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University of South Carolina

BOARD OF TRUSTEES

Executive Committee

August 4, 2006

The Executive Committee of the University of South Carolina Board of Trustees met on Friday, August 4, 2006, at 2:00 p.m. in the 1600 Hampton Street Board Room.

Members present were: Mr. Herbert C. Adams, Chairman; Dr. C. Edward Floyd; Mr. Miles Loadholt; Mr. Michael J. Mungo; and Mr. Mack I. Whittle, Jr. Other Trustees present were: Mr. Arthur S. Bahnmuller; Mr. William L. Bethea, Jr.; Mr. John W. Fields; Mr. Samuel R. Foster, II; Mr. William C. Hubbard; Mr. William W. Jones, Jr.; Mr. Toney J. Lister; Mr. M. Wayne Staton; Mr. John C. von Lehe, Jr.; Mr. Eugene P. Warr, Jr.; and Mr. Othniel H. Wienges, Jr.

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 Student Affairs Dennis A. Pruitt; Vice President for Human Resources Jane M. Jameson; General Counsel Walter (Terry) H. Parham; Associate Provost for Budget and Operations William T. Moore; Chancellor of USC Beaufort Jane T. Upshaw; Chancellor of USC Upstate John C. Stockwell; Dean of USC Sumter C. Leslie Carpenter; Dean of the College of Arts and Sciences Mary Anne Fitzpatrick; Dean of the College of Social Work Dennis Poole; Dean of the School of Music Tayloe Harding; Associate Dean of the School of Medicine Richard A. Hoppmann; Associate Dean of the College of Pharmacy Wayne E. Buff; Assistant Treasurer Susan D. Hanna; Director of the Department of Internal Audit Alton McCoy; Executive Director of the Alumni Association, Division of University Advancement, Marsha A. Cole; Director of Project Management and Engineering, Division of Information Technology, Rita Anderson; University Legislative Liaison John D. Gregory; USC Faculty Senate Chair C. Eugene Reeder; USC Columbia Student Government Association President Tommy Preston; USC Columbia Student Government Association Vice President Ryan Holt; USC Columbia Student Government Association Senator Chase Stoudenmire; Director of the Office of Media Relations, Division of University Advancement, Margaret Lamb; Assistant Director of Periodicals, Division of University Advancement, Marshall S. Swanson; Board staff members Terri Saxon, Vera Stone and Karen Tweedy; and members of the media.

Chairman Adams called the meeting to order and asked Ms. Lamb to introduce members of the media who were in attendance. Chairman Adams 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 members of the Committee; and a quorum was present to conduct business.

There were personnel matters relative to an athletics contract, Board of Visitors' appointments, the interim appointment of Mr. William Bethea to committees, an appointment with tenure, and a potential "Request for Proposal" contract which were appropriate for discussion in Executive Session. Chairman Adams called for a motion to enter Executive Session. Dr. Floyd so moved. Mr. Mungo seconded the motion. The vote was taken, and the motion carried.

The following persons were invited to remain: President Sorensen, Mr. Stepp, Dr. Becker, Mr. Kelly, Ms. Jameson, Dr. Pruitt, Mr. Parham, Chancellor Stockwell, Ms. Saxon, Ms. Stone, and Ms. Tweedy.

Open Session

I. Contracts Valued in Excess of \$250,000:

A. COMPUSULT, INC. (Microsoft Campus Agreement Subscription):

Chairman Adams called on Mr. Parham who stated that he was requesting Executive Committee approval to renew the Microsoft Master Campus Software License Agreement. Under this agreement, Microsoft licensed to the University the right to use certain

software products (i.e., Desktop, Windows, Office Professional) for all University owned and leased computers on all campuses. Additionally, the agreement would allow for a duplicate copy of the software to be installed on home computers being used by University personnel for University business purposes.

Mr. Parham added that the University planned to convert its e-mail system from GroupWise to Microsoft Exchange. This contract would enable the University to do that for the 32,713 student e-mail accounts currently on GroupWise.

Mr. Parham further explained that for each of the past three years, the Executive Committee had approved virtually the identical one-year extension of this agreement at the same unit price of \$44.95 that was charged under this agreement. The total cost to the University was \$333,502.18 for a one year license period beginning on September 1, 2006, and ending August 31, 2007.

Mr. Mungo moved approval of the renewal of the COMPUSULT, INC. license agreement as presented. Dr. Floyd seconded the motion. The vote was taken, and the motion carried.

