients would maintain the required academic standards to retain that money. And, the University had identified a need to provide financial aid advisors in the Visitor's Center for a cost of \$104,044.

Under the category of General Institutional Costs, the OneCarolina Project funding request for the 2nd of five years totaled \$1,648,000.

Mr. Kelly stressed that budgeting for utility costs was the most challenging. Specifically, during this past year, approximately \$2 million above the budgeted amount had been expended; with the support of the various deans that overage had been covered. It was anticipated that utility costs would increase again; therefore, combined with last year's shortfall, \$3,100,218 had been requested for the 2007 fiscal year.

In addition, University insurance costs will increase \$246,568. A 3 percent salary raise of \$1,864,124 and a concomitant fringe benefit share of \$510,534 were also included. And, last year the General Assembly required a two-year phase in of a one percent retirement increase; that amount would total \$853,923.

Under Central Operations and General Support Programs, \$83,142 had been requested to fund a Law Enforcement and Safety Initiative (approved during the preceding fiscal year) to increase salaries in that area in order to retain those individuals; the initiative had been overwhelmingly successful and job turnover had decreased substantially.

The University was requesting \$500,000 for a Facilities Salary Allocation Plan which would offer trades craftsmen the opportunity to attend technical colleges in order to earn degrees needed for advancement. An amount of \$266,858

had been requested in the area of Business and Finance for salaries and information technology issues associated with the Bursar's Office and the Controller's Office. For Environmental Health and Safety, \$9,625 had been requested to address the communication system during emergency situations on campus.

The Human Resources Office had asked for \$68,027 to support salary initiatives in that area as well as a web-based ethics reporting system. The Legal Office had requested \$100,000 for additional outside legal assistance primarily in the area of patent research.

In the area of Mandated Fee Distributions, a requested \$1,890,000 will address the debt service in the area of research projects. Also requested was an additional \$252,000 for the Student Health Center operation.

The Student Government Association had submitted a request to increase Student Activities Fees \$2.00 to fund the continuation of an on campus readership program; that increased amount will total \$80,000.

An Athletics Student Activity Fees increase will total \$600,000. And finally, also requested was \$525,000 to service the Athletics Department bond indebtedness.

Mr. Kelly requested Board approval of the FY 2007 budget as summarized above. Chairman Adams called for a vote on the earlier motion to approve the FY 2007 budget. The vote was taken, and the motion carried unanimously. Chairman Adams thanked members of the Legislature "for their generosity this year." [Exhibit F]

III. OTHER MATTERS: CONTRACTS VALUED IN EXCESS OF \$250,000 - SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES FOR COMPUTING SERVICES: At this time,

Chairman Adams requested to change the order of the agenda and called on Mr. Parham to address a contract valued in excess of \$250,000.

On behalf of Vice President William Hogue, Mr. Parham was presenting for Board consideration a proposed contract between the South Carolina Department of Social Services (DSS) and the University's technology services group.

For the past several years, DSS had been developing a statewide automated child support enforcement system. Because federal dollars subsidized this development effort through the U.S. Department of Health and Human Services, it was required by federal law that DSS contract with an outside third party vendor to provide independent "verification and validation services" throughout the life of the project.

Mr. Parham noted that on June 14, 2001, the Board had approved a contract between DSS and the University for a five year period; payment to the University for the "watchdog" service had totaled approximately \$3.6 million. Because that

contract was expiring, DSS and the University were seeking a renewal for another five years.

Under the proposed contract, Dr. Hogue's team will again provide "watchdog" services to include overseeing and reporting on activities related to the project (i.e., quality management and data management, software development, system testing effectiveness and efficiency). The team will monitor these activities on a continuous basis, will assess them against industry standards and will write comprehensive quarterly reports.

The contract will cover a period of one year with the option to be extended for four additional one-year periods. If the contract was extended to the entire five-year term, the University will receive approximately \$5,441,810.

Mr. Foster moved approval of the South Carolina Department of Social Services for Computing Services contract as described in the materials distributed for the meeting. Mr. Bradley seconded the motion. The vote was taken, and the motion carried.

