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University of South Carolina

BOARD OF TRUSTEES

June 29, 2012

The University of South Carolina Board of Trustees met on Friday, June 29, 2012, at 12:05 p.m. in the Ernest F. Hollings Special Collections Library Program Room at Thomas Cooper Library.

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; Dr. C. Edward Floyd; Mr. William C. Hubbard; Mr. William W. Jones, Jr.; Mr. Toney J. Lister; Mr. Hubert F. Mobley; Ms. Leah B. Moody; 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.

Incoming Board of Trustee members. A.C. "Bubba" Fennell III and Robert E. Brown also were present; as were the faculty representative Dr. Sandra J. Kelly and the student representative Kenny Tracy. Special guests included Trustees Emeriti Lily Roland Hall and Paul Goldsmith; Assistant to the Athletics Director Emily White and USC Baseball Coach Ray Tanner; as well as Cynthia Lister, Anna Loadholt, JoAnn Fennell, Gwen Adams, and the Rev. Jane Poster.

Members of the Board of Visitors were invited to attend the meeting and join the Board members for lunch afterwards. Members of the Board of Visitors in attendance included: Harry Agnew; William O. Buyck Jr.; Brad Covar; Chip Felkel; Tony Floyd; Tony Gilreath; JoBeth S. Hite; Rev. Dr. Charles Jackson; Dr. Henry L. Jolly; Charles Edward Kinsey Jr.; Melissa Moïse McLeod; Julia Ann Mims; Elizabeth (Scott) Moïse; Patricia Moore-Pastides; Weston J. Newton; Dilip Patel; Elizabeth Phibbs; W. Haigh Porter; Tommy Preston Jr.; G. Fred Tolly III; Linda Vereen; Dr. William Weston; and Sister Wimberly.

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 Development and Alumni Relations Michelle Dodenhoff; Vice President for Information Technology and Chief Information Officer William F. Hogue; Vice President for Communications Luanne Lawrence; Vice President for Research Prakash Nagarkatti; Vice President for Student Affairs and Vice Provost for Academic Support Dennis A. Pruitt; General Counsel Walter (Terry) H. Parham; Deputy Athletics Director Marcy Girton; Chief Financial Officer, Department of Athletics, Jeff Tallant; University Treasurer and Associate Secretary Susan D. Hanna; Executive Director, University Foundations, Jerome D. Odom; Chancellor of USC Aiken Thomas Hallman; incoming Chancellor, USC Aiken, Sandra J. Jordan; Chancellor of USC Beaufort Jane Upshaw; Chancellor of USC Upstate Tom Moore; Associate Dean for Academic and Student Affairs, USC Lancaster, Ron Cox; Executive Interim Vice Chancellor for Academic Affairs, USC Aiken, Jeff Priest; Associate Vice President for Finance and Budget Director, Division of Finance and Planning, Leslie Brunelli; Senior Vice Provost and Director of Strategic Planning Christine W. Curtis; Associate Vice President for Human Resources Caroline Agardy; Associate Vice President for Administration, Division of Student Affairs and

Academic Support, Stacey Bradley; Associate Vice President for Student Affairs, Division of Student Affairs and Academic Support, Jerry Brewer; Associate Vice President for Enrollment Management and Director of Undergraduate Admissions, Division of Student Affairs and Academic Support, Scott Verzyl; Director of State Relations Trey Walker; Director of the Department of Internal Audit Phil Iapalucci; Associate Director of Strategic Planning and Assessment Cameron Howell; Associate Budget Director, Division of Finance and Planning, Harry Bell; Director of Capital Budgets and Financing, Division of Finance and Planning, Charlie Fitzsimons; Special Assistant to the President J. Cantey Heath Jr.; Director of News and Internal Communications Wes Hickman; University Technology Services Production Manager Justin Johnson; and Board staff members Debra Allen, Karen Tweedy, and Vera Stone.

Chairman Loadholt called the meeting to order and welcomed everyone. Mr. Hickman introduced members of the media who included Mindy Lucas, The State Newspaper; Pete Iacobelli, Associated Press; Sydney Patterson, The Daily Gamecock; Scott Hood and David Cloninger, Gamecock Central; Ric Gani, WACH-TV; Rick Henry, WIS-TV.

Chairman Loadholt 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.

Chairman Loadholt stated that there were personnel matters relative to recommendations for honorary faculty titles, appointments with tenure and transfers of tenure; tenure and promotion recommendations, and honorary degree nominations that were appropriate for discussion in Executive Session. Mr. Bussell moved to enter Executive Session. Mr. Adams seconded the motion. The vote was taken, and the motion carried.

Chairman Loadholt invited the following persons to remain: Dr. Pastides, Secretary Stone, Dr. Amiridis, Mr. Walton, Ms. Agardy, Dr. Pruitt, Dr. Hogue, Dr. Plyler, Ms. Dodenhoff, Mr. Parham, Ms. Lawrence, Mr. Heath, Mrs. Hanna, Mr. Hickman, and the Trustees Emeriti.

Return to Open Session

I. APPROVAL OF MINUTES

The following seven sets of minutes were circulated by email to the Board for review and were presented for approval:

- A. Audit and Compliance Committee, March 16, 2012
- B. Ad Hoc Committee on Legal Affairs, April 1, 2012
- C. Ad Hoc Committee on Development, April 12, 2012
- D. Buildings and Grounds Committee, April 12, 2012
- E. Executive Committee, April 12, 2012
- F. Board of Trustees, April 12, 2012
- G. Executive Committee, May 3, 2012

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

II. COMMITTEE REPORTS

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

The Audit & Compliance Committee met on March 16th and June 15th.

1. External Audits:

At the March 16th meeting Mr. Tom McNeish from Elliott Davis and Company presented the following external audits reported on by his firm:

- a. FY11 Management Letter
- b. FY11 Circular A-133
- c. FY11 Department of Athletics Financial Report
- d. FY11 Innovista Garages Financial Report and Management Letter
- e. Individual Campus Financial Reports

Mr. McNeish related back to the goals and topics that occurred during the Audit Retreat held in October 2012. He discussed the University's progress on some of the objectives. He reported that the University was moving forward and was looking at development areas in the financial reporting and controls over transactions and communications.

2. Internal Audits:

- a. Graduate School, Presented March 16th
- b. Williams-Brice Stadium Insurance Confirmation, Presented June 15th
- c. Barnes and Noble College Booksellers Contract, Presented June 15th
- d. Student Health Services, Presented June 15th

Mr. Iapalucci discussed the new format for the audit reports in the March 16th meeting. The reports began with a background section, which would demonstrate that the Audit Department was well versed in the operations audited. Another section contained observations and recommendations from the Audit and Advisory Services. The last section provided exhibits and attachments that would provide reference information on the audited operation. The second document included with the reports was an Executive Summary, or a dashboard. This document allowed Mr. Iapalucci to communicate with management what he thought in terms of the control environment, in a simplified way.

3. Review Internal Audit Tracking Report:

Mr. Iapalucci distributed the Internal Audit Tracking Report to members for the March 16th and the June 15th meetings and explained that considerable progress had been made regarding the open items.

4. Review Board and President Expenditures:

Mrs. Susan Hanna, Treasurer of the University, reported on expense reports from the Board and President's offices.

5. Environmental Risk Management Report:

Mr. Tom Syfert, Associate Vice President for Health and Safety, briefed the Committee on the overall mission of the Environmental Health and Safety (EHS) Department, which is to provide health, safety and loss control services to the University. He reviewed the main EHS programs; the compliance programs; the research safety program; projects outside of the office, such as the Rocky Branch Creek; and grants, specifically bio-diesel. He updated the Committee on past accomplishments and future plans for the department.

6. External Audit Matters:

a. Medical Education Trust:

A report is currently in process for mid-August delivery to the Board.

b. Pension Obligation Financial Reporting Disclosure:

A point of information was noted: If GASB implements this change there will be major effects on the University's balance sheet.

c. Five-Year Projection of Revenue and Expenses:

(Proposed Supplemental Disclosure): GASB exposure draft would require a five-year plan. More information will be provided at a later date.

7. Designated Funds Budget for FY 2012-2013:

The Committee approved the Designated Fund Budget for FY 2012-2013. The budget was recommended to the Executive Committee and is included in the proposed budget scheduled for consideration later today.

8. Internal Audit Budget:

The Committee approved the proposed Internal Audit Budget. It is included as part of the overall FY 2012-2013 University budget proposal, as recommended by the Executive Committee for Board consideration.

9. Audit and Compliance Committee Matrix:

The Committee approved its matrix at the June 15th meeting.

10. Audit and Compliance Committee Charter:

The Committee reviewed its charter at the March 16th meeting. At the June 15th meeting, the Committee voted to present the charter to the full Board, for its approval at the appropriate time. There was discussion at that meeting about responsibilities which may or may not be covered by the Board's various committees and where such responsibilities should be housed. It was determined that such questions should be addressed and clarified as part of the update to the Board's Bylaws.

11. 2012/2013 Internal Audit Plan:

Mr. Iapalucci presented an Internal Audit Plan which he will follow to accomplish the goals of his department.

B. Intercollegiate Athletics Committee
(The Honorable William C. Hubbard reported)

The Intercollegiate Athletics Committee met on June 15th.

Mr. Hyman recognized Kalen Anderson Harris, Head Women's Golf Coach. He noted that she was entering her fifth year as the head coach of the South Carolina women's golf team on the heels of two straight NCAA Championship appearances and the NCAA 2010 Regional title, the first in school history.

Mr. Hyman also recognized Puggy Blackmon, Director of Golf, who after 12 seasons at the helm of the South Carolina men's golf program, was named director of golf in July 2007. He was inducted into the Golf Coaches' Association of America Hall of Fame in 2005 and the Georgia Tech Hall of Fame in 2008 and is now the unifying presence for Carolina golf, sharing his wealth of knowledge with both the men's and women's teams.

Mr. Blackmon announced the South Carolina men's and women's golf programs unveiled The Coop Practice Facility with a ribbon cutting ceremony on Monday afternoon. The practice area, which is a short drive from

campus, becomes the Gamecocks' primary driving range and short game facility. It is also South Carolina's first athletics facility located in Lexington County. The project was a culmination of a combined effort from numerous individuals and companies as well as Lexington County and the Lexington County Gamecock Club.

Mr. Hyman gave an overview on the following topics:

1. Academic review 2011-12
2. Athletics review spring 2012
3. Facilities update

Mr. Jeff Tallant presented an overview of the FY 2012-2013 Athletics Department Budget. The proposed Department of Athletics budget is included in the University's FY 2012-2013 Budget recommendation approved by the Executive Committee at its June 15th meeting.

On behalf of the full Board and the Athletics Committee, Mr. Hubbard congratulated the baseball team for representing the University in such a positive fashion, both on the field and off the field. "They continue to do everything that anyone could ever hope from an athletics team representing a university. We're so proud of all of the coaches, players and staff with the baseball program."

C. Building and Grounds Committee
(The Honorable Mark W. Buyck, Jr. reporting)

1. Naming of Graduate Science Research Center Building:

On behalf of the Buildings and Grounds Committee, Mr. Buyck moved that the Graduate Science Research Center Building to be named the John M. Palms Center for Graduate Science Research.

Mr. Hubbard seconded the motion. The vote was taken and the motion carried.

