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University of South Carolina
BOARD OF TRUSTEES

Ad Hoc Committee on Development

April 12, 2012

The Ad Hoc Committee on Development of the University of South Carolina Board of Trustees met on Thursday, April 12 2012, at 10:00 a.m. in the JM Smith Board Room, Health Education Complex, USC Upstate.

Members present were: Mr. William W. Jones, Jr., Chairman; Mr. W. Lee Bussell, Sr.; Ms. Leah B. Moody; Mr. William C. Hubbard; Mr. Miles Loadholt, Board Chairman; and Mr. Eugene P. Warr, Board Vice Chairman.

Other Trustees present were: Mr. Herbert C. Adams; Mr. Chuck Allen; Mr. Mark W. Buyck, Jr.; Mr. Thomas C. Cofield; Dr. C. Edward Floyd; Mr. Toney J. Lister; Mr. Hubert F. Mobley; Mr. John C. von Lehe, Jr.; Mr. Thad H. Westbrook; Mr. Mack I. Whittle, Jr.; and Dr. Mitchell M. Zais.

Others present were: President Harris Pastides; Secretary Amy E. Stone; Vice President for Academic Affairs and Provost Michael D. Amiridis; Chief Financial Officer Edward L. Walton; Vice President for Student Affairs and Vice Provost for Academic Support Dennis A. Pruitt; Vice President of Development and Alumni Relations Michelle D. Dodenhoff; Vice President for Communications Luanne M. Lawrence; Vice President for Human Resources Chris Byrd; General Counsel Walter (Terry) H. Parham; Chancellor of USC Upstate Thomas Moore; Senior Vice Provost and Director of Strategic Planning Christine W. Curtis; Associate Vice President for Business Affairs, Division of Business and Finance, Helen T. Zeigler; Associate Vice President for Finance and Budget Director, Division of Business and Finance, Leslie Brunelli; Associate Vice President for Facilities Tom Quasney; Associate Vice President for Housing and Student Development Gene Luna; Dean of the College of Arts and Sciences Mary Anne Fitzpatrick; Dean of the College of Mass Communications and Information Studies Charles Bierbauer; Chair of the Faculty Senate Sandra Kelly; Senior Advisor for the School of Law Henry McMaster; Executive Associate Athletics Director Kevin O'Connell; Associate Athletics Director Marcy Girton; Director of News and Internal Communication Wes Hickman; Special Assistant to the President J. Cantey Heath, Jr.; Director of Facilities Planning and Programming and University Architect Derek S. Gruner; Board staff members Vera Stone and Karen Tweedy.

Chairman Jones called the meeting to order; welcomed everyone and invited those Board members present to introduce themselves. Mr. Hickman stated that there were no members of the press in attendance.

Chairman Jones stated that notice of the meeting had been posted and the press notified as required by the Freedom of Information Act; the agenda had been e-mailed to the Committee; and a quorum was present to conduct business.

I. Capital Campaign Update: Chairman Jones called on Michelle Dodenhoff who gave an update on “Carolina’s Promise” – the one billion dollar capital campaign. As of February 29, 2012, Development has raised \$556 million toward their \$1 billion capital campaign goal. This year’s campaign goal is \$140 million and as of February, \$ 94 million has been raised. There are approximately \$33 million in verbal commitments that staff is working to close. Assuming those gifts close, FY 2012 goal should be met and the campaign should end at \$600 million.

Ms. Dodenhoff said 82,377 donors have given to the campaign. Yearly, the number of donors increase and many are repeat donors.

Mr. Whittle asked whether Development followed the Council for Advancement and Support of Education (CASE) guidelines; Ms. Dodenhoff responded, “Yes”.

On May 10th, launch parties will be held in 28 cities to bring the campaign message to folks around the country. A program will be held in Columbia and fed live to all locations. The locations will include: Columbia, Aiken, Allendale, Beaufort, Lancaster, Spartanburg, Sumter, Union, Greenville, Atlanta, Charlotte, Charleston, Chicago, Dallas, Florence, Houston, Jacksonville, Knoxville, Los Angeles, Myrtle Beach, Nashville, New York, Orlando, Philadelphia, Raleigh/Durham, San Diego, Washington, DC, and Chile. She stressed the importance of reaching alumni across the country; and she encouraged members to participate.

