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University of South Carolina
BOARD OF TRUSTEES

February 21, 2014

The University of South Carolina Board of Trustees met at 3:05 p.m. on Friday, February 21, 2014, in the Board Room at 1600 Hampton Street.

Members present were: Mr. Eugene P. Warr, Jr., Chairman; Mr. John C. von Lehe, Jr., Vice Chairman; Mr. Robert "Eddie" Brown; Mr. Thomas C. Cofield; Mr. A.C. "Bubba" Fennell; Mr. William C. Hubbard; Mr. Toney J. Lister; Mr. Miles Loadholt; Mr. William W. Jones, Jr.; Mr. Hubert F. Mobley; and Mr. Thad H. Westbrook. Mr. J. Egerton Burroughs; Mr. Mark W. Buyck, Jr.; and Ms. Leah B. Moody joined by telephone.

Members absent were: Mr. Chuck Allen; Dr. C. Edward Floyd; Dr. C. Dorn Smith III; Mr. Mack I. Whittle, Jr.; Mr. Charles H. Williams; and Dr. Mitchell M. Zais.

Also present were faculty representative Dr. James H. Knapp and student representative Chase Mizzell.

Others present were: President Harris Pastides; Secretary Amy E. Stone; General Counsel Walter "Terry" H. Parham; Provost Michael D. Amiridis; Chief Financial Officer Edward L. Walton; Athletics Director Ray Tanner; Vice President for Student Affairs Dennis A. Pruitt; Vice President for Information Technology William F. Hogue; Vice President for Human Resources Chris Byrd; Vice President for Development and Alumni Relations Jancy Houck; Interim Vice President for Communications Wes Hickman; Palmetto College Chancellor Susan A. Elkins; USC Beaufort Chancellor Jane Upshaw; USC Upstate Chancellor Tom Moore; Associate Vice President for Business and Finance Leslie Brunelli; Executive Director for the Office of Economic Engagement William D. "Bill" Kirkland; College of Arts and Sciences Dean Mary Anne Fitzpatrick; Darla Moore School of Business Dean Peter Brews; Associate Vice President for Transportation and Logistical Relations Derrick Huggins; Vice Chancellor for Information Technology, USC Aiken, Ernest Pringle; USC Sumter Dean Michael Sonntag; Associate Director of Strategic Planning and Assessment Cameron Howell; University Treasurer Susan D. Hanna; Executive Director of Internal Audit Pam Doran; University Budget Director Harry Bell; University Controller Jennifer Muir; Director of Capital Budgets and Financing, Division of Business and Finance,

Charlie Fitzsimons; Director of State Relations Trey Walker; Director of Government and Community Relations and Legislative Liaison Shirley Mills; Special Assistant to the President J. Cantey Heath Jr.; the Reverend Frank Anderson, Lutheran Campus Ministry; University Technology Services Production Manager Matt Warthen; Board staff members Debra Allen and Terri Saxon; and members of the media.

President Pastides then introduced two new members of the University family: Darla Moore School of Business Dean Peter Brews and USC Sumter Dean Michael Sonntag, reviewing each dean's professional credentials. Secretary Stone welcomed the University's new Executive Director of Internal Audit Pam Doran.

Chairman Warr called the meeting to order and 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: Hannah Jeffrey with *The Daily Gamecock* and Andy Shain with *The State*.

Chairman Warr welcomed everyone and then invited the Reverend Frank Anderson, representing the Lutheran Campus Ministry, to deliver the invocation.

Since all members of the Board were present for committee-related executive sessions earlier in the day, Chairman Warr stated that there being no objections he would forgo repeating those discussions.

I. APPROVAL OF MINUTES

The following nine sets of minutes were presented for approval:

- A. Academic Affairs and Faculty Liaison Committee, December 17, 2013
- B. Executive Committee, December 17, 2013
- C. Board of Trustees, December 17, 2013
- D. Ad Hoc Committee on Strategic Planning, December 17, 2013
- E. Called Board of Trustees, January 10, 2014
- F. Called Audit and Compliance Committee, January 13, 2014
- G. Called Executive Committee, January 16, 2014
- H. Called Board of Trustees, January 16, 2014
- I. Audit and Compliance Committee Retreat, February 7, 2014

Chairman Warr stated that there were no other additions, deletions or corrections to the minutes; therefore, they stood approved as provided for review on the Board Portal.