2. Gift Naming Opportunities:

On behalf of the Buildings and Grounds Committee, Mr. Buyck moved to approve the following gift namings recommended by the Gift Naming Opportunities Committee and distributed in the Board materials.

a. Athletics Department:

- i. "The Burroughs Tutor Room" in the Dodie Anderson Academic Enrichment Center
- ii. "The Carter Assistant Director's Office" in the Coaches Support Building
- iii. "The Comer Director's Office" in the Coaches Support Building
- iv. "The Major Equestrian Suite" in the Coaches Support Building
- v. "The Nichols Assistant Director's Office" in the Coaches Support Building
- vi. "The Witherspoon Assistant Director's Office" in the Coaches Support Building

b. School of Law:

- i. "The David E. Dukes Student Journal Office"
- ii. "The Judge G. Ross Anderson, Jr. Historic Courtroom"
- iii. "The McGowan, Hood & Felder LLC Faculty Terrace"

c. USC Aiken:

- "The Rahe Family Nursing Classroom"
- d. University Libraries:
 - i. "The Bauknight Study Room" in the Thomas Cooper Library
 - ii. "The Class of 2012 Study Room" in the Thomas Cooper Library
- e. School of Journalism and Mass Communication:
 - "The Mary W. (Mimi Wilkinson) and Thomas G. Cunningham Classroom"

Mr. Hubbard seconded the motion. The vote was taken and the motion carried.

3. Foundations Office Relocation:

On behalf of the Buildings and Grounds Committee, Mr. Buyck moved to allow the Foundations to pursue an amendment to the Cooperative Agreement with the University Neighborhood Association (as well as the Addendum thereto) dated July 9, 2003, that would allow the University to buy or lease from the Foundations the property located at 1027 Barnwell Street, if the Foundations ever vacate the property.

Mr. Westbrook seconded the motion. The vote was taken and the motion carried.

D. Ad Hoc Committee on Strategic Planning
(The Honorable Mack I. Whittle reporting)

The Ad Hoc Committee on Strategic Planning met earlier today and heard a presentation by the director and associate director of the Office of Strategic Planning regarding the establishment of this office and to determine different ranking methodologies for ranking universities in terms of their academic quality.

The Office of Strategic Planning has systemwide responsibility and is dedicated to advancing USC's global standing through proactive and pragmatic planning, evaluation, and continual improvement. The office is dedicated to enhancing academic quality and striving for excellence for the USC system. The office is focusing on assessing and monitoring progress while serving as an advocate for data-driven leadership and decision-making. Rankings are a part of the higher education culture and serve as a means to benchmark and assess USC's academic performance.

Mr. Whittle further reported that the committee learned about ranking methodologies and the rankings of various areas of academic excellence at the University. He stated that in December the committee will receive an in-depth presentation of the University's research efforts and how they fit into the strategic plan, as well as information about the faculty accomplishments and the role of the faculty and faculty-student ratios in achieving the University's strategic goals.

E. Academic Affairs and Faculty Liaison Committee
(The Honorable William W. Jones Jr. reporting)

The Academic Affairs and Faculty Liaison Committee met earlier today. The following items have received all appropriate approvals and were presented to the Committee and, where appropriate, to the Board in Executive Session.

1. Honorary Faculty Titles:

Fourteen 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 Emerita:

- a. Barbara E. Johnson
- b. Lily Lancaster Kohler
- c. Suzanne Ozment
- d. Marja Warehime

For the title Distinguished Professor Emeritus:

- a. Charles Love
- b. William F. Edmiston
- c. Raymond M. Weinstein

For the title Distinguished Clinical Professor Emeritus:

- Richard M. Bell

For the title Professor Emerita:

- a. Kay Oldhouser Davis
- b. Annie Duménil
- c. Audrey Skrupskelis

For the Title Research Professor Emerita:

- Karen F. Fox

For the title Professor Emeritus:

- A. Alejandro Bernal
- John W. Lisk

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval of the 14 honorary faculty titles as presented. Mr. Bussell seconded the motion. The vote was taken and the motion carried.

2. Appointments with Tenure:

The following 24 requests for appointments with tenure were e-mailed to you.

- a. Dr. Carol Boggs will be awarded tenure at the rank of Professor in the Department of Biological Sciences, College of Arts and Sciences; she will also serve as Director of the School of Earth, Ocean, and Environment.
- b. Dr. Shannon A. Bowen will be awarded tenure at the rank of Associate Professor in the School of Journalism and Mass Communications, College of Mass Communications and Information Studies.
- c. Dr. Peter Chametzky will be awarded tenure at the rank of Professor in the Department of Art, College of Arts and Sciences; he will also serve as chair of that department.
- d. Dr. Robert Cox will be awarded tenure at the rank of Professor in the Department of Political Science, College of Arts and Sciences; he will also serve as Director of the Walker Institute for International and Area Studies.
- e. Dr. David Cutler will be awarded tenure at the rank of Associate Professor in the School of Music.

- f. Dr. Jessica Elfenbein will be awarded tenure at the rank of Professor in the Department of History, College of Arts and Sciences.
- g. Dr. Susan Felleman will be awarded tenure at the rank of Professor in the Department of Art, College of Arts and Sciences.
- h. Dr. Thomas P. Hébert will be awarded tenure at the rank of Professor in the Department of Educational Studies, College of Education.
- i. Dr. Abner “Woody” Holton will be awarded tenure at the rank of Professor in the Department of History, College of Arts and Sciences.
- j. Dr. Patrick James will be awarded tenure at the rank of Professor in the Department of Political Science, College of Arts and Sciences; he will also serve as the Donald S. Russell Professor of Contemporary American Foreign Policy in that department.
- k. Dr. Clifton T. Jones will be awarded tenure at the rank of Professor at USC Aiken. He will also serve as Dean of the School of Business Administration at that campus.
- l. Dr. Sandra J. Jordan will be awarded tenure at the rank of Professor at USC Aiken. Later this morning, the Board will be asked to ratify her appointment as Chancellor of that campus beginning July 1st.
- m. Dr. Rose Kearney-Nunnery will be awarded tenure at the rank of Professor at USC Beaufort.
- n. Dr. Jamie Lead will be awarded tenure at the rank of Professor in the Department of Environmental Health Sciences, Arnold School of Public Health; he will also serve at the South Carolina SmartState Endowed Chair in Environmental Nanoscience and Risk.
- o. Dr. David Matolak will be awarded tenure at the rank of Professor in the College of Engineering and Computing.
- p. Dr. Laura Miller will be awarded tenure at the rank of Associate Professor in the Department of Mathematics, College of Arts and Sciences.
- q. Dr. Josua Muscat will be awarded tenure at the rank of Professor in the Department of Epidemiology and Biostatistics, Arnold School of Public Health. He will also serve as chair of that department.
- r. Dr. Robert Riehn will be awarded tenure at the rank of Associate Professor in the Department of Physics and Astronomy, College of Arts and Sciences.
- s. Dr. Jiayang Sun will be awarded tenure at the rank of Professor in the Department of Statistics, College of Arts and Sciences.
- t. Dr. Matt E. Thatcher will be awarded tenure at the rank of Professor in the College of Engineering and Computing.
- u. Dr. Sherry Thatcher will be awarded tenure at the rank of Professor in the Department of Management, Moore School of Business.

