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University of South Carolina

BOARD OF TRUSTEES

April 15, 2011

The University of South Carolina Board of Trustees met on Friday, April 15, 2011, at 1:45 p.m. in the 1600 Hampton Street Board Room.

Members present were: Mr. Miles Loadholt, Chairman; Mr. Eugene P. Warr, Jr., Vice Chairman; Mr. Herbert C. Adams; Mr. Chuck Allen; Mr. J. Egerton Burroughs; Mr. W. Lee Bussell, Sr.; Mr. Mark W. Buyck, Jr.; Mr. Thomas C. Cofield; Mr. Greg Gregory; Mr. William C. Hubbard; Mr. William W. Jones, Jr.; Mr. Toney J. Lister; Dr. C. Dorn Smith, III; Mr. John C. von Lehe, Jr.; Mr. Thad H. Westbrook; Mr. Mack I. Whittle, Jr.; and Mr. Charles H. Williams. Members absent were: Dr. C. Edward Floyd; Ms. Leah B. Moody; and Dr. Mitchell M. Zais.

The faculty representative, Dr. Patrick D. Nolan, and the student representative, Mr. Joe Wright, were present.

Others present were: President Harris Pastides; Secretary Thomas L. Stepp; Vice President for Academic Affairs and Provost Michael D. Amiridis; Vice President for Information Technology and Chief Information Officer William F. Hogue; Vice President for Communications Luanne Lawrence; Vice President of Development and Alumni Relations Michelle D. Dodenhoff; Vice President for Human Resources Chris Byrd; General Counsel Walter (Terry) H. Parham; University Treasurer Susan D. Hanna; Dean of the College of Mass Communications and Information Studies Charles Bierbauer; Special Assistant to the President J. Cantey Heath; Chief Financial Officer Edward L. Walton; Associate Vice President Associate for Research and Graduate Education Timothy A. Mousseau; Vice President for Finance and Budget Director, Division of Finance and Planning, Leslie Brunelli; Senior Vice Provost Christine W. Curtis; Vice Provost and Executive Dean for Extended Campus Chris P. Plyler; Chancellor of USC Aiken Thomas L. Hallman; Dean of USC Salkehatchie Ann Carmichael; Dean of USC Sumter C. Leslie Carpenter; Dean of the College of Arts and Sciences Mary Anne Fitzpatrick; Dean of the School of Music and Interim Dean of the South Carolina Honors College Tayloe Harding; Dean of the College of Hospitality, Retail, and Sport Management Brian J. Mihalik; School of Law Dean Designee, Robert M. Wilcox; Director of Athletics Eric C. Hyman; Vice Chancellor for Business and Finance, USC Aiken, Virginia S. Hudock; Executive Vice Chancellor for Academic Affairs, USC Beaufort, Harvey Varnet; Executive Associate Dean, Arnold School of Public Health, Cheryl Addy; Associate Dean for Research and Academics, Moore School of Business, Gregory R. Niehaus; Associate Dean for Academic Affairs, Arnold School of Public Health, Gregory A. Hand; Associate Vice President for Finance and Personnel, Division of Student Affairs, Stacey Bradley; Vice Chancellor for Business and Finance, USC Aiken, Virginia S. Hudock;

Chair of the Department of Exercise Science, Arnold School of Public Health, J. Larry Durstine; Professor at USC Beaufort Warren J. Carson; Executive Assistant to the President for Equal Opportunity Programs Bobby Gist; Director of Capital Budgets and Financing, Charles FitzSimons; Director of Academic Programs, Office of the Provost, Kristia Finnigan; Associate Vice President for Facilities Tom Quasney; Deputy Athletics Director Marcy Girton; Director of the Department of Internal Audit Alton McCoy; Special Assistant to the President and the Director of Athletics John D. Gregory; Former President of the USC Columbia Student Government Association Ebbie Yazdani; Director of the Office of Media Relations Margaret Lamb; Lutheran Campus Minister, The Reverend Frank W. Anderson; University Technology Services Production Manager Justin Johnson; Board staff members Vera Stone and Karen Tweedy; and members of the media.

Chairman Loadholt 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 to the members; and a quorum was present to conduct business.

Chairman Loadholt welcomed everyone and invited Board members and members of the University family to introduce themselves.

Mrs. Lamb introduced members of the media who were in attendance.

At Chairman Loadholt's request, The Reverend Frank Anderson, Lutheran Campus Ministry, delivered the Invocation.

Chairman Loadholt welcomed the newest Board member, Thomas C. Cofield, and the newly-elected student body president, Joe Wright, to their first meeting of the Board of Trustees.

Chairman Loadholt extended congratulations to Mr. Greg Gregory for his victory earlier this week; he will represent District 16 in the South Carolina legislature.

Chairman Loadholt recognized President Pastides who requested a moment of personal presidential privilege to introduce the Dean Designee of the USC School of Law, Professor Robert M. Wilcox. He noted that Professor Wilcox began his career at Carolina in 1986 after serving as a legal practitioner. President Pastides further characterized him as a decorated teacher and admired colleague, but most importantly, as someone who "will lead us all forward into an era of significant growth, change and improvement at the School of Law."

On behalf of the School of Law, Professor Wilcox thanked the Board, the President and the Provost for the interest and support they had shown the school. He expressed a sense of excitement from alumni, students and faculty about the future and moving forward.