II. COMMITTEE REPORTS

- A. Ad Hoc Committee on Strategic Planning
(Chairman Warr reported on behalf of the Honorable Mack I. Whittle, Jr.)

The Ad Hoc Committee on Strategic Planning met on Tuesday, December 17, 2013, and received a report from the President on his strategic vision and priorities as expressed in the State of the University address on September 14, 2013.

Basically, President Pastides told the committee that all strategies would emanate from this vision within the bounds of the following four components: First, the University is a globally recognized, high impact research university. Second, the University is recognized for a superior student experience. Third, the University is committed to developing flexible new models for college access and affordability. Fourth, the University is a vital part of South Carolina's economic and overall wellbeing.

The committee also received an update from Provost Amiridis on the Academic Analytics database that was purchased in the fall. Academic Analytics addresses the scholarly productivity of the faculty members within a department – productivity in terms of publications, grants, citations by others of articles that have been published by USC faculty, and awards. The database will create benchmarks that the administration can use to go back to the academic units on a periodic basis to determine the progress that has been made. The first year's goal is to make individual program comparisons with peer and peer aspirant groups. An update on the findings and recommendations of this strategic planning tool is expected later this semester.

The committee has been examining strategies of how to improve certain matrixes that have been established as goals for the undergraduate population. At its December meeting, the committee began examining the matrixes of individual schools for how each planned to improve. The first of these presentations was from Interim Dean John McDermott of the Darla Moore School of Business. He provided an informative overview of the business school's strategic planning based on trends and projections.

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

The Buildings and Grounds Committee met earlier in the day and several items required Board approval. First, Secretary Stone stated that the University declared 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. Phase I Approval – South Tower Bathroom Renovations: On behalf of the Buildings and Grounds Committee, Mr. Jones moved to establish this project for Phase I design with a budget of \$48,000 funded with Housing Maintenance Reserve. Mr. Westbrook seconded the motion. The vote was taken and the motion passed.

b. Phase II Approvals

i. Williams-Brice Stadium Plaza Site Work: On behalf of the Buildings and Grounds Committee, Mr. Jones moved to fund Phase II design and construction for a total project budget of \$14,500,000 funded with \$11,800,000 of Athletic Revenue Bonds and \$2,700,000 of private gifts. Mr. Westbrook seconded the motion. The vote was taken and the motion passed.

ii. Athletic Village Improvements (Athletic Village Track and FieldUpgrades, Field House Conversion, Soccer Building Construction): On behalf of the Buildings and Grounds Committee, Mr. Jones moved to fund Phase II design and construction for a total project budget of \$18,000,000 funded with \$16,000,000 of Athletic Revenue Bonds and \$2,000,000 of private gifts. Mr. Lister seconded the motion. The vote was taken and the motion passed.

c. Other Approvals

Mr. Lister moved that the following 11 projects be included on the same motion for approval. Mr. Westbrook seconded the motion. The vote was taken and the motion passed. Mr. Jones described the following projects that were being recommended for approval.

i. University Technology Services (UTS) Generator Installation: To establish and fully fund this project with a budget of \$975,000 to be funded with Institutional Funds provided by UTS account 65200-E001.

ii. School of Medicine Animal Care Renovations: To establish and fully fund this project with a budget of \$850,000 to be funded with Institutional Funds from the 18400-E158 account (\$590,000) and SOM ICPF (\$260,000).

iii. Byrnes Mechanical and Electrical Infrastructure Renovation: To establish and fully fund this project with a budget of \$850,000 to be funded with Institutional Capital Project Funds.

iv. Byrnes Fifth Floor Renovation for Admissions Offices: To fund this project with a budget of \$350,000 to be funded with Institutional Capital Project Funds.

v. 1600 Hampton Sixth Floor Controllers Division Renovation: To fund this project with a budget of \$475,000 to be funded with Institutional Capital Project Funds.

vi. Thomson Student Health Center Window, Roof and Interior Renovations: To establish and fully fund this project with a budget of \$995,000 to be funded with Student Health Center Renovation Reserve.

