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University of South Carolina
BOARD OF TRUSTEES

February 9, 2018

The University of South Carolina Board of Trustees met at 1:50 p.m. on Friday, February 9, 2018, in the Alumni Center's C. Edward Floyd Boardroom.

Members present were: Mr. John C. von Lehe Jr., Chairman; Mr. Hubert F. Mobley, Board Vice Chairman; Mr. Chuck Allen; Mr. Mark W. Buyck Jr.; Mr. Thomas C. Cofield; Dr. C. Edward Floyd; Mr. William C. Hubbard; Ms. Leah B. Moody; Ms. Rose Buyck Newton; Mr. Tommy Preston Jr.; Ms. Molly Spearman; Mr. Eugene P. Warr Jr.; Mr. Thad H. Westbrook; Mr. Mack I. Whittle Jr.; and Mr. Charles H. Williams; with J. Egerton Burroughs and Dr. C. Dorn Smith III joining by telephone. Absent were Mr. A.C. "Bubba" Fennell, Mr. Toney J. Lister and Mr. Miles Loadholt.

Also present were Columbia Faculty Senate Chairman Marco Valtorta and Columbia Student Government President Ross Lordo.

Others present were: President Harris Pastides; Secretary J. Cantey Heath Jr.; General Counsel Walter "Terry" H. Parham; Chief Operating Officer Edward L. Walton; USC Advancement Team Leader Paula Harper Bethea; Provost Joan Gabel; Chief Financial Officer Leslie Brunelli; Vice President for Student Affairs Dennis A. Pruitt; Athletics Director Ray Tanner; Vice President for Information Technology Doug Foster; Vice President for Human Resources Chris Byrd; Vice President for Development Jancy Houck; Chief Communications Officer Wes Hickman; Vice President for System Planning Mary Anne Fitzpatrick; Palmetto College Chancellor Susan Elkins; USC Upstate Chancellor Brendan Kelly; USC Beaufort Chancellor Al Panu; USC Aiken Chancellor Sandra Jordan; Chief Audit Executive Pam Doran; University Treasurer Pat Lardner; Executive Director of Economic Engagement William D. "Bill" Kirkland; Director of State Government Relations Derrick Meggie; Director of the Office of Equal Opportunity Programs and Title IX Coordinator Cliff Scott; Director of Facilities Planning and Programming and University Architect Derek S. Gruner; Executive Director of the Alumni Association Jack Claypoole; Assistant Executive Director and Chief of Staff of the Alumni Association Elizabeth Muth; Mike Ragin with the Lettermen's Association; USC University Technology Services Production Manager Matt Warthen; and Board staff members Debra Allen and Terri Saxon.

I. Call to Order

Chairman von Lehe called the meeting to order and stated notice of the meeting had been posted and the press notified as required by the Freedom of Information Act; the agenda and supporting materials had been circulated; and a quorum was present to conduct business.

Mr. Hickman introduced news media in attendance: Mary Ramsey with *The Daily Gamecock*.

Chairman von Lehe invited Rev. Tom Wall with the Methodist Student Ministry to deliver the invocation.

Before beginning the agenda items, Chairman von Lehe called on Trustee Allen who introduced Mike Ragin. Mr. Ragin is the newly elected president of the USC Lettermen's Association.

II. Approval of Minutes

- A. Health Affairs Committee, November 11, 2017
- B. Student-Trustee Liaison Committee, November 11, 2017
- C. Academic Affairs and Faculty Liaison Committee, December 19, 2017
- D. Board of Trustees, Called Meeting, January 3, 2018
- E. Executive Committee, Called Meeting, January 9, 2018
- F. Board of Trustees, Called Meeting, January 12, 2018

Chairman von Lehe stated there were no additions, deletions or corrections and these six sets of minutes stood approved as provided for review on the Board Portal.

III. Committee Reports

- A. Buildings and Grounds Committee, February 9, 2018
(The Honorable William C. Hubbard reported)

In addition to USC Columbia Student Government President Ross Lordo's Student Union planning presentation, Mr. Hubbard said the committee recommended several projects and a gift naming for approval by the full Board.

