

University of South Carolina
BOARD OF TRUSTEES

December 17, 2019

The University of South Carolina Board of Trustees met at 1:45 p.m. on Tuesday, December 17, 2019, in the C. Edward Floyd Boardroom at the Pastides Alumni Center.

Members present were Mr. John C. von Lehe Jr., Chairman; Mr. Hubert F. Mobley, Vice Chairman; Mr. Chuck Allen; Mr. J. Egerton Burroughs; Mr. Robert F. Dozier Jr.; Dr. C. Edward Floyd; Mr. William C. Hubbard; Mr. Richard A. Jones Jr.; Mr. Toney J. Lister; Mr. Miles Loadholt; Ms. Leah B. Moody; Ms. Rose Buyck Newton; Dr. C. Dorn Smith III; Ms. Molly Spearman, who joined by telephone; Mr. Eugene P. Warr Jr.; Thad H. Westbrook; Mr. Mack I. Whittle Jr.; and Mr. Charles H. Williams. Absent was Mr. A.C. "Bubba" Fennell III.

Also present were USC Columbia Faculty Senate Chair Mark Cooper and USC Columbia Student Government President Luke Rankin.

Others present were: President Robert L. Caslen Jr.; Secretary J. Cantey Heath Jr.; General Counsel Walter "Terry" H. Parham; Chief Operating Officer Edward L. Walton; Interim Provost Tayloe Harding; Vice President for Student Affairs Dennis A. Pruitt; Vice President for Human Resources Caroline Agardy; Athletics Director Ray Tanner; Chief Information Officer Doug Foster; Chief Audit Executive Pam Dunleavy; Presidential Faculty Fellow and Executive Assistant to the President Susan Bon; Interim Chief Communications Officer Jeff Stensland; Interim Chief Development Officer Will Elliott; Assistant to the President for System Affairs Eddie King; USC Aiken Chancellor Sandra Jordan; USC Beaufort Chancellor Al Panu; Palmetto College Chancellor Susan Elkins; Vice Provost and Dean of Undergraduate Studies Sandra Kelly; University Controller Mandy Kibler; University Treasurer Pat Lardner; University Budget Director Joe Sobieralski; Associate Vice President for Administration and Finance and Medical Business Affairs Jeffrey L. Perkins III; Associate Vice President for Finance Kelly Epting; Associate Provost for

Academic Programs Tena B. Crews; Executive Director of Military Programs and Strategies, Palmetto College, James Smith; Executive Director for Strategic Initiatives Jack Claypoole; Alumni Association Chief Executive Officer Wes Hickman; Office of Equal Opportunities Director Clifford Scott; Director of Government and Community Relations Derrick Meggie; Cynthia Lister, wife of Trustee Toney Lister; Ann Loadholt, wife of Trustee Miles Loadholt; University Technology Services Production Manager Matt Warthen; and Board staff members Debra Allen and Ina Wilson.

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. Secretary Heath confirmed Trustees who had joined the meeting by telephone.

Mr. Stensland introduced members of the news media present for the meeting: Mike Fitts with *The Post and Courier*; Greg Hadley and Ben Breiner with *The State*; Nick Sullivan with *The Daily Gamecock*; John Whittle with *The Big Spur*; Josh Kendell with *the Athletic*; Collyn Taylor with *Gamecock Central*; Kayland Hagwood with *WLTX-TV*; Matt Perron and Tim Scott with *WOLO-TV*; Sooji Nam with *WACH Fox-TV*; and Russ Congdon with *WIS-TV*.

Chairman von Lehe invited Father Paul Sterne, representing St. Theodore's Anglican Chapel and the C.S. Lewis Student Center, to deliver the invocation.

As Father Sterne came forward to offer the invocation, Trustee Whittle updated Trustees on the failing health of Trustee Fennell.

Motion for Executive Session

Chairman von Lehe requested a motion and second to enter Executive Session for personnel matters related to the appointment of honorary academic titles, tenure and promotion recommendations,

an appointment with tenure, and honorary degree nominations; as well as for discussing a proposed contractual matter regarding the provision of medical and health sciences education.

Mr. Dozier so moved. Ms. Moody seconded the motion. The vote was taken, and the motion was approved.

The following were invited to remain: President Caslen, Secretary Heath, Dr. Cooper, Mr. Rankin, the President's Executive Council, the Chancellors and Ms. Dunleavy.

Executive Session Removed

Return to Open Session

II. Approval of Minutes

- A. Board of Trustees, April 29, 2019
- B. Audit and Compliance Committee, August 16, 2019
- C. Buildings and Grounds Committee, Called, August 16, 2019
- D. System and Student Affairs Committee, August 16, 2019
- E. Academic Affairs and Faculty Liaison Committee, September 13, 2019
- F. Health Affairs Committee, September 13, 2019
- G. Intercollegiate Athletics Committee, September 13, 2019
- H. Buildings and Grounds Committee, Called, October 11, 2019

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

III. Committee Reports (Consent Agendas)

- A. Ad Hoc Committee on Strategic Planning, October 11 and November 15, 2019
- B. Student and System Affairs Committee, November 15, 2019

Chairman von Lehe said there were no action items to bring forward from these two

committee meetings and the minutes were being prepared for approval at a future meeting of the full Board.

C. Academic Affairs and Faculty Liaison Committee, December 17, 2019

Chairman von Lehe said the Academic Affairs and Faculty Liaison Committee met earlier in the day and recommended for approval all items listed on its consent agenda, all of which had received the appropriate academic and administrative approvals. There were no objections to a single vote to approve all agenda items, the vote was taken, and the following consent agenda items were approved:

1. Honorary Academic Titles

The requests below for honorary academic titles were posted on the Board Portal with supporting materials. On approval, the following individuals will be awarded the title(s) indicated, effective with his/her retirement:

For the title Professor Emeritus:

David W. Damrel

For the title Distinguished Professor Emerita:

Carol A. Loar

Yancy B. McDougal

Charmaine E. Wilson

For the title Distinguished Professor Emeritus:

Kenn Apel

Victor M. Duran

Clifton P. Flynn

For the title E. S. Gambrell Professor of Educational Studies Emeritus

Craig Kridel

For the title Senior Vice Chancellor Emeritus

Clifton P. Flynn

For the title Dean Emerita

Katharine M. Gibb

2. