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University of South Carolina
BOARD OF TRUSTEES

Ad Hoc Committee on Legislative Relations

June 14, 2011

The Ad Hoc Committee on Legislative Relations of the University Board of Trustees met on Tuesday, June 14, 2011 at 3:35 p.m. in the 1600 Hampton Street Board Room.

Members present were: Mr. Thad H. Westbrook, Chairman; Mr. J. Egerton Burroughs; Mr. W. Lee Bussell Sr.; Mr. William C. Hubbard; Mr. William W. Jones Jr.; Ms. Leah B. Moody; Dr. C. Dorn Smith, III; Mr. John C. von Lehe, Jr.; and Mr. Miles Loadholt, Board Chairman.

Others present were: President Harris Pastides; Secretary Thomas L. Stepp; Vice President for Academic Affairs and Provost Michael D. Amiridis; Vice President for Communications Luanne M. Lawrence; Chief Financial Officer Edward L. Walton; Vice President for Human Resources Chris Byrd; Special Assistant to the President J. Cantey Heath, Jr.; and Director of the Office of Media Relations Margaret Lamb and a member of the media.

Chairman Westbrook called the meeting to order and invited those present to introduce themselves. Mrs. Lamb introduced a member of the media who was in attendance.

Chairman Westbrook 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.

There was a personnel matter which was appropriate for discussion in Executive Session. Chairman Westbrook called for a motion to enter Executive Session. Dr. Smith so moved and Ms. Moody seconded the motion. The vote was taken, and the motion carried.

The following individuals were invited to remain: Dr. Pastides, Secretary Stepp, Dr. Amiridis, Mr. Walton, Ms. Lawrence, Mr. Byrd, Mr. Heath, and Mrs. Lamb.

Return to Open Session

I. Clarifying Legislative Message: Chairman Westbrook called on Ms. Lawrence who explained that a request had been made recently for talking points about unrestricted net assets. She noted that the handout at their places, which would be distributed to all Board members following the meeting, outlined the manner in which the topic should be addressed.

The main point she noted was that the University had strived to keep a reserve equal to 5 percent of the budget. That number, she emphasized, was a standard and not an excessive amount. Also listed were examples of the manner in which the University used the funding.

Mr. Walton remarked that all of the monies listed on a financial statement were not really indicative of money "that you can do with as you like. We do try to keep a balance so that we can run the University without having to borrow money." Approximately 5 percent of the prior year budget was held in reserve to carry the University through a couple of months in order to cover operating expenses. He characterized this procedure as a management technique.

Since there were no other matters to come before the Committee, Chairman Westbrook declared the meeting adjourned at 4:15 p.m.

Respectfully submitted,

Thomas L. Stepp
Secretary