- 1. Project Approvals
 - a. Phase I Approval: Swearingen Roof Replacement

On behalf of the Buildings and Grounds Committee, Mr. Hubbard moved to establish this project for Phase I design with a budget of \$30,000 funded with Institutional Capital Project Funds. The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amounts of proceeds of the tax-exempt bond issue. The vote was taken, and the motion was approved.

b. Phase II Approval: Upfit for the Department of Communication Sciences and Disorders

On behalf of the Buildings and Grounds Committee, Mr. Hubbard moved to fund Phase II design and construction for a total project budget of \$2,400,000 funded with \$1,800,000 in Private Gifts and \$600,000 of Institutional Funds. The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amounts of proceeds of the tax-exempt bond issue. The vote was taken, and the motion was approved.

c. Wardlaw College Roof Replacement

On behalf of the Buildings and Grounds Committee, Mr. Hubbard moved to establish and fully fund this project with a budget of \$800,000 to be funded with Institutional Capital Project Funds. The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amounts of proceeds of the tax-exempt bond issue. The vote was taken, and the motion was approved.

d. 2019 Classroom Enhancement Renovations at the Williams-Brice College of Nursing

On behalf of the Buildings and Grounds Committee, Mr. Hubbard moved to establish and fully fund this project with a budget of \$270,000 to be funded with \$162,000 of Institutional Capital Project Funds and \$108,000 of Institutional Funds. The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amounts of proceeds of the tax-exempt bond issue. The vote was taken, and the motion was approved.

e. 2019 Classroom Enhancement Renovations at the Close-Hipp Building

On behalf of the Buildings and Grounds Committee, Mr. Hubbard moved to establish and fully fund this project with a budget of \$450,000 to be funded with \$270,000 of Institutional Capital Project Funds and \$180,000 of Institutional Funds. The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amounts of proceeds of the tax-exempt bond issue. The vote was taken, and the motion was approved.

f. Outdoor Volleyball Locker/Film Room Renovation

On behalf of the Buildings and Grounds Committee, Mr. Hubbard moved to establish and fully fund this project with a budget of \$360,000 to be funded with Private Gifts. The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amounts of proceeds of the tax-exempt bond issue. The vote was taken, and the motion was approved.

g. College Street Parking Lot Renovation

On behalf of the Buildings and Grounds Committee, Mr. Hubbard moved to establish and fully fund this project with a budget of \$400,000 to be funded with Auxiliary Funds. The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amounts of proceeds of the tax-exempt bond issue. The vote was taken, and the motion was approved.

h. USC Aiken Convocation Center Roof Replacement

On behalf of the Buildings and Grounds Committee, Mr. Hubbard moved to establish and fully fund this project with a budget of \$800,000 to be funded with USC Aiken Institutional Funds. The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amounts of proceeds of the tax-exempt bond issue. The vote was taken, and the motion was approved.

i. USC Upstate Media Building Roof Replacement

On behalf of the Buildings and Grounds Committee, Mr. Hubbard moved to establish and fully fund this project with a budget of \$350,000 to be funded with USC Upstate Institutional Capital Project Funds. The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amounts of proceeds of the tax-exempt bond issue. The vote was taken, and the motion was approved.

2. Project Budget Adjustment: USC Beaufort Hilton Head Gateway Campus Chiller Project Increase

On behalf of the Buildings and Grounds Committee, Mr. Hubbard moved to increase the budget for this project by \$120,000 funded with USC Beaufort Institutional Capital Project Funds, resulting in a total project budget of \$753,906 funded with \$190,172 from a U.S. Department of Energy Subgrant, \$443,734 from a low-interest Federal loan and \$120,000 of USC Beaufort Institutional Capital Project Funds. The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amounts of proceeds of the tax-exempt bond issue. The vote was taken, and the motion was approved.

3. Gift Naming Opportunity

On behalf of the Buildings and Grounds Committee, Mr. Hubbard moved to approve a gift naming as recommended by the Gift Naming Opportunities Committee and distributed in the Board materials. The vote was taken, and the motion passed, approving the following gift naming:

B. Intercollegiate Athletics Committee, February 9, 2018
(The Honorable Mack I. Whittle Jr. reported)

Mr. Whittle said the Intercollegiate Athletics Committee met earlier in the day and heard from Athletics Director Ray Tanner who began his presentation by noting numerous academic successes of student-athletes. Most notable was the achievement of the 22nd consecutive semester with a departmental GPA of at least 3.0. In addition, for the Fall 2017 semester, 74 student-athletes made the President’s List with a 4.0 GPA; 203 student-athletes made the Dean’s List with a 3.5 GPA or 3.25 for Freshmen; 366 student-athletes earned a GPA above 3.0; and Women’s Swimming & Diving achieved the highest team GPA at 3.688.