vii. East Quad Renovation (Interior Painting): To fund this project with a budget of \$700,000 to be funded with Housing Maintenance Reserve.

viii. Bates House Exterior Repairs: To establish and fully fund this project with a budget of \$500,000 to be funded with Housing Maintenance Reserve.

ix. Williams-Brice Stadium – Renovations for Editing Area and Interview Space: To establish and fully fund this project with a budget of \$995,000 to be funded with Athletic Operating Funds.

x. Swim Team Locker Room Renovation: To establish and fully fund this project with a budget of \$650,000 to be funded with Athletic Operating Funds.

xi. Capstone’s Gibbes Court Kitchen Renovations: To establish and fully fund this project with a budget of \$640,000 to be funded with Food Service Auxiliary Funds.

Mr. Fennell seconded the motion to approve the 11 projects recommended for approval by the Buildings and Grounds Committee as described by Mr. Jones. The vote was taken and the motion passed.

2. 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 Babb Family Court”
 - ii. “The Gloria Roberts Tutor Room”
 - iii. “The Hay Fant Sparks, Jr. Playground”
 - iv. “The Benjy and Lynda Hardee Gate”
- b. School of Law
 - i. “The Colden R. Battey, Jr. Law Review Editor’s Office”
 - ii. “The Law Offices of L. Morgan Martin, P.A. Student Reception Area”
 - iii. “The Thurmond Kirchner Timbes & Yelverton, P.A. Student Meeting Room”
- c. USC Aiken
 - “The Taxslayer Student Services Center for the School of Business Administration”

Mr. Brown seconded the motion. The vote was taken and the motion passed.

Mr. Jones also reported that the committee received a status update on the Five-Year Plan, as well as a debt capital briefing and market update from Barclays.

- D. Intercollegiate Athletics Committee
(Secretary Amy Stone reported on behalf of the Honorable C. Edward Floyd)

The Intercollegiate Athletics Committee met earlier today and USC Beaufort's Athletics Director Quin Monahan spoke about the history of Beaufort's athletics programming and the current success of its student-athletes – in the classroom, in the community, on the field of play and throughout campus. Mr. Monahan's mission as athletics director is to provide the student body with positive intercollegiate athletic experiences – including intramurals, recreation and fitness. He also described some of the challenges the campus faces as it looks to move athletics, intramurals and fitness programming forward.

Following Mr. Monahan's presentation, Mr. Tanner presented the following Department of Athletics report.

In the area of academics, the men's soccer team was the national Division I leader in team grade point average (GPA) for the 2012-13 academic year with a 3.54 cumulative GPA. All sports posted an NCAA Academic Progress Rate multi-score of 950 or better (out of a possible 1000) the last two years. USC led the SEC for the eighth consecutive Fall semester as the school with the highest number of student-athletes earning a place on the SEC honor roll; and led the SEC for the sixth consecutive year with the highest number of student-athletes making the First-Year Academic Honor Roll, placing 97 students, which is 10 more than second best Alabama. Furthermore, 24 student-athletes graduated in December, 17 out of 18 teams earned a 3.0 GPA or better, and the departmental GPA was above 3.0 for the fourteenth consecutive semester.

Mr. Tanner also shared the recruiting signing dates for the National Letter of Intent along with the names of recruits from the state of South Carolina who have signed a letter of intent for an athletics scholarship to compete at USC.

Finally, Mr. Tanner recognized the outstanding achievements of multiple athletics staff, including:

- USC Deputy Athletics Director Charles Waddell was named one of North Carolina High School Athletics Association's "100 to Remember: Male Athletes" on Friday, January 10, 2014.
- Head Men's Soccer Coach Mark Berson, is the fourth head coach in NCAA Division I history to post 450 wins at one institution.
- Head Track and Field Coach Curtis Frye was inducted into the U.S. Track & Field and Cross Country Coaches Association Coaches Hall of Fame as the Class of 2013 on Monday, December 16, 2013.
- Head Men's Tennis Coach Josh Goffi, whose 2014 signing class is ranked second in the nation, signed his second top-three class in the last four years.