We know that you have very high expectations of the Law School and we share those expectations. With that commitment and that support, we will ensure to the best of our ability that the conversation you hear about the Law School in the coming years is a conversation of progress, of people really excited about the direction the Law School is going. That is the conversation we expect to have in South Carolina. It is a conversation we

expect to hear outside of South Carolina as well - that the University of South Carolina Law School is making strides.

We promise you a school that will be the school of choice for good students. It's the school where employers will come as their first choice because of the quality of our graduates. And, we promise you a faculty that will be visible sharing their expertise whether it is at the statehouse or in Washington, D.C. or around the country with the American Bar Association. I trust we will make you proud of the Law School.

Dr. Nolan pointed out that Dean Wilcox was a former Chair of the Faculty Senate.

Chairman Loadholt stated that there were personnel matters relative to recommendations for honorary faculty titles, appointments with tenure, a transfer of tenure, and honorary degree nominations as well as contractual matters relative to gift naming opportunities and contracts valued in excess of \$750,000 which were appropriate for discussion in Executive Session.

Chairman Loadholt called for a motion to enter Executive Session. Mr. Williams so moved and Mr. Burroughs seconded the motion. The vote was taken and the motion carried.

Chairman Loadholt invited the following persons to remain: President Pastides, Secretary Stepp, Dr. Amiridis, Dr. Hogue, University Chancellors, Dr. Plyler, Mr. Byrd, Ms. Lawrence, Ms. Dodenhoff, Mrs. Hanna, Mr. Heath, Mr. Parham, Mr. Walton, Ms. Brunelli, Mr. Gregory, and Mrs. Lamb.

Return to Open Session

I. APPROVAL OF MINUTES: The following 8 sets of minutes were circulated by email to the Board for review and were presented for approval:

- A. Ad Hoc Committee on Legislative Relations, January 24, 2011
- B. Buildings and Grounds Committee, February 4, 2011
- C. Intercollegiate Athletics Committee, February 4, 2011
- D. Executive Committee, February 4, 2011
- E. Board of Trustees, February 4, 2011
- F. Health Affairs Committee, March 18, 2011
- G. Student-Trustee Liaison Committee, March 18, 2011
- H. Audit and Compliance Committee, March 18, 2011

Chairman Loadholt noted that the March 18, 2011, Academic Affairs and Faculty Liaison Committee meeting minutes listed on the agenda will be presented for approval at the June 30th meeting of the Board of Trustees.

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

II. COMMITTEE REPORTS:

- A. Academic Affairs and Faculty Liaison Committee:
(The Honorable William W. Jones, Jr. reported)

The following personnel matters had received all appropriate academic and administrative approvals and were presented without objection to the Academic Affairs and Faculty Liaison Committee on March 18th and, as appropriate, to the full Board in Executive Session earlier today.

1. Honorary Faculty Titles: Six requests for honorary faculty titles were e-mailed with the materials for this meeting. The following individuals will be awarded titles effective with their retirement:

For the title Distinguished Professor Emeritus:

- a. Professor James Anderson
- b. Professor Larry Stephens
- c. Professor Kenneth Stevenson

For the title Professor Emerita:

- Professor Maggie Dorsey

For the title Professor Emeritus:

- a. Professor Michael Welsh
- b. Professor Samuel Baker

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval of these six honorary faculty titles as presented. Dr. Smith seconded the motion. The vote was taken and the motion carried.

2. Appointments with Tenure: The following requests for appointments with tenure were e-mailed with the meeting materials.

- a. Ms. Laurel Baker would be awarded tenure at the rank of Reference Librarian in the University Libraries.
- b. Dr. Charles M. Katz would be awarded tenure at the rank of Professor in the Department of Criminology and Criminal Justice, College of Arts and Sciences; he will also serve as chair of that department.
- c. Dr. Igor B. Roninson would be awarded tenure at the rank of Professor in the South Carolina College of Pharmacy; he will also serve as the Center of Economic Excellence Chair in Translational Cancer Therapeutics.
- d. Dr. Chris Rorden would be awarded tenure at the rank of Professor in the Department of Psychology, College of Arts and Sciences. In addition, Dean Mary Anne Fitzpatrick requests that Dr. Rorden be named the Center of Economic Excellence Endowed Chair in Brain Imaging.
- e. Dr. Francis G. Spinale would be awarded tenure at the rank of Professor in the Department of Cell Biology and Anatomy, School of Medicine.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval of these five appointments with tenure as presented. Mr. Cofield seconded the motion. The vote was taken and the motion carried.

3. Transfer of Tenure: On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval to transfer the tenure of Dr. Joseph Pappin III from USC Lancaster to the Extended University. Mr. Warr seconded the motion. The vote was taken and the motion carried.

4. Degree Terminations: It had been requested to terminate the following academic degree programs:

- a. Master of Public Health in Environmental Health Sciences (all concentrations, retain degree), USC Columbia
- b. Doctor of Philosophy in Elementary Education, USC Columbia
- c. Doctor of Philosophy in Secondary Education, USC Columbia

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval to terminate these three academic degrees as described in the materials. Mr. Hubbard seconded the motion. The vote was taken and the motion carried.

5. New Dual Degree Program:

- Master of International Business, USC Columbia and Master of Management, Mannheim University, Germany

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval to establish the Master of International Business, USC Columbia and Master of Management, Mannheim University, Germany, as described in the materials. Mr. Allen seconded the motion. The vote was taken and the motion carried.