IV. REPORT OF THE PRESIDENT: Chairman Adams called on President Sorensen who thanked him and members of the Board for "an absolutely magnificent year" and their unwavering support.

In the area of academics, President Sorensen observed that the Carnegie Corporation for Teaching this past year had ranked a multitude of research universities throughout the United States; from this group, 62 public and 32 private institutions were ranked in the top echelon for their outstanding performance. "I am enormously pleased to say that the University of South Carolina was one of the 62 public institutions and, indeed, the only university public or private in the state of South Carolina that was so recognized." He believed that this recognition reflected on the quality of faculty at Carolina and the "very vital and vibrant research activities that we have."

President Sorensen stated that the University was adopting a program entitled "Tobacco Free USC." A handout describing this program was distributed to Board members. He commended Dr. Dennis Pruitt and his staff for assuming the leadership in this initiative which was part of a comprehensive campaign aimed toward "a healthy USC" which will be discussed in greater detail at another meeting.

President Sorensen expressed gratitude that the General Assembly had awarded the University additional funds to continue increasing the number of faculty. He also noted that the next phase of the "Innovista" was under construction - the Holder Initiative as well as the Horizon Center Block. The new School of Public Health at the corner of College and Assembly Streets had also been completed and

faculty and staff members of that school were in the process of occupying the building.

President Sorensen reported that he and Mrs. Sorensen were happy to see a myriad of summer campers on the Horseshoe. He was grateful to the faculty and staff who made those programs possible and hoped that this exposure would increase their appetite for applying to the University.

And, finally, President Sorensen expressed gratitude to Dr. Susie VanHuss for her "extraordinary work as the Executive Director of Foundations." He was heartened by the fact that Dr. Jerry Odom, who served as Provost for the first two years of his administration, will succeed Dr. VanHuss following her retirement on June 30th. "It is wonderful to have him back on the team again."

IV. ALUMNI ASSOCIATION REPORT: Chairman Adams recognized Ms. McKinney who initially referenced two specific strategic goals of the Alumni Association: (1) a stronger connection with the colleges and schools and, (2) increased emphasis on alumni activities outside of the Columbia areas.

In terms of better connecting with the colleges and schools, she noted that the Alumni Association had formed the Council of Alumni Societies composed of representatives from each college and school. The first meeting was held in May; it will meet again in August at which time they will select a maximum of four members to serve on the Alumni Association's Board of Governors. She asked Board members to encourage individuals in their respective communities who were interested in getting involved in the Alumni Association to consider the possibility of participating in these alumni groups within their colleges and schools.

In terms of activities outside of the Columbia area, Ms. McKinney remarked that last evening the Alumni Association had sponsored an inaugural event in Charleston for the Charleston Alumni Club; more than 100 people had attended. It was anticipated that the Charleston club will plan many other exciting events.

Other programs outside the Columbia area were focusing on "send off" events for incoming freshmen. For example, one was planned in Greenville as well as several others out of state (i.e., North Carolina, Georgia, Virginia).

Referring to the Carolina Action Network, Ms. McKinney commented that the Alumni Association was in the process of developing this one day a year legislative advocacy effort into a series of activities involving alumni throughout the state during the entire year.

Ms. McKinney discussed several of the Association's more traditional activities. She noted that at the May Columbia Commencement, the Alumni Association had hosted a "Toast to the Future" event for the graduates;

between 600 - 800 graduates had attended.

This summer, the Alumni Association was recruiting incoming freshmen during the various orientation sessions. She pointed out that the Student Alumni Association was the largest student organization on campus; it was hoped to increase the membership to a total of 4,500 by the end of the fall semester.

The Alumni Association's football preview with Coach Spurrier as the speaker will be held on August 7th; Homecoming was scheduled for November 4th.

Ms. McKinney expressed enthusiasm that a new Alumni Center was part of the master plan unveiled in April. She noted that the Executive Board of the Alumni Association was intrigued by the possibility of housing an alumni Center within a renovated Coliseum as Mr. Kelly had presented during the Buildings and Grounds Committee meeting earlier today; a major plus was the very visible location. They were looking forward to additional information from Mr. Kelly particularly regarding a detailed comparison of Coliseum renovation costs vs. the cost of building a separate structure for each component.