v. Dr. Jeffery Twiss will be awarded tenure at the rank of Professor in the Department of Biological Sciences, College of Arts and Sciences. He will also be named the Center of Economic Excellence Endowed Chair in Neurodevelopmental Disorders.

w. Dr. Patrick Wright will be awarded tenure at the rank of Professor in the Department of Management, Moore School of Business. He will also serve as the Thomas C. Vandiver Bicentennial Chair.

x. Dr. I. Phillip Young Sr. will be awarded tenure at the rank of Professor in the Department of Educational Leadership and Policies, College of Education. He will also serve as chair of that department.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval of these 24 requests for appointments with tenure as presented. Mr. Warr seconded the motion. The vote was taken and the motion carried. [Exhibit A]

3. Transfer of Tenure Requests:

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved to approve the following transfer of tenure requests:

a. Transfer the academic appointment and tenure of Dr. Robert G. Best from the School of Medicine-Columbia Department of Obstetrics and Gynecology to the School of Medicine-Greenville Department of Biomedical Sciences. Dr. Best is currently serving as the Associate Dean for Faculty Affairs in the School of Medicine-Greenville.

b. Transfer the academic appointment and tenure of Dr. James Buggy from the School of Medicine-Columbia Department of Pharmacology, Physiology, and Neuroscience to the School of Medicine-Greenville Department of Biomedical Sciences. Dr. Buggy is currently serving as the Associate Dean for Student Affairs and Admissions in the School of Medicine-Greenville.

Mr. Bussell seconded the motion. The vote was taken and the motion carried.

4. Tenure and Promotion Recommendations:

Two lists of tenure and promotion recommendations were e-mailed with the materials for this meeting. In addition, a request to recognize the tenure of a South Carolina College of Pharmacy Professor at the MUSC campus was also included.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval of the USC Columbia tenure and promotion recommendations which include promotion to associate professor with tenure, promotion to professor with tenure, tenure at associate professor, tenure at professor and tenure at librarian. Mr. Bussell seconded the motion. The vote was taken and the motion carried.

From the campuses other than Columbia, the names of those faculty members who were recommended for promotion to professor, promotion to associate professor with tenure, promotion to professor with tenure, promotion to associate librarian with tenure, tenure at assistant professor and tenure at associate professor were also listed in the materials.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval of these tenure and promotion recommendations as distributed. Mr. Buyck seconded the motion. The vote was taken and the motion carried. [Exhibit A]

5. South Carolina College of Pharmacy, MUSC Recognition of Tenure Request:

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval to recognize the tenure of Dr. Patrick Woster at the rank of Professor in the South Carolina College of Pharmacy on the MUSC campus. Mr. Westbrook seconded the motion. The vote was taken and the motion carried.

6. Terminations:

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval of these program terminations as e-mailed in the meeting materials:

- a. Certificate in Event Management, USC Beaufort
- b. Certificate in Food and Beverage Management, USC Beaufort
- c. Certificate in Hotel Management, USC Beaufort
- d. Certificate in Private Club Management, USC Beaufort
- e. Bachelor of Arts in Nonprofit Administration, USC Upstate

Mr. Westbrook seconded the motion. The vote was taken and the motion carried.

7. New Program: Master of Arts in Teaching in Special Education with a concentration in Visual Impairment at USC Upstate:

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval of the Master of Arts in Teaching in Special Education with a concentration in Visual Impairment at USC Upstate as emailed and described in the meeting materials. Mr. Lister seconded the motion. The vote was taken and the motion carried.

8. New Dual Degree Program: Master of International Business and Master of Science in International Management (MiM), USC Columbia and Koç University:

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval to establish the new dual degree program, Master of International Business and Master of Science in International Management (MiM), USC Columbia and Koç University, as stated in the meeting materials. Mr. Westbrook seconded the motion. The vote was taken and the motion carried.

9. New Center: Center for Event Management and Hospitality Training, USC Beaufort:

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval to establish the Center for Event Management and Hospitality Training, USC Beaufort as stated in the meeting materials. Mr. Allen seconded the motion. The vote was taken and the motion carried.

10. Establishment of a second Peter and Bonnie McCausland Professorship in Liberal Arts:

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval to establish a second Peter and Bonnie McCausland Professorship in Liberal Arts as stated in the meeting materials. Mr. Hubbard seconded the motion. The vote was taken and the motion carried.

11. USC Beaufort Faculty Manual Changes:

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval of the proposed changes to the USC Beaufort Faculty Manual as stated in the meeting materials. Mr. Westbrook seconded the motion. The vote was taken and the motion carried. [Exhibit B]

12. USC Aiken Faculty Manual Changes:

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved approval of the proposed changes to the USC Aiken Faculty Manual as stated in the meeting materials. Mr. Lister seconded the motion. The vote was taken and the motion carried. [Exhibit C]

13. Removal of Honorary Degree Candidates from the Table:

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. Jones moved to remove the names of the following honorary degree recipients from the table:

- a. Jane T. Lubchenco
- b. Glenn F. Tilton
- c. Thomas E. Suggs
- d. Samuel J. Tenenbaum
- e. Emory Shaw Campbell
- f. Colden Rhind Battey, Jr.
- g. Irene Krugman Rudnik

Mr. Warr seconded the motion. The vote was taken and the motion carried.