6. Program Modification:

- Bachelor of Science in Physical Education, concentration in Exercise and Sport Science, USC Upstate

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval to modify the Bachelor of Science in Physical Education with a concentration in Exercise and Sport Science, USC Upstate, as described in the materials. Mr. Gregory seconded the motion. The vote was taken and the motion carried.

7. Name Changes:

- a. Master of Arts in Linguistics with a concentration in Linguistic Anthropology, USC Columbia
- b. Doctor of Philosophy in Linguistics with a concentration in Linguistic Anthropology, USC Columbia
- c. Culinary and Wine Institute at Carolina, USC Columbia

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval of the three name changes as described in the materials. Mr. Hubbard seconded the motion. The vote was taken and the motion carried.

8. Mission Statement Change:

- McKissick Museum, USC Columbia

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval of the McKissick Museum mission statement change as described in the materials. Mr. Bussell seconded the motion. The vote was taken and the motion carried.

B. Health Affairs Committee:

(The Honorable C. Dorn Smith, III reported)

The Health Affairs Committee met on Friday, March 18th and approved the USC/GHS Medical Education Operating Agreement. He asked Provost Amiridis to update the Board about the status of that agreement.

Provost Amiridis indicated that the operating agreement which had been approved by the Health Affairs Committee represented the next step in the process of expanding the existing medical education program at the Greenville Hospital System (GHS) from a two-year to a four-year program.

He reiterated that the full Board had already approved the foundational agreement between the University (USC) and GHS. The operating agreement addressed a multitude of details and established the operating process.

The agreement defined the details of a joint board liaison committee representing the two Boards of Trustees with the School of Medicine at Greenville. Provost Amiridis stressed that this committee was strictly advisory; the University of South Carolina Board of Trustees will have final approval authority related to the school.

In addition, the operating agreement detailed the finances of the new school. Specifically, he noted, Section 41 in the agreement stipulated that neither the University of South Carolina nor the Greenville Hospital System "shall seek appropriations from the state of South Carolina for the University of South Carolina School of Medicine Greenville." Further, in that section was the statement that the only financial commitment the University of South Carolina would undertake was the tuition and fee revenue of the Greenville students.

Provost Amiridis noted that GHS will provide a substantial amount of unrestricted operating funds and, as stated in the agreement, will also be responsible for any unanticipated operating deficit.

Other issues addressed included the facility in which the school will be located; security issues; maintenance issues; as well as parking and transportation issues.

The operating agreement defined the leadership of the school. Also clearly outlined in this section of the agreement was the integration between the school and the clinical activities. In particular, Provost Amiridis addressed those articles of the agreement which discussed the chairs of the academic clinical departments and the faculty. "These are going to be exactly the same people who are going to be chairs of the operating clinical departments. This is the integration that we have been seeking from the beginning and this is what is going to make this school very strong in our opinion."

Provost Amiridis was very proud of the fact that the parameters for faculty appointments and tenure and promotion issues exactly mirrored the USC *Faculty Manual* procedures. In fact, he noted, the former chair of the Faculty Senate, Professor Bob Best, had been responsible for putting together this information.

And, finally, elements of the curriculum were included in the operating agreement which will serve as a data base for submission to LCME (Liaison Committee on Medical Education).

He asked General Counsel Terry Parham to address those minor changes which had been incorporated into the agreement as a result of comments from Health Affairs Committee members prior to committee approval on March 18th.

Mr. Parham explained that those modifications were non substantive. Specifically, Mr. von Lehe had recommended that some of the paragraphs be reordered so that they flowed more logically in terms of the University's financial commitment; the GHS financial commitment; and the fact that no state appropriations were being sought.

Also suggested was that the document should state that the internal auditor had the authority to conduct whatever audits deemed appropriate in connection with the operation of the School of Medicine in Greenville. The agreement, he pointed out, had previously provided for audits from the outside standpoint, but it did not specifically address internal audits; that language had been incorporated into the document.

There was also a question about the lease agreement. Mr. Parham explained that a lease agreement will be negotiated to use the facility at the Greenville Hospital System. "We wanted to clarify the document to ensure that everyone understood that the terms of that lease and the cost to the University of that lease to use that facility has already been incorporated into the financials and will be paid from the tuition and fees we collect from medical students; therefore, the cost of the lease is not on top of what the financials already provide for in terms of the expense associated with the document."

And, finally, several linguistic changes were made throughout the document so that it would read better.

On behalf the Health Affairs Committee, Dr. Smith moved approval of the Operating Agreement between USC and the Greenville Hospital System for the development of the USC School of Medicine-Greenville as presented. Mr. von Lehe seconded the motion.

Mr. von Lehe inquired about the term of the agreement (the length of time GHS would be obligated to underwrite any deficiency). Mr. Parham responded that it was a rolling ten-year budget; therefore, that obligation would continue for the life of the School of Medicine in Greenville.

Provost Amiridis advised that members of the Board of Directors of the Greenville Hospital System had met at 8:00 a.m. this morning and had approved this operating agreement.

The vote was taken and the motion carried.

C. Student-Trustee Liaison Committee:
(The Honorable W. Lee Bussell, Sr. reported)

The Student-Trustee Liaison Committee met on Friday, March 18th.

Newly-elected USC Columbia Student Government Association (SGA) President Joe Wright reported on SGA goals and student activities on campus.

Additionally, student representatives from the regional campuses gave very informative reports from their respective campuses.

Dr. Helen Doerpinghaus, Vice Provost and Dean of Undergraduate Studies, gave a detailed presentation and distributed material regarding the new USC Connect program - integrating learning within and beyond the classroom.

USC Connect included two key components: 1) increased student engagement in and beyond the classroom experiences; and, 2) increased support for students to develop deep understanding of how their experiences within and beyond the classroom connected to one another and informed their learning. USC Connect grew from collaborative work on the Carolina Core, Focus Carolina, and program development (academic departments and the Division of Student Affairs).

USC Connect was the University's required Quality Enhancement Plan (QEP) for the Southern Association of Colleges and Schools (SACS) Reaffirmation Process.

D. Audit and Compliance Committee:
(The Honorable J. Egerton Burroughs reported)

The Audit and Compliance Committee met on March 18th.

Mr. McCoy reported that those items outstanding on the Audit Tracking Report in Human Resources, Accounts Receivable, and Payroll would be resolved in the near future.

Mr. McCoy also reported that two internal audits had been conducted: Student Fees and Refunds; and USC Aiken Campus Business and Finance Office.

There were two findings that needed clarification regarding Student Fees and Refunds. The first finding involved the Military Fee or tuition rate charged at the two

year campuses; active military may utilize that rate no matter which campus they were attending. There was confusion about how the rate should be applied and if military dependents were eligible. State law indicated that anyone stationed in South Carolina was eligible for in-state tuition rates. The rate needed to be clarified and set by the Board. The department was working on a clarification to resolve these questions.

The second finding in the student fees office dealt with credit card reconciliation. Efforts were underway to resolve this matter.

During the audit of the USC Aiken Campus Business and Finance Office, a few shortages were found and lack of receipts in the student dining area. The food service vendor will verify all receipts for the last three years and ensure that everything was correct and settled properly with the University.

Another finding dealt with the Children's Service Center. This day care center was a departmental activity, but the director's salary was charged through an "A" fund, which was appropriated money. The appropriate amount of salary devoted to the center should be charged to the "E" account associated with it. Dr. Hallman concurred in principle with the finding and had made adjustments.

Mr. Walton reported on the Department of Athletics Financial Statements. Also, the external auditor, Mr. McNeish, reported on the audits of the Athletics Department and the Horizon and Discovery Garages.

With respect to the Athletics Department, there were no reportable findings in terms of significant deficiencies or material weaknesses.

The audit of the Horizon and Discovery Parking Garages for 2008 and 2009 was a new audit. The overall objective of the audit was to give an opinion regarding whether or not those financial statements were presented fairly in accordance with Generally Accepted Accounting Principles (GAAP). These financial statements provided the information the University needed to manage the situation with the garages and the fact that current parking revenues were not sufficient to make required debt payments. Mr. McNeish reminded the Committee that these statements were at a point in time and the situation had changed since these audits were performed. The audit for June 30, 2010 will begin in the near future. The prior years needed to be audited first to provide a "good jump off point."

Mr. Walton presented the Audit and Compliance Committee Planning Matrix through 2011. The Matrix was derived directly from the Charter, as adopted by the Committee at its last meeting. The objective was to establish a way for financial management and audit management to communicate with the Audit and Compliance Committee. The matrix listed a set of duties as one axis and dates for action as the other. It clarified the large responsibility and work load of the Committee and its members.

Mr. Whittle suggested that the annual date for Board members to complete conflict of interest forms should be added. Such a policy would apply to the whole University and this Committee would receive reports of any filings indicating a conflict.

Mr. Walton pointed out that the Matrix was based on the Charter and suggested the two items be adopted simultaneously. The Committee approved the Charter and Matrix unanimously.

The Chairman thanked those individuals who had worked on the Charter. He noted Darla Moore's contributions on this project as well as many others; and he recommended that the Committee send Ms. Moore a letter thanking her for her long service on this Committee and her hard work through the years.

1. Audit and Compliance Committee Charter: On behalf of the Audit and Compliance Committee, Mr. Burroughs moved approval of the Committee Charter. Mr. Warr seconded the motion. The vote was taken and the motion carried.

2. Whistleblower Policy: Mr. Walton presented a draft of the Whistleblower Policy which was discussed and would be voted upon at the next committee meeting.

3. Internal Control Policy: Similarly, Mr. Walton presented the Internal Control Policy draft which was accepted by the Committee for information and action would be taken at the next meeting.

4. FY 10-11 Designated Funds Budget Amendment: On behalf of the Audit and Compliance Committee, Mr. Burroughs moved approval to amend the FY 10-11 Designated Funds Budget by increasing the funds in the category of Finance and Planning by \$150,000. Mr. Allen seconded the motion. The vote was taken and the motion carried.

In addition, Mr. Walton discussed ways to improve further the presentation of the budget process and the draft budget to the Board in June. Ms. Brunelli suggested a process to explain in detail the manner in which items were included in the budget: first, to explain why the budget looked like it did (how it was put together); and, secondly, to study what was anticipated the FY2012 budget will look like in terms of specifics and likely dollar amounts.

Mr. Walton announced that the legislative budget cut to date was less than anticipated and the University will lose another \$7.3 million dollars.

Mr. Walton also commented on the way the new internal audit director will report to the Board. He presented to the Committee a comprehensive workbook that contained the materials, practices, policies, background reports and other matters that the Committee can use at all times as a reference work for performing the job of being a member of this Committee. He thanked Mr. McCoy for his work on this first draft, which will be under continuous improvement and a background handbook for reference with respect to the Committee Charter and matrix. All members of the Board will be given a copy.

In closing, Mr. Walton provided an update on the Biomass plant; and Chairman Loadholt gave an update on the Department of Internal Audit Search Committee.

Dr. Hogue and Dr. Carpenter gave an update on the Sumter Campus computer security breach.

Mr. Burroughs thanked Mr. Alton McCoy, outgoing Director of the Internal Audit Department, for his dedication and hard work during his tenure at the University which spanned more than three decades. In response, the Board of Trustees extended to Mr. McCoy a round of applause.

E. Buildings and Grounds Committee:
(The Honorable Mark W. Buyck, Jr. reported)

1. Phase I Project Approvals:

a. Football Practice Fields Renovations: This project will completely replace the fields to correct drainage and grading issues and to improve lighting and filming capability. The practice fields were located across Bluff Road from Williams-Brice Stadium.

On behalf of the Buildings and Grounds Committee, Mr. Buyck moved to establish this project for Phase I Design with a budget of \$22,500 funded with Athletic Operating Funds. Mr. Hubbard seconded the motion. The vote was taken and the motion carried.

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

b. Softball Stadium Construction: This project would demolish existing softball stands and support structures and would construct new top-loading stadium seating that connected to the pedestrian spine of the Athletic Village Complex. The new stadium will provide approximately 1,350 permanent seats. In addition, the project also included construction of new restrooms, press box, concession facilities, lighting, backstop netting, dugouts, batting cage facility and team support rooms.

The estimated cost for the project was \$8.0 million and will be funded with Athletic Revenue Bonds. Athletic Operating Funds will be used as interim funding until Athletic Revenue Bonds are issued for the total project.

On behalf of the Buildings and Grounds Committee, Mr. Buyck moved to establish this project for Phase I Design with a budget of \$120,000 funded with Athletic Operating Funds. Mr. Allen seconded the motion. The vote was taken and the motion carried.

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

2. Phase II Project Approvals:

a. Upfit Third, Fourth and Fifth Floors of Discovery I:

This project will provide research laboratories, office and support space in the remaining shell space on floors three, four and five and will complete the construction and upfit of the Discovery I research facility. It received approval in October 2010 to fund the initial design, development of a cost estimate and development of a schedule.

In addition, the project will include work on the first and second floors.

On behalf of the Buildings and Grounds Committee, Mr. Buyck moved to approve funding for Phase I design and construction for a total project budget of \$15.5 million to be funded with Grant Generated (Indirect Cost Recovery) Funds. Mr. Bussell seconded the motion. The vote was taken and the motion carried.

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

b. Capstone Campus Room Renovations: This project addressed the deferred maintenance needs as well as bringing it up to today's meeting room standards. Approval was rendered in December 2010 to fund the initial design and development of a cost estimate for the project.

On behalf of the Buildings and Grounds Committee, Mr. Buyck move to approve funding for Phase II design and construction for a total project budget of \$1.2 million to be funded with Housing Maintenance Reserve Funds. Mr. Adams seconded the motion. The vote was taken and the motion carried.

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

c. Maxcy College Renovation: This project would renovate the facility for conversion to an International House Living/Learning Center for students and to upgrade the mechanical systems.

On behalf of the Buildings and Grounds Committee, Mr. Buyck moved to approve funding for Phase II design and construction for a total project budget of \$3,750,000 to be funded with Housing Maintenance Reserve Funds. Mr. Hubbard seconded the motion. The vote was taken and the motion carried.

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

3. Project Budget Adjustments:

a. Darla Moore School of Business: This item was discussed and will be considered further at a later date.

b. Close-Hipp Palmetto Project Renovation: This project will renovate the existing Close-Hipp Building to accommodate the Palmetto Project for the Department of Justice. It received approval in April 2010 with a budget of \$450,000 to fund the initial design and development of a cost estimate for the project.

Due to the complexity of planning required for Phase I documentation and the decision to proceed with Construction Management At-Risk (CM@Risk) as the project delivery method, it was requested that the budget for Phase I planning be increased. With the additional fees for services in Phase I, a more accurate request for Phase II funding can be developed.

On behalf of the Buildings and Grounds Committee, Mr. Buyck moved approval to increase the budget for this project for Phase I Design by \$331,250 to be funded with Department of Justice funds. This will result in a total Phase I Design budget of \$781,250 funded with Department of Justice Funds. Mr. Jones seconded the motion. The vote was taken and the motion carried.

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

c. Change in Source of Funds - USC Aiken Pedestrian Bridge:

This project was approved for Phase II design and construction by the Buildings and Grounds Committee in November 2010 with a total project budget of \$1,300,000 funded with \$500,000 from the Aiken County Transportation Committee; \$400,000 from the South Carolina Department of Transportation Enhancement Fund; and \$400,000 from USC Aiken Institutional Capital Project Funds (ICPF).

On behalf of the Buildings and Grounds Committee, Mr. Buyck moved approval to revise previous approval to reflect a change in funding sources for Phase II design and construction for the same total project budget of \$1,300,000 funded with \$500,000 from the Aiken County Transportation Committee; \$200,000 from South Carolina Department of Transportation Enhancement Fund; \$300,000 from USC Aiken Institutional Capital Project Funds; and \$300,000 from USC Aiken Institutional Funds. Mr. Williams seconded the motion. The vote was taken and the motion carried.

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

4. Other Project Approvals:

a. McKissick HVAC Upgrades: This project would upgrade the HVAC system in McKissick to provide museum standard temperature and humidity controls.

On behalf of the Buildings and Grounds Committee, Mr. Buyck moved approval to establish and fully fund this project with a budget of \$495,000 to be funded with Institutional Funds from the College of Arts and Sciences. Mr. Hubbard seconded the motion. The vote was taken and the motion carried.

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

b. Longstreet Theatre Lighting Upgrades: This project was to update the 38 year old stage lighting, dimming control, and electrical distribution systems.

On behalf of the Buildings and Grounds Committee, Mr. Buyck moved to establish and fully fund this project with a budget of \$495,000 to be funded with Institutional Funds from the College of Arts and Sciences. Mr. Bussell seconded the motion. The vote was taken and the motion carried.

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

c. Public Health Research Center Laboratory Renovation:

This project will convert Room 305 in the Public Health Research Center from a dry lab to a wet lab for use by a recently hired researcher. The conversion of this space will accommodate expanding departmental laboratory space demands and continue to ensure research success.

On behalf of the Buildings and Grounds Committee, Mr. Buyck moved to establish and fully fund this project with a budget of \$350,000 to be funded with Institutional Funds from the Arnold School of Public Health. Dr. Smith seconded the motion. The vote was taken and the motion carried.

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

d. Baruch Marine Field Laboratory Roof/Mechanical Replacement:

This project will replace the existing EPDM/asphalt system roof which was in poor condition and experiencing multiple leaks and will assess the most critical mechanical needs and replace as many critical components as possible within the approved project budget.

On behalf of the Buildings and Grounds Committee, Mr. Buyck moved to establish and fully fund this project with a budget of \$495,000 to be funded with Institutional Funds from the College of Arts and Sciences. Mr. Burroughs seconded the motion. The vote was taken and the motion carried.

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

e. South Tower Roof Replacement: This project would replace the existing modified bitumen roof, installed in 1990 and out of warranty, and will eliminate the leaks during rains and allow Housing to fulfill its charge of providing well-maintained residence halls to students.

On behalf of the Buildings and Grounds Committee, Mr. Buyck moved to establish and fully fund this project with a budget of \$495,000 to be funded with Housing Maintenance Reserve Funds. Mr. Gregory seconded the motion. The vote was taken and the motion carried.

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

f. USC Upstate University Services Building Upgrades:

Additional work in the USC Upstate University Services Building, which housed Postal Services, Shipping and Receiving, Facilities Management, Athletics and general storage, was needed to stop roof and siding leaks, provide additional heat and smoke

detection, provide minimal heating and related repairs such as installation of insulation.

On behalf of the Buildings and Grounds Committee, Mr. Buyck moved to establish and full fund this project with a budget of \$495,000 funded with USC Upstate Institutional Capital Project Funds. Mr. Whittle seconded the motion. The vote was taken and the motion carried.

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

5. Master Land Acquisition Plan: Commission on Higher Education approval of the Master Land Acquisition Plan (MLAP) extended for a period of five years and must be renewed. Approval was rendered in September 2001 and in September 2006. It was the intent of the Administration to seek renewed approval of the MLAP.

On behalf of the Buildings and Grounds Committee, Mr. Buyck moved to approve the MLAP for USC Columbia as presented. Mr. Hubbard seconded the motion. The vote was taken and the motion carried.

6. Administrative Project Modification - Harper/Elliott Renovation:

In accordance with the policy approved by the Board of Trustees, administrative approval was obtained to increase the budget by \$150,000 for Harper/Elliott renovations to allow the replacement of the central HVAC piping and pumps that serve the center section of that facility.

7. Change in Source of Funds:

a. Abate Jones PSC North: In order to meet the timing requirements for expenditure of the Federal Stimulus funds, Institutional Funds were being used to fund a portion of the project. This change in source of funds resulted in a budget of \$5.5 million funded with \$3,940,000 in American Recovery and Reinvestment Act (ARRA) funds; \$1,510,000 in Institutional Funds; and \$50,000 in Institutional Capital Project Funds.

This report was received as information.

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

b. Law Center Roof Replacement: In order to meet the timing requirements for expenditure of the Federal Stimulus funds, Institutional Funds were being used to fund a portion of the project. This change in source of funds results in a budget of \$400,000 funded with \$250,000 in Institutional Funds from FY2011 Stimulus Funds and \$150,000 in Institutional Funds.

This report was received as information.

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

c. USC Aiken Fire and Alarm System Upgrades: In order to meet the timing requirements for expenditure of the Federal Stimulus Funds, Institutional Funds were being used to fund the project. This change in source of funds resulted in a budget of \$445,000 funded with Institutional Funds.

This report was received as information.

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

8. Gift Naming Opportunities:

The following gift naming opportunities were presented in Executive Session without objection:

a. Athletics Department:

1. "The Judy Gillespie Head Baseball Coach's Office"
2. "The O'Kelly Family VIP Lobby"

b. Universities Libraries:

1. "The Class of 2008 Study Room"
2. "The Class of 2009 Study Room"
3. "The Class of 2010 Study Room"
4. "The Hyman Family Study Room"

On behalf of the Buildings and Grounds Committee, Mr. Buyck moved to approve the gift namings as recommended by the Gift Naming Opportunities Committee. Mr. Bussell seconded the motion. The vote was taken and the motion carried.

F. Executive Committee:
(The Honorable Miles Loadholt reported)

The Executive Committee met earlier today and approved a limited license agreement between the University and the Alumni Association to use certain University Marks by Affinity Institution for the development, issuance, marketing and promotion of Affinity Products throughout the United States and its territories.