Lastly, Ms. McKinney announced that the Alumni Association will welcome Mr. Bill Bethea, former Board member from 1980-1991, as the Association's new president beginning July 1. She believed that his prior experience will enhance the role of the Alumni Association President on the Board.

Ms. McKinney also expressed how honored she was to have served on the Board with each member. "Each one of you has my and the Alumni Association's tremendous respect for the job that you do for the University. Thanks to Mack Whittle when he was President of the Alumni Association for having the wisdom and foresight to work with the Legislature to make the Alumni Association President a member of this Board of Trustees. I think that has done a lot to make alumni really feel a huge part of this University."

At this time, Ms. McKinney expressed her appreciation to each Board member individually. She characterized President Sorensen from an alumni perspective as "raising the bar" regarding the role of a university president; Carolina alumni deeply appreciated and supported him. She also thanked Secretary Stepp and his "wonderful staff for all that you have done to integrate this position fully into the Board."

V. PRESENTATION OF MCKINNEY RESOLUTION: Following Ms. McKinney's report, Chairman Adams stepped to the podium and asked her to remain there for a few moments. He made the following comments:

Every time we change Alumni Association presidents, we often think that this particular president cannot be replaced. I think going to the two year term was one of the best things the Alumni Association has ever done because it gives the opportunity for that individual to really get involved in this Board. And, no one has been more involved than Rita.

I remember when I was elected Chairman William Hubbard said, 'you know, Herbert, it takes a lot of time and sometimes you just need to be there just to show the flag.' I have yet to 'show the flag' by myself. Rita has been at everything I have attended over the last two years. She is just a devoted Carolina Gamecock and has been a wonderful leader of the Alumni Association. We are not saying goodbye to you because you are a real gem and the University will need your support in the years to come.

Chairman Adams called on Secretary Stepp who read the following resolution presented to Ms. McKinney:

University of South Carolina
BOARD OF TRUSTEES
Resolution

WHEREAS, Rita M. McKinney has been President of the Board of Governors of the Carolina Alumni Association and an ex officio member of the Board of Trustees since 2004;

WHEREAS, during her tenure as President of the Alumni Association she has vigorously pursued a campaign to create a world class Carolina Alumni Center, has restructured the Board of Governors for increased effectiveness and has developed the Association's first strategic plan for the future;

WHEREAS, Ms. McKinney has been a dedicated member of the Board of Trustees with full participation and attendance at formal and informal events and has served with distinction as Chairman of the Student-Trustee Liaison Committee and a member of the Fiscal Policy, Health Affairs, and Advancement Committees;

WHEREAS, Rita McKinney's leadership, determination, sense of urgency, charm, intelligence and loyalty to Carolina have expanded the reputation of her inquisitive mind, reflecting the traits of a Carolina journalism graduate and successful attorney who was a popular, academically successful, award winning, sorority member who rose to be President of the Student Body; and

WHEREAS, Ms. McKinney is a distinguished citizen of South Carolina, a highly respected attorney working in the fields of employment and labor as well as business litigation practice, who also dedicated four years of her career to serve her state as Director of the South Carolina Department of Labor, Licensing and Regulation.

THEREFORE BE IT RESOLVED that the Board of Trustees expresses its sincere appreciation to Rita M. McKinney for her devoted service to the University in many capacities including her presidency of the Carolina Alumni Association and membership on this Board; and

BE IT FURTHER RESOLVED that a copy of this resolution be presented to Rita M. McKinney as a token of the high esteem in which she is held and in anticipation of many years of future support and advocacy of Carolina.

PRESENTED THIS 29TH DAY OF JUNE 2006
AT COLUMBIA, SOUTH CAROLINA

Board Chairman, Herbert C. Adams

University President, Andrew A. Sorensen

Board Secretary, Thomas L. Stepp

Board members extended a hearty round of applause to Ms. McKinney.

Since there were no other matters to come before the Board of Trustees,
Chairman Adams declared the meeting adjourned at 1:20 p.m.

Respectfully submitted,

Thomas L. Stepp
Secretary