In the competition arena, Mr. Tanner reported two coaches celebrated milestone career victories: Men’s Soccer Coach Mark Berson earned his 500th and Head Women’s Basketball Coach Dawn Staley earned her 400th. He also reported to the committee USC is the only Division I program to have both Men’s and Women’s Basketball teams average over 12,000 fans in attendance per game; with Women’s Basketball ranking 1st nationally with an average attendance of 13,402 per game.

Mr. Tanner reviewed the National Letter of Intent signing dates, along with the names of recruits from the State of South Carolina who have signed a letter of intent for an athletics scholarship to compete at USC. Other Athletics highlights presented by Mr. Tanner included a construction update on the new Football Operations Center.

C. Executive Committee, February 9, 2018
(The Honorable John C. von Lehe Jr. reported)

During the Executive Committee’s meeting earlier in the day, the committee approved a Memorandum of Understanding to establish a double degree program between the Darla Moore School of Business and the Chonnam National University’s Graduate School of Business in the Republic of Korea.

The committee elected new Trustee Rose Buyck Newton to serve on the Intercollegiate Athletics Committee and the Audit and Compliance Committee. An update also was received from Mr. Boyd Jones, Chairman of the Educational Foundation Board of Directors, and Mr. W.C. Hammett, Jr., Chairman of the Development Foundation Board of Directors.

IV. Report of the Alumni Association President

Chairman von Lehe called on Mr. Preston who referenced the Alumni Association’s Board of Trustees February Update document and its highlight of Carolina Action Network Day. He noted the

1.5 million impressions received, explaining its significance illustrating the effectiveness of using social media to share the University's story. He also noted the update identified 179 events as being hosted at the Alumni Center during the first half of the fiscal year, with 139 events scheduled through the end of June 2018, and a total of 180 upcoming events reserved. One upcoming event would have the Alumni Association collaborating with the S.C. Small Business Development Center on a series of professional business seminars for alumni interested in starting their own businesses.

"We are seeing a tremendous increase in traffic in this building on a day-to-day basis," Mr. Preston said. "This is one of the best locations in Columbia, as well as in the State, to do business. I could not be prouder of an amazing staff, which has done yeoman's work in making this a destination of choice in this community."

Mr. Preston then announced Executive Director Jack Claypoole had accepted another position within the University.

After five years, Jack will transition to take on a new role working with the administration on strategic initiatives. Jack came here as a builder, to build the Alumni Center, to take efforts to the next level. He leaves an important legacy here at MyCarolina. Without his help, we would not be here in this building today. Members of the Board of Governors often say, "This is the house that Jack built."

Now, more so than ever before, we are connecting veterans back to the University in amazing ways. Another of Jack's legacies, is the tremendous work we have done to engage minorities and people of color at the University and the Alumni Association. You now see our association truly reflects the University of South Carolina and the State of South Carolina.

Mr. Preston announced a new business plan had been implemented under Mr. Claypoole, which would provide the work product needed to continue the Alumni Association's momentum, and asked for a round of applause to thank him for his five years of work.

The association will conduct a national search for a new Executive Director. In the meantime, Mr. Preston said, Chief of Staff Elizabeth Muth would serve as Interim Executive Director.

V. Report of the President

Chairman von Lehe called on President Pastides who started his remarks with an update on the Commission on Higher Education's (CHE) Town Hall meetings, which were being held around the state with 10 additional meetings planned through the spring including one on February 15 in Charleston. The CHE's major messages during these meetings are public higher education needs no more money and online education is the greatest need in South Carolina. President Pastides continued:

We have been meeting them at these Town Halls; we have been well represented; and we have been coordinated with all public higher education. We tell them not so; we tell them that a better funded University of South

Carolina is the major need of South Carolina.

We tell them we already have sweeping, across the board educational programming in the USC system – from our regional campuses to our stellar comprehensive campuses to our research one university here in Columbia to the largest offering of master’s and doctoral degrees in the state. And then we say, oh by the way, we already have 14 online degree programs known as Palmetto College. We will continue to meet them at these Town Halls; to be civil; and to be vigorous in defending USC and all public higher education. We will keep you posted.