F. Executive Committee
(The Honorable Miles Loadholt reporting)

The Executive Committee met on May 3rd, June 15th and earlier today. During the June 15th meeting, the Executive Committee approved contracts valued in excess of \$250,000. These included:

- An amendment to a previously approved 5-year agreement between the USC Libraries and Elsevier - a company that owns and operates an online periodical service called ScienceDirect that provides subscribers with electronic access to various journals.
- A Charter Flight Agreement with Delta Air Lines, Inc. under which the Gamecock football team will be transported to 4 away games this fall.
- A 3-year housing agreement with Washington Intern Student Housing, LLC. (or "WISH") in Washington DC for use by students participating in the Honors College Washington Semester Internship Program.
- A 4-year agreement with Palmetto Health Richland under which the College of Pharmacy will make available to Palmetto Health 6 pharmacy faculty members on a part-time basis to provide pharmacy consultation services to physicians and other health care professionals in the hospital. In exchange for receiving these pharmacy consultation services, Palmetto Health will pay the College of Pharmacy \$27,000 annually per faculty member and will continue to allow University pharmacy students to receive education training and clinical opportunities at Palmetto Health.
- A 3-year renewal agreement to allow Blackboard Inc. to continue to host and manage a web-based course management system available to the entire USC community.
- A Memorandum of Understanding between the College of Education and Lexington County School District 2 that is designed to help address the critical shortage of principals and administrators in K-12 schools in South

Carolina by making an M.Ed in Educational Administration degree more readily available to South Carolina public school teachers.

Also on June 15th, the Executive Committee received an update from Dr. Hogue that the admissions module of OneCarolina is scheduled to go live in mid-July. Schedule permitting, the Executive Committee should expect a more comprehensive report about OneCarolina at its August meeting.

Earlier today, the Executive Committee approved an amendment to Assistant Football Coach Lorenzo Ward's employment agreement that increases the University's buyout obligation for termination without cause.

The following contracts valued in excess of \$750,000 were approved by the Executive Committee on June 15th and earlier today for recommendation to the Board for action:

1. Indefinite Delivery Mechanical Contracting Services: The University requests approval of two-year contracts with eight companies as a way of having the companies readily available to respond to construction projects and other facility-related needs in a timely manner. These companies were selected through a competitive solicitation process approved by the State Engineer; they are: Johnson Controls, State Mechanical, Aircorp Corporation, WO Blackstone, Walker White, McCarter Mechanical, Cayce Company, and Trane.

On behalf of the Executive Committee, Chairman Loadholt moved approval of the Indefinite Delivery Contracts as stated in the meeting materials. Dr. Floyd seconded the motion. The vote was taken and the motion carried.

2. Athletic Contracts:

a. Amendment to Women's Basketball Coach Dawn Staley Employment Contract: An amendment to Women's Basketball Coach Dawn Staley's employment contract was presented that increases her compensation by \$50,000, amends the incentive agreements offered, and amends Coach Staley's buyout obligation to \$200,000.

On behalf of the Executive Committee, Chairman Loadholt moved approval of Coach Staley's contract as stated in the meeting materials. Mr. Adams seconded the motion. The vote was taken and the motion carried.

b. Amendment to Football Coach Steve Spurrier Employment Contract:

An amendment to Football Coach Steve Spurrier's employment contract was presented that amends provisions relating to incentive bonuses for total games won in a season.

On behalf of the Executive Committee, Chairman Loadholt moved approval of the Coach Spurrier's contract as stated in the meeting materials. Mr. Lister seconded the motion. The vote was taken and the motion carried.

c. USC-City of Columbia Maintenance Agreement:

A memorandum of understanding with the City of Columbia was presented that specifies the long-term maintenance responsibilities of the University and of the City as relates to the proposed improvements on Assembly Street.

On behalf of the Executive Committee, Chairman Loadholt moved approval of agreement as stated in the meeting materials. Mr. Hubbard seconded the motion. The vote was taken and the motion carried.

d. FY 2012-2013 Operating Budget and Capital Budget:

On June 15, 2012, the Executive Committee, with most of the members of the Board present, unanimously approved the proposed FY 2012-2013 operating budget.

Over the last few weeks, the administration has worked with members of the Board about the concepts contained in the comprehensive budget document. The proposed budget has been responsibly formulated and shaped by input from the Board, Chairman Loadholt said, adding that the budget has received intense scrutiny.

On behalf of the Executive Committee, Chairman Loadholt moved approval of the proposed total current funds budget for the USC System for fiscal year 2013, including the operating budgets, the tuition and fee schedules, the budgets for all auxiliary enterprises, and the designated funds budget. Chairman Loadholt noted that the University budget is contingent on final approval of the budget for the State of South Carolina and stated items may be adjusted as needed. Mr. Warr seconded the motion.

Prior to discussion by the Board and a vote, Chairman Loadholt asked Dr. Pastides and Mr. Walton to describe the budget in more detail.

President Pastides said he was proud to report that the University's financial health is strong and that he was proud to present an FY13 budget that is conservative, that incorporates the smallest tuition increase for in-state students since 1999, and yet still provides the budget needed to continue developing one of America's greatest universities. Mr. Walton and Ms. Brunelli were asked to provide the appropriate details.

Mr. Walton noted that before each Board member was a copy of the FY13 Operating Budget [Exhibit D], as well as the FY13 Capital Budget [Exhibit E] that is a summary of projects previously approved by the Board and now presented in a budget format. He thanked the University's legislative team, noting that for the first time in five years, the University saw an increase in its budget from the State's general fund after almost \$120 million of consecutive cuts. Mr. Walton asked the Board if there was anything further that it would like detailed about the budget beyond what was presented at the June 15 meeting. Chairman Loadholt indicated that Board members had seen the budget, noted that there was a motion and second, and asked for discussion.