The following items were approved for recommendation to the Board for action:

1. UTS/South Carolina Child Support Enforcement System:

The University was requesting approval of a contract with the South Carolina Department of Social Services for the purchase and provision of independent verification and validation services for the South Carolina Child Support Enforcement System Project.

Mr. Warr moved approval of the contract as presented. Mr. Cofield seconded the motion. The vote was taken and the motion carried.

2. Gift Agreement - Robert Ariail: The University was requesting approval to accept a collection of materials from Robert B. Ariail to be recognized as "The Robert B. Ariail Collection of Historical Astronomy" and to be maintained as part of the University Libraries Irvin Department of Rare Books and Special Collections, Hollings Special Collections Library.

Mr. von Lehe moved to approve this gift agreement as presented. Mr. Whittle seconded the motion. The vote was taken and the motion carried.

3. Contract Amendment - Dawn Staley: Mr. Warr moved to approve the proposed amendment to the employment agreement of head women's basketball coach Dawn Staley as presented. Mr. Allen seconded the motion. The vote was taken and the motion carried.

4. Contract Amendment - Steve Spurrier: Mr. Jones moved to approve Amendment #6 of the employment contract of head football coach Stephen O. Spurrier as distributed in the materials. Mr. Adams seconded the motion. The vote was taken and the motion carried.

5. USC Aiken Summer First Pace Program: USC Aiken First Pace Program was designed to help first-year students develop or improve their academic skills while providing opportunities to get connected to the University. USC Aiken was requesting reinstatement of the First Pace Program fee in the amount of \$656.00 per student.

Mr. Jones moved to approve reinstatement of the USC Aiken Summer First Pace Program fee as presented. Mr. Whittle seconded the motion. The vote was taken and the motion carried.

III. REPORT OF THE ALUMNI ASSOCIATION:

Chairman Loadholt called on Mr. Bussell who stated that since the last Board meeting the Alumni Association had experienced a period of "high participation." During this past week, for example, events included a scholarship fundraiser sponsored by the Black Alumni Council; the traditional ring ceremony with over 400 people on the Horseshoe; and the Regent's Dinner.

In addition, he reported, the Alumni Association continued to work on the Alumni Center. Negotiations were underway to share space in the Columbia Convention Center.

As the result of a strategic planning process within the Alumni Association designed to allow the organization to better support the mission of the University, six strategic initiatives had been identified.

They were: (1) to become a powerful force within the legislature through the expansion of the association's advocacy activities and refinement of the Carolina Action Network; (2) to complete the plans and begin construction of the Alumni Center; (3) to expand and refocus activities and services that engage alumni in the life of the contemporary university; in particular, to develop new and more focused offerings for lifelong learning and career networking; (4) to continue to develop partnerships with other campuses, colleges, schools, athletics, student affairs and others both within and outside of the University; (5) to provide active and energetic support for the University's fundraising campaign; and (6) to expand the association's presence and relevance to alumni who reside at a distance from this campus.

And, finally, Mr. Bussell reminded everyone about May Carolina which will be held on May 13th - 14th. He commented that they will be receiving additional information and hopefully will be able to participate.

IV. REPORT OF THE PRESIDENT: Chairman Loadholt called on President Pastides who made the following remarks:

I know it is hard to believe, but commencement season is nearly upon us. Exactly two weeks from today, as a matter of fact, we will have the first of 13 official ceremonies that will give the University mace, the President's medallion and my right hand a real workout.

We will begin on April 29th at 7:00 p.m. in Beaufort where, by the way, our revered friends, former Trustee Bill Bethea, and Paula Harper Bethea will be recognized with the honorary degree by USC Beaufort. And, we will end in Columbia on May 7th at approximately 4:32 p.m. In between we will graduate about 6,000 well-educated and well-prepared men and women who will be better citizens of the Palmetto State and better American citizens than they were when they began here. And, of course, Lee Bussell will have 6,000 new Carolina alumni. It is, in fact, the best time of the year and we are approaching that quickly.

I am happy to officially inform the Board that USC Columbia, Lancaster, Salkehatchie, Sumter and Union experienced the highly affirming reaffirmation visit from our accrediting body, SACS (Southern Association of Colleges and Schools). It occurred between March 28th and March 30th. SACS was very impressed with our attention to their accreditation standards and also with our quality enhancement plan. By now, you know it is called USC Connect which integrates learning within and beyond the classroom.

I want to acknowledge the great leadership provided by Professors Helen Doerpinghaus and Christine Curtis, in particular, and Mr. Phil Moore and the entire USC team that led us through this very important review.

I also want to thank the Board of Trustees for all of your time and your commitment of late for all the meetings we have had. Since the last full Board meeting, we have had numerous committee meetings and numerous retreats. I think we are now a better-focused University as a result.

Our follow up to the strategic planning retreat will result in a detailed assessment plan that will be presented to the Board and that plan, I might add, is very compatible with the performance funding goals that our state's public college presidents have been developing with the Commission on Higher Education and with Governor Haley. I am very pleased to see that progress.

Like you, I like knowing what the targets are that we need to be driving toward. We like appropriate goals, clear targets, regular monitoring, adjustments whenever needed and then ongoing implementation.

I want to thank Trustee Leah Moody for agreeing to represent our three research universities on the Commission and I also welcome again Trustee Tommy Cofield to the Board.

And, now I end this report as I began with a few comments about commencement this year. We have a stellar array of speakers - a Supreme Court Justice; the United States Surgeon General; South Carolina's senior Senator; our retiring ambassador from the People's Republic of China; a respected teacher and religious leader; and the recently retired CEO of one of South Carolina's largest employers; as well as a host of distinguished speakers and honorees in our professional schools and throughout our array of campuses.