We also had a spirited discussion with the House Ways and Means Higher Education Subcommittee on January 23. We told them that with their help we would like to hold tuition flat. We told them we planned to educate even more South Carolinians and more African Americans; that we would create even more of the kind of programs that South Carolina employers need; and that always we will continue to push for excellence.

We requested their consideration and support for a capital bond bill – I will not repeat how many decades it has been since we had one while states around us pour billions of dollars into capital improvement in their colleges and universities. We asked for regulatory reform; not to be estranged from state government, but to work at the speed of business with appropriate oversight and control.

We asked for a new baseline formula for funding an in-state student. We asked them why a student who attends another public university in South Carolina should receive more funding than a South Carolinian who attends the University of South Carolina. Let us get back on track; let us talk about what we all want for the betterment of South Carolina. And finally, we asked them to consider an increase in investment in need-based aid for South Carolinians.

President Pastides went on to report he hand delivered a letter on January 17 to Senator Tim Scott in Washington. Signed by 25 South Carolina university presidents, the letter thanked Sen. Scott for his advocacy in the tax reform debate. Sen. Scott was the Senate-appointed conferee in the tax reform negotiations. Because of his and others’ work, President Pastides said students and their families will continue to be able to deduct interest on loans after they graduate. The life-time earning credit also was preserved, and graduate students will not be taxed on their tuition waivers or their graduate assistantships.

Tax reform concerns remain, he added, including the impact on charitable giving, the restriction on the advance refunding of bonds, new regulations on private foundations, and some athletics provisions.

President Pastides concluded his remarks describing the February 6th #NotOnOurCampus rally in front of the Russell House, where faculty, students and staff stood unified in their support of diversity and talked about the Carolinian Creed and that the University stood tall against racism whenever it might occur in any form. He then remarked on his attendance at a campus lecture by Cal Tech’s 2017 Nobel Laureate in Physics Barry Barish, who empirically confirmed Einstein’s Theory of Gravitational Waves.

It was a beautiful thing to hear about. After 40 years of trying and many millions of dollars of investment by the government and the private sector, they were able to hear the sound predicted to hit the Earth in a wave resulting from an interstellar explosion many billions of years ago.

It was just a delightful evening, if not one of fanfare, and I tell you about it to remind us all that often the best qualities of this University and the best things that happen, are not those with fanfare. They are the things that

happen in a small room, or an interaction between professors and students that are unseen by most, but that change the lives of our students.

At the end of President Pastides' remarks, Trustee Floyd commented on the problems with CHE, noting Chairman von Lehe should instigate a meeting with the chairmen of the boards of other public colleges and universities to combat the problem. Chairman von Lehe thanked Dr. Floyd, noting his agreement, he said such plans were in motion. Trustee Allen said he appreciated the President's advocacy and that his remarks on the Town Hall meetings were appropriately forceful.

President Pastides said the University was calling for an honorable dialogue or debate. For the CHE to start with the premise that public higher education had enough funding, when South Carolina has had nearly the biggest cuts in the nation, does not give higher education room to meet CHE halfway, he said.

Motion for Executive Session

Chairman von Lehe requested a motion and second for an Executive Session for a personnel matter dealing with the evaluation of the Secretary of the Board of Trustees.

Ms. Newton made the motion, which was seconded by Ms. Moody. The vote was taken, and the motion passed.

The following persons were invited to remain: President Pastides, Mr. Byrd and Mr. Parham.

Executive Session

Return to Open Session

VI. Evaluation of the Secretary of the Board of Trustees

Chairman von Lehe called for a motion to approve a 5% salary increase for Board of Trustees Secretary J. Cantey Heath, effective February 16, 2018. Mr. Buyck made the motion, which was seconded by Mr. Mobley. The vote was taken, and the motion passed.

Mr. Heath thanked Trustees. Chairman von Lehe asked Mr. Heath to also thank his wife, Lee, for her service.

VII. Adjournment

There being no other matters to come before the Board, Chairman von Lehe adjourned the meeting at 2:45 p.m.

Respectfully submitted,
J. Cantey Heath, Jr.
Secretary