B. South Carolina Department of Natural Resources: Chairman Adams called on Mr. Parham who stated that The Baruch Institute sought the Committee's approval to enter into an Inter-Agency Contract with the South Carolina Department of Natural Resources [SCDNR]. Under this agreement, the Baruch Institute and SCDNR would each fund 50 percent of a research associate professor's salary at USC. The professor would then conduct a self-sustaining research program on algal communities in the state's rivers and streams, including the study of harmful algal species in relation to nutrient conditions in these waters.

Mr. Parham explained that Dr. Sorensen, Dr. Pastides, and Dr. Becker had been encouraging this type of research collaboration. The proposed five-year agreement began June 1, 2006, and would terminate on June 1, 2011. The total cost of the agreement was \$327,938; of that amount the Baruch Institute will pay 50 percent.

Mr. Whittle moved approval of the Inter-Agency Contract Agreement between the SCDNR and the University as presented. Mr. Mungo seconded the motion. The vote was taken, and the motion carried.

C. USC Upstate Head Basketball Coach Contract: Chairman Adams called on Mr. Parham who stated that the five-year employment agreement between Edward G. Payne, USC Upstate Head Basketball Coach, and USC Upstate would begin on August 16, 2006, and conclude on April 30, 2011. The base salary would be \$88,000 per year with a guaranteed 10 percent annual increase, along with specific incentive based supplemental compensations as outlined in the contract.

Dr. Floyd moved approval of the contract as presented. Mr. Loadholt seconded

the motion. The vote was taken, and the motion carried.

D. Army ROTC: Chairman Adams called on Mr. Parham who stated that the University's Financial Services Office was seeking the Committee's approval to enter into an Educational Services Agreement with Army ROTC. This was the standard agreement between the parties under which USC agreed to provide Army ROTC cadets admitted to USC with access to the University's academic courses. In exchange, Army ROTC agreed to pay the tuition and fees associated with these courses for its cadets enrolled at USC. Under the agreement, USC charged the normal resident or non-resident tuition rate, as applicable for each cadet, as well as the normal academic fees charged to other University students. No discounts or fee reductions are provided.

Mr. Parham further explained that USC Financial Services estimated that it would bill Army ROTC approximately \$250,000 per year for its cadets. The actual amount will vary each year, depending upon the number of cadets currently in the Army ROTC program and enrolled in USC classes.

Mr. Mungo moved approval of the Army ROTC Educational Services Agreement as presented. Mr. Loadholt seconded the motion. The vote was taken, and the motion carried.

E. Naval ROTC: Chairman Adams called on Mr. Parham who stated that the University's Financial Services Office was seeking the Committee's approval to enter into an Educational Services Agreement with Naval ROTC. This contract was identical to the Army ROTC agreement. In the contract, USC agreed to provide Naval ROTC cadets who had been admitted to USC with access to our academic courses. In exchange Naval ROTC agreed to pay the tuition and fees associated with these courses for its cadets enrolled at USC. Under the agreement, USC charged the normal resident or non-resident tuition rate, as applicable for each cadet, as well as the normal academic fees charged to other students at USC. No discounts or fee reductions were provided.

Mr. Parham explained that USC Financial Services estimated billing Naval ROTC approximately \$625,000 per year for its cadets. The actual amount will vary each year, depending upon the number of cadets currently in the Naval ROTC program and enrolled at USC. He noted that there were more Naval ROTC cadets than Army ROTC cadets.

Mr. Mungo moved approval of the Navy ROTC Educational Services Agreement as presented. Mr. Loadholt seconded the motion. The vote was taken, and the motion carried.

F. Delta Air Lines, Inc.: Chairman Adams called on Mr. Parham who stated that the Athletics Department sought the Committee's approval to

enter into a Charter Flight Agreement with Delta Air Lines, Inc. under which the Gamecock football team would be transported to its four away games this fall (Mississippi State, Kentucky, Vanderbilt, and Florida). This was the standard Delta charter flight agreement that Athletics had entered into in the past. The total cost of the contract was \$342,040,00.

Mr. Parham explained that before selecting Delta Air Lines to provide this service, the Athletics Department obtained quotes from other air lines offering charter services. Delta was selected because of the quality of its service, the price it quoted, and its availability on the dates and times the football team required.

Dr. Floyd moved approval of the 2006 Charter Flight Agreement for Football between Delta Air Lines, Inc. and The University as presented. Mr. Whittle seconded the motion. The vote was taken, and the motion carried.