- Head Women's Soccer Coach Shelley Smith achieved her 150th win at USC in competition against Alabama on October 11, 2013.
- Head Women's Basketball Coach Dawn Staley achieved her 100th win at USC against North Carolina Central on December 2, 2013. She also received the Order of the Palmetto from Governor Nikki Haley on November 16, 2013.
- Head Football Coach Steve Spurrier participated in his eighth bowl game at USC. No other coach in Carolina history has taken the Gamecocks to more than three bowl games. Coach Spurrier's team also finished fourth in the final Associated Press and USA Today/ESPN Coaches polls, which marked the highest postseason ranking in school history.

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

Chairman Warr stated that since everyone was in attendance for the Executive Committee meeting earlier in the day, he would skip summarizing the committee's actions and move straight to those items that required a vote of the full Board.

1. Contracts

Chairman Warr said that earlier in the day the Executive Committee approved a contract with a value exceeding \$750,000 and an Athletic Facilities Bond Resolution for recommendation to the full Board for action.

a. HP Printing Equipment: On behalf of the Executive Committee, Chairman Warr moved approval of a contract in the amount of approximately \$1,462,111 with the Hewlett-Packard Company to purchase the HP Indigo Digital Press Equipment, with delivery, installation, training, supplies and maintenance. This equipment is for the Division of Communications' Office of Printing Services that serves the entire University. The contract as presented by Mr. Parham to the Executive Committee was posted on the Board Portal for all Trustees to read. Mr. Westbrook seconded the motion. The vote was taken and the motion passed.

b. Speech and Hearing Center Facility Lease: Chairman Warr noted that this contract was removed from the agenda.

2. Bond Resolution for Athletics Projects

On behalf of the Executive Committee, Chairman Warr moved approval of an Athletic Facilities Revenue Bond Resolution authorizing up to \$31.5 million for improvements to the Football Stadium Plaza and the Athletic Village, which will include a new Soccer Building, improvements

to the Track and Field Complex, and modifications to the Field House. The authorized amount will provide approximately \$27.8 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 Athletics Department and the existing Admission Fee and Special Student Fee. Mr. von Lehe seconded the motion. The vote was taken and the motion passed.

3. Appointment of Vice Presidents

Chairman Warr said that earlier in the day the Executive Committee heard from President Pastides about his planned administrative reorganization. As a result of this reorganization, President Pastides sought approval to appoint Ed Walton as Senior Vice President for Administration and Chief Operating Officer, Leslie Brunelli as Vice President for Finance and Chief Financial Officer, and Derrick Huggins as Vice President for Facilities and Transportation. On behalf of the Executive Committee, Chairman Warr moved approval of these three appointments. Mr. Fennell seconded the motion. The vote was taken and the motion passed.

Presented for information to the Executive Committee was the Mid-Year Budget Review. The report is available electronically for all trustees on the Board Portal. In addition, the Executive Committee approved three contracts valued in excess of \$250,000 for a software gift from geoLOGIC Systems, a collection of prints, and an addendum to an existing agreement with College Board for Enrollment Planning Service and Student Search Service.

III. REPORT OF THE ALUMNI ASSOCIATION
(The Honorable Robert “Eddie” Brown, president, reported)

Mr. Brown recapped the end of the year, noting that the University had a great bowl win against Wisconsin. The Alumni Association sold out its travel package in less than a week. The pre-game party, which was a joint effort with the Athletics Department and Gamecock Club, welcomed over 800 attendees despite the rain.

Mr. Brown also provided an update on the new Alumni Center project, noting that on January 21 an informal briefing on the project had been presented to the University’s Design Review Committee. Very good suggestions were made at this meeting and as a result the design of the “horseshoe gate” (front door and patio entrance) was being revised to better mirror those found around campus. Mr. Brown said that construction was set to begin on the new center within two weeks.

Mr. Brown next summarized the success of Carolina Action Network Day at which over 200 advocates attended meetings at the Statehouse with Legislators. This was the largest crowd to ever attend

the event and all campuses were represented. The event featured a press conference at which Dr. Pastides emphasized "Tuition Timeout." This event touched every state legislator, either personally or through the media, and 40 legislators joined University representatives for breakfast or lunch on Carolina Action Network Day.