On April 17th, following the USC Ring Ceremony, a campus kick-off will be held for faculty, staff and students.

Mr. Whittle asked what the Board could do to help meet the campaign goal in the last three to four years. Ms. Dodenhoff encouraged members to give money, contact their friends and associates and encourage them to give or make recommendations and her staff will follow-up.

Chairman Jones stated that the report was received for information.

II. Law School Funding Update: Chairman Jones called on Mr. Henry McMaster, Senior Advisor for the School of Law, who reported that fundraising efforts for the new \$80 million USC Law

School are progressing well. The original kickoff was held in 1998. Prior to July 1, 2011, when this final phase of the campaign began, \$4,229,151 of a \$10 million legislative allocation had been invested into the site on Senate Street and plans for the building, leaving \$5,770,849 in hand. Gifts had totaled \$3,908,361 and paid pledges \$6,161,023. Outstanding "good pledges" totaled \$3,038,518, giving a total raised and in hand of \$18,878,751, not counting that "in the ground". Mr. McMaster said, initially, approximately \$5 million in pledges had been written off because people saw a lack of progress and suspended their pledges. In mid-2011, the University had committed \$30 million to the project from its bonding capacity. With old pledges paid after July 1, 2011, the amount "in hand" approaches \$50 million.

Since July 1, 2011, the fundraising effort has produced gifts and pledges of \$1,750,000; although, most of these are still in the early stages of processing and official confirmation. Understanding that forecasts in fundraising are very speculative, he is hopeful that several large gifts of less than \$1 million will total approximately \$2.5 million in the next six months. Informal commitments and tentative promises for smaller but unspecified amounts within the next six months will total approximately \$500,000. Mr. McMaster said he was hopeful that future commitments of all sizes, excluding any over \$1 million from large donors known as "angels" will add another \$2.5 million over the next fifteen months. This would bring the time elapsed on this final phase to two years and the total pledged or collected without "angels" or various special efforts to \$7 million.

He expressed that those special efforts they have focused on have potential. One is a "new market tax credit" provided by the US Treasury for new buildings in certain areas which could be worth up to \$16 million for this project, provided the University is able to obtain the tax credit. Another is the possibility of a portion of settlement proceeds in appropriate cases from the Attorney General's Office. Other potential sources include a number of "angels" they have approached and a legislative appropriation which is now under consideration.

Mr. McMaster stated efforts are underway to approach a number of companies--both in and out of state such as FedEx, Bridgestone, Firestone, and CSX. Additionally, he is approaching law firms and lawyers emphasizing the unique proximity this new Senate Street campus will have to the courts, government offices, and downtown business district and law firms. He has expressed to potential donors the economic growth being forecast for the southeast and the need for attorneys to accommodate that growth; he highlighted the impact of our planned unique Rule of Law Center and the University's acclaimed and growing Children's Law Center.

He stated that enthusiasm for graduate schools generally seems to lag behind that of undergraduate experiences. However, the enthusiasm for this project and confidence in it by the lawyers in South Carolina is on the rise. Business and community leaders, as well as lawyers, recognize the potential of this new law school to be a great engine of progress and source of pride for our state. Mr. McMaster is very optimistic that the balance of the funds will be raised for the new Law School. He said Senator Lindsey Graham has been especially helpful in this effort.

In closing, he thanked those members who had given him names of potential donors or contacted donors directly.

Dr. Zais commented that since there is only one public law school in South Carolina, it is imperative that it is a prestigious institution; this is in an effort to keep our best students in the state.

President Pastides remarked that while traveling around the country, he noticed a “renewed spirit for Carolina”. He credited this spirit to the University’s accomplishments in academics and athletics. Furthermore, he stated a message that resonated in the Legislature is that South Carolina deserves an academic advisory policy making/policy setting college supported by the public and state. This new law school advances the state of South Carolina, and the Rule of Law concept brings in corporate partners. A meeting will be scheduled with Mr. David Seaton, Chair of the capital campaign. And, he will broker meetings with top corporate entities who may want to contribute private funds for the Rule of Law Center and the funds, in turn, will go toward the University’s Law School.

Chairman Jones stated that the report was received for information.

Since there were no other matters to come before the Committee, Chairman Jones declared the meeting adjourned at 10:30 a.m.

Respectfully submitted,

Amy E. Stone
Secretary