G. Pepsi Bottling Group - USC Upstate: Chairman Adams called on Mr. Parham who stated that USC Upstate was seeking the Committee's approval to enter into a new agreement with Pepsi Bottling Group, under which Pepsi would be awarded the exclusive right to provide drink vending machines on the USC Upstate campus. For the past several years Pepsi had the vending contract at USC Upstate. This contract resulted from a request for proposals issued by USC Upstate in accordance with the South Carolina Consolidated Procurement Code. Pepsi was deemed the preferred vendor because it provided the highest total financial return to USC Upstate over the life of the contract.

Mr. Parham stated that the five-year contract would end June 30, 2011. Under the contract, Pepsi would pay USC Upstate commissions of 55 percent of revenue from the sale of 20 ounce soft drinks, and 25 percent of revenue from the sale of sports drinks (such as Gatorade). USC Upstate estimates that it would receive approximately \$39,050 (\$345,250 during the term of the contract) annually from commissions on drink sales.

Additionally, Pepsi will contribute a \$5,000 academic scholarship annually; \$1,500 annually for special events funding; and \$23,500 annually to the USC Upstate athletics department. This equaled \$30,000 in cash contributions to USC Upstate annually.

Mr. Whittle moved approval of the Drink Vending Service Contract between Pepsi Bottling Group and USC Upstate as presented. Mr. Mungo seconded the motion.

Mr. Mungo stated he had previously expressed his concern that the University should offer a portion of sugar-free soft drink vending options on campus due to the obesity problem in South Carolina. He asked the percentage of sugar-free drink options under this contract. Dr. Stockwell responded that 50 percent would be

sugar-free and juice drinks.

The vote was taken, and the motion carried.

H. SCCP - Dorn VA Medical Center: Chairman Adams called on Mr. Parham who stated that USC's College of Pharmacy, now part of the South Carolina College of Pharmacy, and the Veterans Affairs [VA] Medical Center had a long-standing mutually beneficial relationship under which the College supplied faculty to provide certain health-care services and education to patients and professional staff. In exchange the Medical Center paid the College for such services and also allowed the College to educate and train its students at the VA hospital as part of their pharmacy curriculum.

Mr. Parham explained that the proposed agreement between the US Department of Veteran Affairs and Pharmacy was a continuation of this relationship. Under this agreement, Pharmacy would provide faculty who were Clinical Pharmacists to work a total of 60 hours per week at the VA Medical Center in Columbia. These faculty members would be responsible for providing such services as assisting with patient medications; providing drug evaluation services and drug therapy monitoring services; working in the VA Primary Care and Clinical Pharmacy clinics; providing lectures and training to VA physicians and staff; as well as providing training to USC's Pharmacy students at the VA.

In exchange for these services, the VA would: (1) allow Pharmacy students to be trained in the VA's Primary Care and Clinical Pharmacy Clinics as part of their pharmacy curriculum; and (2) pay the College of Pharmacy the sum of \$129,792 for the one-year period of September 1, 2006 - August 31, 2007.

The contract provided that the VA may extend the term of the agreement for up to 2 additional one-year periods. If the contract was so extended, the VA would pay the following amounts: Year 2 - \$134,971; Year 3 - \$140,369. Thus, the total value of the contract would be \$405,132 if it extended the full three-year period.

Dr. Floyd moved approval of the contract as presented. Mr. Loadholt seconded the motion. The vote was taken, and the motion carried.

I. Ansoft Corporation Contract: Chairman Adams called on Mr. Parham who stated that the College of Engineering and Information Technology, specifically Dr. Asif Khan, was asking for the Committee's approval to accept a donation from Ansoft Corporation of 25 seat licenses for the use of a specialized High Frequency Software bundle. This state-of-the-art software would allow USC's researchers and students to model electromagnetic fields in order to predict high frequency performance of products such as cell phones and microwave ovens. Mr. Parham stated that USC was fortunate to have access to this software since Ansoft generally restricted its availability. In addition he had been told that students who gained

experience working with this software would have a "leg up" in the job market.

The one-year term of the license being granted would end June 30, 2007. The software was valued at \$4,437,562.50, and USC will not incur any costs in connection with the acceptance of this gift and use of the software. The Executive Committee of the Board approved the identical donation from Ansoft on July 19, 2005, for the past year.

Mr. Loadholt moved approval of the contract as presented. Mr. Whittle seconded the motion. The vote was taken, and the motion carried.

II. Board of Visitors Appointments:

Chairman Adams called on Secretary Stepp who stated that following the Committee's discussion in Executive Session there was a revised list of nominations for the Board of Visitors.

Mr. Loadholt moved approval of the nominations as presented. Mr. Whittle seconded the motion.