Mr. Cofield commended the President and the administration, specifying the work by Mr. Walton, Ms. Brunelli and their financial staff, as well as the conscientious Board for the substantive work, scrutiny, careful deliberations that were invested in the budget, specifically in holding down the tuition increase. He continued:

Our request of course was 0 percent and I must say we worked very diligently, very hard to get there. In light of all circumstances and the financial hand that was dealt to us, it is accurate to describe the budget work as well reasoned, the work product was masterful. You did a splendid job. I'm quite pleased with the information from Dr. Pastides that the tuition increase is the lowest in over a decade. That is something to be proud of. I'm also encouraged that 'The Daily Gamecock' has wisely endorsed the tuition increase and has described it as necessary. My budget vote, as I am now signaling, will be a no vote. But, so there will be absolutely no ambiguous interpretation of my vote: First, my vote is not intended in any way as a criticism, or as any sign of discord regarding the anticipated budget vote by this Board. Rather, my no vote is solely intended and limited to an amplifying of the loud warning signal that the old rote measure of raising tuition and increasing enrollment totals does not work as a satisfactory long-term solution or strategy that we need. It is simply not financially sustainable; it is not a model to follow in the face of the anticipated future increases in operating costs combined with what we have seen as diminishing state funding. This morning we've heard about a lot of impressive ideas. My signal and part of my warning in my request is about an urgent need to accelerate the implementation of those very good ideas. One in particular that I wanted to mention that we need to rapidly mobilize to implement is the accountability-based funding strategy combined with the other ideas that we've been grappling with. Thank you Mr. Chairman. In a few minutes, I anticipate this Board will speak and I wholeheartedly respect my Board and stand unified with its anticipated vote.

Chairman Loadholt next recognized Mr. Buyck who said he would join Mr. Cofield in voting against the budget because "we want to focus on getting this Board to determine new ways to raise the revenues that we need to

keep this great University in the course that it is going.” Mr. Buyck also noted that among ideas to be further explored was enrollment increases. As an example, he pointed out that an additional 100 out-of-state students would prevent a tuition increase.

When there were no further comments, Chairman Loadholt asked for a vote. The motion passed with dissenting votes cast by Mr. Cofield and Mr. Buyck.

e. University Debt Update:

Chairman Loadholt stated that on June 15, 2012, the Executive Committee deferred review of the Capital Budget and the University Debt Update to the full Board meeting. Mr. Walton indicated that the debt update had not changed since the last report and that in the interest of time it could be presented in August.

f. Ratification of Appointment of USC Aiken Chancellor:

Chairman Loadholt reported that at the May 3, 2012, meeting of the Executive Committee, approval was given to hire Dr. Sandra J. Jordan as Chancellor of the University of South Carolina Aiken. President Pastides is now asking Board ratification of this appointment.

On behalf of the committee, Chairman Loadholt moved approval of the appointment. Mr. Jones seconded. The vote was taken and the motion carried.

Chairman Loadholt recognized Dr. Sandra J. Jordan and she was welcomed to her new position with applause.

III. REPORT OF THE ALUMNI ASSOCIATION

Chairman Loadholt called on Mr. Bussell who reported that it had been a great honor to serve as the President of the Alumni Association and to serve on the Board of Trustees over the past two years. He noted that the University’s 260,000 living alumni are just as excited about the academic achievement of the University and the global recognition that the University receives as they are about the athletic victories and success of the past two years.

“In fact, alumni are no longer just spectators sitting in the stands, but are participants in helping our University achieve its ever evolving mission,” Mr. Bussell said.

He reminded the Board that it was the alumni who demanded a greater connectivity with the University through the creation of an Alumni Center, who asked for more opportunities to get involved in advocacy, and who wanted to play a greater role in fundraising. And, he stated, it was the young alumni especially who wanted lifelong career guidance and mentoring to help them in the many different jobs and careers they will have over their lifetime. The Alumni Association has responded to these demands with a new strategic direction and new organizations for governance and alumni engagement. There also has been significant progress toward realizing an alumni center. The Alumni Association now owns the property for the center and negotiations are underway for an operating agreement with the Midlands Authority for Conventions, Sports and Tourism.

Mr. Bussell further reported that the Alumni Association is entering a major fundraising phase that will be spearheaded by the Association’s President-elect Paula Bethea. He also indicated that outgoing Alumni Executive Director Marsha Cole had been honored with an extremely well attended event at which time the site signage for the Alumni Center was unveiled; the new executive director, Jack Claypoole, will be on the job July 18th; and the new

President Eddie Brown will take office on July 1st. Still to be completed is the renegotiation of the MOU between the University and the Alumni Association that maintains the organization's 501c status.

In closing, Mr. Bussell remarked, "I want to thank you for allowing me to serve with you. While it is my last Board meeting, I will continue to serve the University and to serve the Alumni Association. I look forward to joining with other Alumni Association presidents in welcoming this Board to your new home in the board room of the Alumni Center. And I hope that in the next 18 months to two years, we'll be there."

IV. REPORT OF THE BOARD OF VISITORS

Chairman Loadholt called on Scott Moise, chair of the Board of Visitors. Ms. Moise thanked the Board for its meeting and luncheon invitation, which offered an opportunity for more communication. The BOV's goal is to become more active and to help the University. She described the BOV as a dedicated and excited group of people who want to get out in communities and assist the University. Proposals are being developed for approval by the Board that will help the BOV continue its efforts. This year, Ms. Moise said, the BOV has raised the amount of its scholarship and selected a great student to receive the scholarship.

She also indicated that BOV committees are now focused on advocacy, student recruitment, and communications. Specifically, BOV members were asked to help during the budget process by contacting legislators in support of the University. BOV support also was requested by the Admissions Office, which resulted in members contacting students accepted for admission. She characterized this activity as fun and rewarding for BOV members. Members have also visited the campuses outside of Columbia during the past year, an effort that will be expanded in the future. Most importantly, the BOV wants to increase its communication with trustees to better help the University.