These speakers, I think, represent and they were chosen to represent the very best of Carolina. We are a University that is highly diverse but without being superficial. We are not brash, but we are very bold. I think these speakers represent that.

I always try to keep my eyes focused on our long range goals and I know you watch me as I do that. But I am also very mindful of our most immediate future. At 4:00 p.m. today we will be reactivating the Euphradian Society in the Gressette Room of Harper College.

Shortly after South Carolina College opened its doors, the literary Philomathic Society was established. In February of 1806 it divided into two

learned societies: the Euphradian and the Clariosophic Societies. Those two societies met in 'intelligent and constructive controversy primarily involved in intrasocietal debate and oratorical contests.' But their emphasis was always on the acquisition of broad knowledge. Therefore, today we will rekindle and reactivate this historic and honored society where it will continue to provide a forum for debate and discussion of important events in our state and in our world and offer a chance for students to build on their oratorical skills.

I would like to point out that The Daily Gamecock, with a daily circulation of over 5,000, has been named the best collegiate newspaper in the state of South Carolina for the past three years. They were also distinguished as having the top college website.

V. REPORT OF THE OUTGOING SGA PRESIDENT: Chairman Loadholt called on Mr. Ebbie Yazdani who thanked everyone for the opportunity this past year to serve as President of the USC Columbia Student Government Association. He commented that it had been an honor and a privilege to represent the students and to serve with Board members.

In terms of student government, Mr. Yazdani characterized this past year as "very productive." He noted that the students had been lobbying on behalf of higher education in the state of South Carolina. In February they met with lawmakers at the statehouse with the message that "higher education needs to be a priority because it is affecting the students directly." With dwindling state resources, he stressed, it was more difficult to pursue a degree in higher education. "But I am very proud to be at a university where we have done even more with less resources, and we have been a competitive institution in that same sense."

Mr. Yazdani addressed the perception that students were not passionate. "I would say this on behalf of the student body -- that students are very passionate. They are all very focused on bettering themselves and making those around them better and making their society better. And what better place to do it than at the University of South Carolina."

Again, he expressed gratitude for the opportunity this past year as well as the past four years.

Chairman Loadholt and President Pastides presented Mr. Yazdani a framed resolution in recognition of his contributions to the University as Student Body President. Secretary Stepp read the resolution and the Board extended a round of applause.

VI. OTHER MATTERS:

A. Selection of a Director of Internal Audit: Chairman Loadholt called on Mrs. Susan Hanna who stated that the Internal Audit Search Committee had conducted a comprehensive and lengthy search and unanimously recommended Philip Iapalucci for the position of Director of Internal Audit at the University.

She noted that Mr. Iapalucci had significant higher education and corporate management responsibility and experience. He was currently a Vice President and Chief Financial Officer at Southwestern Michigan College and previously held positions at the University of Notre Dame and Eastman Kodak in Rochester, New York.

He served as the Chief Audit Executive at the University of Notre Dame for ten years where he oversaw the internal audit function and was instrumental in the Enterprise Resource Planning System software conversion and institutional risk and compliance initiatives that included the implementation of an anonymous compliance hotline and the re-engineering of the institution's conflict of interest monitoring process.

At Eastman Kodak, he supervised the staff of accounting and technology professionals; he developed the corporate accounting system and was responsible for the financial reporting of over 30 U.S. subsidiaries.

Mr. Iapalucci began his career with Deloitte & Touche in Charlotte, NC.

He earned a Master's degree in business administration from the University of Notre Dame and a Bachelor of Science degree with an accounting major from West Virginia University.

He was a certified public accountant and a member of the American Institute of CPAs and the North Carolina Association of CPAs.

Mr. Iapalucci was initially interviewed by the search committee via videoconference on March 17th; he visited campus on April 4th and 5th and met with search committee members as well as the President, key financial management personnel, human resources officials, the internal audit staff and the University's external auditor, Tom McNeish.

Mrs. Hanna noted that, pending Board approval, Mr. Iapalucci will join the University the first part of June.

Chairman Loadholt called for a motion to approve Mr. Philip Iapalucci as the Director of Internal Audit at the University of South Carolina. Mr. Burroughs moved approval and Mr. Warr seconded the motion. The vote was taken and the motion carried.

Chairman Loadholt thanked everyone who had served on the search committee.

Mr. McCoy, outgoing Director of Internal Audit, made the following remarks:

Former Board member, Lilly Hall, called the other day and we had a long discussion and talked about the 'old times.' I told her that an old country boy like me never would have gotten to meet as many important and nice people as I got to meet and I am thankful for having had this opportunity to serve in that position.

In addition, Senator Gregory commented that it had been a tremendous experience for him to be on the Board and to be associated with each of the members.

There has been a lot of significant occurrences during the two years I have been a member. Most significantly, I don't think we have lost to Clemson in anything during that time.

Being on the Board has certainly given me a much deeper appreciation for the University; for the leadership of the University and the tremendous job that they all do. And, I am certainly going to take that insight with me back 'across the street' and advocating for the University of South Carolina will certainly be one of my highest priorities. Any time I can be of service to the University or any of you, please be in touch.

Since there were no other matters to come before the Board, Chairman Loadholt declared the meeting adjourned at 3:10 p.m.

Respectfully submitted,

Thomas L. Stepp
Secretary