Chairman Adams noted that the Executive Committee had asked the Ad Hoc Committee on Policies and Bylaws to consider the Board of Visitor's terms. The vote was taken, and the motion carried.

III. Interim Appointment of Mr. William Bethea to Committees:

Chairman Adams called on Secretary Stepp who reported that it was customary for newly elected Board members to serve the remainder of the term on those committees of their predecessors until the biennial October reorganization meeting of the Board (October 19, 2006). Therefore, Mr. Bethea would be assigned to the Fiscal Policy Committee, the Health Affairs Committee, and the Student-Trustee Liaison Committee.

Dr. Floyd moved approval of the interim committee appointments of Mr. Bethea as presented. Mr. Mungo seconded the motion. The vote was taken, and the motion carried.

IV. Correction of South Carolina Reading Initiative Fee for FY 2006-2007:

Chairman Adams called on Dr. Becker who explained that proposed fees for FY 2006-2007 included an increase for the *South Carolina Reading Initiative* which was approved at the June 29, 2006, Board of Trustees meeting as part of the University budget. The increase of this fee was a clerical error and the administration was asking to continue the fee at the current rate of \$160 per student.

Mr. Whittle moved approval of the continuation of the fee at \$160 per student as presented. Mr. Mungo seconded the motion. The vote was taken, and the motion carried.

V. Amendment of a Request for Appointment to Emeritus Status:

Chairman Adams called on Secretary Stepp, in the absence of Chancellor Hallman, who stated that during the June 29th Board of Trustees meeting, a request for an appointment to emeritus status was approved for Dr. Donald Blount from USC Aiken. The request should have read that during the upcoming academic year, Dr. Blount's final year of service at the University, his title would be Distinguished Professor and that upon his retirement on June 30, 2007, that title would change to Distinguished Professor Emeritus.

Mr. Loadholt moved approval of the amendment of Dr. Blount's appointment to emeritus status as presented. Mr. Mungo seconded the motion. The vote was taken, and the motion carried.

VI. Representation on The South Carolina College of Pharmacy Joint Board Oversight Committee:

Chairman Adams called on Secretary Stepp who stated that, at President Sorensen's request, he had worked with Executive Dean DiPiro of The South Carolina College of Pharmacy (SCCP) on the development of The South Carolina College of Pharmacy Joint Board Oversight Committee. He reported that MUSC Board of Trustee members Mr. Melvyn Berlinsky and Dr. E. Conyers O'Bryan, Jr. would serve on the Committee, and that it was decided that USC should also have two of its Board members serve on the Committee. Secretary Stepp said that based on the consensus he received, it was recommended that the Chairman of the Board of Trustees and the Chairman of the Health Affairs Committee represent the University on the Committee.

Mr. Whittle moved approval of the recommendation for representation on the South Carolina College of Pharmacy Joint Board Oversight Committee as presented. Mr. Loadholt seconded the motion.

Dr. Sorensen reported that the SCCP had received pre-accreditation approval from the national accreditation authority at the University level.

Dr. Floyd asked what kind of savings would be realized from the merger of the Pharmacy Schools and Dr. Sorensen replied that, according to the faculty committee on the merger, between \$1.2 and \$1.3 million a year.

Chairman Adams stated that he had asked Mr. Kelly to report to the Health Affairs Committee on the budget for the SCCP in a comprehensive manner.

The vote was taken, and the motion carried.

VII. School of the Environment:

Chairman Adams called on Dr. Becker who stated that the Board of Trustees approved the creation of the School of the Environment in June 1995. The School was set up as a virtual entity with a core administrative staff but no faculty; the faculty was spread among various schools and colleges at the University. Dean

Bruce Coull, the founding Dean of the School of the Environment, retired at the end of June 2006. Dr. Becker explained that the Administration recommended that rather than maintain the School of the Environment as a virtual entity, it be reorganized with a director and assistant director who would report to the Dean of the College of Arts and Sciences effective July 1, 2006. Therefore, there would no longer be a Dean of the School of the Environment. Dr. Becker further stated that Dean Mary Ann Fitzpatrick had appointed Dr. Madeline Fletcher as the Director of the School of the Environment. This matter was brought to the Board with the concurrence of the Chair of the Academic Affairs and Faculty Liaison Committee.

Mr. Whittle moved to reorganize the School of the Environment as presented. Mr. Loadholt seconded the motion. The vote was taken, and the motion carried.

Since there were no other matters to come before the Committee, Chairman Adams declared the meeting adjourned at 2:50 p.m.

Respectfully submitted,

Thomas L. Stepp
Secretary