V. REPORT OF THE PRESIDENT

Chairman Loadholt called on President Pastides who began his report by recognizing Board of Visitors members, who had been invited to join the Board of Trustees for lunch. He also welcomed Dr. Sandra Jordan, the new Chancellor at USC Aiken, and recognized soon to be Chancellor Emeritus Tom Hallman.

President Pastides thanked the Board for approving a moderate tuition increase for in-state students, noting that the larger increase for out-of-state students was regrettable. "We felt we had no choice, as we are the University for South Carolina." He continued:

As you know, we were very conservative in proposing the in-state tuition increase, especially given the backdrop of tuition increases around the Southeast. We believe that our peer Tier I institutions in Georgia, Kentucky and Arkansas will be up by about 6 percent; Alabama and Tennessee about 8 percent; Mississippi between 8-9 percent; North Carolina and Louisiana about 10 percent; and Florida between 13-15 percent. The editorial in the Daily Gamecock following your Executive Committee meeting on June 15, in which this tuition increase was discussed, was entitled, "In Our Opinion: USC Tuition Increase Minimal, (and) Necessary."

Sidney Patterson is here today and I thank the Daily Gamecock for putting the tuition increase into perspective. The June 20 editorial stated, 'We understand that with inflation, tuition increases are inevitable, and we would like to commend the University for being efficient in budgeting this latest increase. If the University continues working to manage funds more effectively, it will pay off for everyone.'

It went on to say 'This is the lowest increase since 1999, when most of us were in elementary school. It's been more than a decade since the University budgeted an increase so small. That itself has to be an indicator of good things to come.'

Ladies and gentlemen, I am also hopeful of more good things to come and good things will come, next year, if the state is reform-minded enough to adopt a new funding model for higher education. But a new funding model

must account for the disparities that have resulted from several of our USC campuses increasing their access and increasing their enrollment, while receiving no increase in their base budgets. The result is that, on a per student basis, some of our universities receive less than half the subsidy that some other, non-USC public universities receive. That is unfair and we know that taxpayers would agree with us.

It's been a busy summer already. Soon, too soon some would say, all of our campuses will be bustling again with new and returning students.

When we can, Patricia and I take early evening walks and take note of the many construction projects. While our Columbia campus may not look its best now, it will be when over 6,000 freshman and transfer students move in on August 18, 19, and 20. We project between 10,000 and 10,500 incoming freshmen and transfer students throughout the University of South Carolina System.

I'll close by saying how good it was to be in Omaha again. Coach Tanner and our team were outstanding ambassadors for the University and it was so heartening to see the support of fans from South Carolina and from Gamecock wannabes from around the country.

You may not know that the US Olympic swimming and diving trials also were taking place in Omaha. I note joyfully that 13 of our students competed as did Michael Phelps, whom you'll remember from the 2008 Olympic Games. He won eight gold medals at those games but he lost to a faster swimmer in the 400 yard medley in Omaha, proving again that there's only a fine line between the best and the very best in any given contest. Phelps lost to Ryan Lochte by 0.8 of a second. So it was, as well, in baseball. If one of our pitches had been 0.8 inches closer to the strike zone, or a hard hit ball by Arizona had been 0.8 inches on the other side of the foul line...well, you get the picture. The difference between being the best and the very best is a very fine line. Nevertheless, we celebrate our Omaha 'silver medal' baseball team, just as we congratulate Arizona on their gold medal.

So, just like that, we start to prepare for another glorious season of baseball and, more importantly, another glorious season of educating and preparing for life, the nearly 50,000 students of the University of South Carolina, the reason why we are all here.

VI. PRESENTATION OF RESOLUTIONS TO OUTGOING BOARD MEMBERS

Chairman Loadholt asked that Mr. Adams join him and President Pastides at the podium. He then called on Secretary Stone to read the resolution.

WHEREAS, Herbert C. Adams has served as a member of the Board of Trustees of the University of South Carolina since 1984, including service as vice chairman, chairman and chairman emeritus, and as chairman of the Executive and Fiscal Policy Committees, and with membership on every standing committee of the Board, as well as on the Ad Hoc Committees for Bylaws Revision, Development, Strategic Planning, and System Relationships; and

WHEREAS, he has assisted his alma mater in numerous other capacities, including service on two Presidential Search Committees plus the search committee for the Secretary of the University and of the Board of Trustees, along with meticulous service on the Strategic Directions Initiative Committee, the Task Force on Scholarships, the Gift Naming Opportunities Committee, the 1807 Commencement Commemoration Committee, numerous architectural selection committees, the South Carolina College of Pharmacy Oversight Board, and the Special Committee on Athletics; and

WHEREAS, Mr. Adams served for many years as a leader of the Gamecock Club and has been a patient and determined advocate for the growth and progress of the University on many other fronts, particularly in such areas as improved medical education, growth in research funding and activity, improved student achievement, faculty hiring and improved relationships with the communities of the State from outreach programs at USC Union to Innovista in Columbia; and

WHEREAS, Mr. Adams was responsible for directing the seamless transition from the administrations of the University's 27th President to the 28th President with dignity, respect, and confidence, generating results greatly benefiting the University; and

WHEREAS, Herbert Adams has served his state as a distinguished businessman and a leader in the insurance industry, and has shown his dedication to his community as a singularly distinguished representative of family and faith in modern life, from church deacon to Sunday school teacher to board member for the S.C. Baptist Ministry for the Aging to Laurens Chamber of Commerce President, Laurens YMCA President and Laurens Rotary Club President to Chairman of the Laurens United Way;

THEREFORE BE IT RESOLVED that the Board of Trustees of the University of South Carolina in session assembled this 29th day of June 2012 unanimously expresses its sincere and special appreciation to Mr. Adams for a lifetime of leadership, vision, energy, commitment and devotion to Carolina, especially as a member of this Board; and

BE IT FURTHER RESOLVED that a copy of this Resolution be presented to Herbert C. Adams as a token of the high esteem and deep affection in which he is held.