Carolina Action Network Day set the following records: 210 Twitter users used the Carolina Day hashtag 532 times; the total potential reach of the Carolina Day hashtag was 1,244,689; Instagram picked up 69 Carolina Day tagged photos from non-staff users. Mr. Brown thanked President Pastides for being the luncheon speaker, Athletics Director Tanner for being the breakfast speaker and the many others for helping make it the most successful Carolina Action Network Day ever.

Concluding his remarks, Mr. Brown said he had asked Jack Claypoole and the Alumni Association staff to prepare a "Book of Work," which would be a review that compared the past year's progress to the Alumni Association's new Operating Agreement that the Board of Trustees consummated on December 18, 2012. This report will also include the many activities that the Alumni Association is involved in to assist the University.

IV. REPORT OF THE PRESIDENT

Chairman Warr called on President Pastides who began his remarks by thanking the Board for a productive meeting.

We continue to make incredible strides not the least of which is your approval to make significant renovations on our campus and to diminish deferred maintenance on so many of our important buildings.

I am also pleased to have presented to you and received your approval on a new organizational plan. We found a way to save the university money on administrative salaries and, although we will be leaner, we will be no less effective than we were before. Saving nearly half a million dollars (\$400,000) in administrative salaries a year won't change the world but it will help us deploy our resources in favor of making a better world for our students.

My administrative team is working harder and smarter and, as I have told you before, I have a phenomenal leadership team in place here at Columbia and throughout the system.

Having said that, times will apparently continue to be difficult for USC and for all public higher education institutions in our state. Initial reports from the state's House of Representatives do not appear auspicious relative to our Tuition Time Out proposal. We may be down, but we are certainly not out and we will continue to advocate. As you know, we requested approximately \$10 million plus relief from pass through obligations that we are surely to receive and we were granted \$1 million in a direct appropriation to the University of South Carolina. We will continue to fight for what is right.

Interestingly, I just returned yesterday from the University of Florida where I chaired their reaccreditation team. It's helpful to see how a peer university is managing its way forward and, in this case, it's also impressive to see how a neighboring state is looking to secure its future and the important role of its flagship university in the state's future.

The State of Florida has endorsed an initiative to raise the profile of its flagship university and selected other research universities by providing the University of Florida with \$75 million in new funding. In addition to its traditional appropriation, they will fund what is called a University of Florida Preeminence Plan where the university pledges to try to become one of the top 10 public universities in the land. At the same time, state lawmakers and the Board of Trustees have agreed to raise undergraduate tuition by 30 percent over the last two years.

At Carolina, of course, we would not ever think of raising tuition by that percentage and we are still hoping to not raise it even one percent. But we must engage with our friends in government and with people across the state in serious conversation about what is necessary if we're to achieve that goal.

Of course, speaking of the number three reminds me that over the past several weeks, we endured or celebrated (depending on who you are) three snow days. As treacherous as the weather was for those who had to move around, the campus was briefly transformed into a winter wonderland. Now we're all back to work. It is the busiest time of the semester and there is a lot of work ahead of us.

The Olympics are winding down in Sochi, of course; I'm sorry to report that U.S. Men's Hockey lost 1-0 to Canada today.

Carolina basketball is beginning to contemplate post season play and the women, as you know, are ranked No. 5 – an amazing victory last night.

Baseball and softball programs are just beginning to step to the plate in two of the finest facilities to be found anywhere in the United States.

Carolina Equestrian, ranked No. 1 for a record twelfth straight week, will meet rival Texas A&M tomorrow morning in Blythewood and I will be there.

On the Fulbright front, and I'll end with this, 11 of our 2014 student applicants have been recommended for further consideration – an increase from seven last year and the largest number of Fulbright finalists that the University has ever had.

So it is a great time to be a Gamecock. I thank you for your hard work and long work today.

V. OTHER MATTERS

There were no other matters to come before the committee.

VI. ADJOURNMENT

Since there were no other matters to come before the Executive Committee, Chairman Warr

declared the meeting adjourned at 3:45 p.m.

Respectfully submitted,



Amy E. Stone
Secretary