PRESENTED THIS 29th DAY OF JUNE 2012

AT COLUMBIA, SOUTH CAROLINA

Chairman Loadholt moved adoption by acclamation of the resolution signed by him, President Pastides and Secretary Stone.

In response, Mr. Adams thanked the Board and reflected on his first meeting and the orientation he obtained from trustees emeriti with whom he travelled. He said it had been a great 28 years serving the University. Recognizing the valuable support provided by his wife Gwen through the years, Mr. Adams said that the biggest blessing from serving on the Board of Trustees was the good friendships he had formed.

Chairman Loadholt asked that Mr. Bussell join him and President Pastides at the podium. He then called on Secretary Stone to read the resolution.

WHEREAS, William Lee Bussell, Sr. has been President of the Board of Governors of the Carolina Alumni Association and an ex officio member of the Board of Trustees since July 1, 2010; and

WHEREAS, during his tenure as President of the Alumni Association, he has pursued a campaign to engage alumni, especially through the use of social media, molding the Association into a more advocacy-oriented organization to support the University; and

WHEREAS, Lee Bussell's leadership led him to participate in hundreds of alumni events across the State and Nation and his drive for excellence has expanded the reputation of Carolina through his knowledge and experience in public relations and advertising; and

WHEREAS, his presidency has yielded ongoing progress toward the establishment of a permanent Alumni Center as he continued his commitment to advance the Alumni Association's development efforts; and

WHEREAS, Mr. Bussell has been a dedicated member of the Board of Trustees with full participation and attendance at formal and informal events and has served with distinction as a member of the Academic Affairs and Faculty Liaison, Audit and Compliance, and Student-Trustee Liaison Committees, as well as on the Ad Hoc Committees for Development and Strategic Planning; and

WHEREAS, Mr. Bussell, an accredited public relations practitioner with a degree in journalism from this great University, has a distinguished professional career in public relations and advertising that he has used to aid civic organizations throughout his community;

THEREFORE BE IT RESOLVED that the Board of Trustees expresses its sincere appreciation to William Lee Bussell, Sr. for his devoted service to the University in many capacities including his presidency of the Carolina Alumni Association and membership on this Board; and

BE IT FURTHER RESOLVED that a copy of this resolution be presented to William Lee Bussell, Sr. as a token of the high esteem in which he is held and in anticipation of many years of future support and advocacy of Carolina.

PRESENTED THIS 29TH DAY OF JUNE 2012
AT COLUMBIA, SOUTH CAROLINA

Chairman Loadholt moved adoption by acclamation of the resolution signed by him, President Pastides and Secretary Stone. Mr. Bussell thanked the Board for its recognition.

VII. OTHER MATTERS

Chairman Loadholt noted that a very special guest had joined the meeting and asked that everyone help welcome Coach Ray Tanner.

Coach Tanner, on behalf of the Board of Trustees I want to thank you for a fantastic season. You may not have lead your team to a third College World Series Championship, but you and your team made history in making it to the finals for a third consecutive year. You've taught us all an invaluable lesson about hard work, about team work. You and your group of young men honor this University and this state with your dedication, commitment and leadership. Let me quote a very inspiring individual, "while we were disappointed in not getting another College World Series win, we have never been disappointed in the effort you and your team have put forth. Congratulations.

Coach Tanner thanked the Board for its support, passion, enthusiasm and the resources for the players and coaches. He said it is a tremendous honor to work at the University and the greatest feeling is "to know and

understand that we are the University of South Carolina and whether it is in the world of academe or athletics, we belong on a national stage.”

Chairman Loadholt then recognized two other special individuals in attendance at the meeting. “Today is the last meeting for Dr. Tom Hallman,” Chairman Loadholt said, asking the Chancellor to stand.

As we’ve heard today, he is retiring after 12 years of outstanding leadership at USC Aiken. Tom came to USC 32 years ago after trying his hand at a variety of occupations – from infantry officer with the 82nd Airborne to high school teacher and coach to co-owner and creative director of an advertising agency. The University was extremely lucky that Tom decided on higher education as his higher calling. Since 1983, he has played an influential role in developing USC Aiken into a model campus that provides educational leadership throughout the region it serves. Tom’s influence has extended throughout higher education through his service on the governing board for the Southern Association of Colleges and Schools, the regional body for the accreditation of degree-granting higher education institutions in 11 Southern states. Tom, thank you for a job well done.

Next Chairman Loadholt asked for Mrs. Emily White to stand.

I think we all know Emily – not only did she attend this great University; she has been a dedicated professional, providing outstanding service to 10 athletic directors during her career. In 2008, she was honored by USC’s Association of Lettermen by being inducted into the USC Athletic Hall of Fame. In 2010-2011, the Lexington County Gamecock Club named her its Fan of the Year. Since she started to work here in 1967, she has watched our Gamecock teams compete in 317 NCAA Tournaments and win seven national titles. Not only has she watched our teams successfully compete through the years, she has been there to support each and every student athlete. While athletic directors and coaches have come and gone during her 45 years with the University, she has remained and become renowned for providing advice, guidance, and motivation to our student athletes. Always with a smile on her face, she is without a doubt the first lady of USC Athletics.

Ms. White thanked the Board for its support over the years and that it had been her pleasure to serve the University.

VIII. ADJOURNMENT

Before adjourning for lunch, Chairman Loadholt said that it was a pleasure to have members of the Board of Visitors join the trustees for its meeting and as its guests for lunch.

Chairman Loadholt continued:

We appreciate your joining our meeting and hope the day has given you an idea of how the governing board works together and seriously considers all the complex business of the University. When we appoint each of you we look for individuals who love this place as much as we do and who are willing to get involved and be good advocates for Carolina.

Under Scott’s leadership you are striving to be an even stronger and more active group and we look forward to working with you in the future. Please keep us informed and always let us know how we can support you and your work.

There being no other matters to come before the Board, Chairman Loadholt declared the meeting adjourned at 1:50 p.m.

Respectfully submitted,

Amy E. Stone
Secretary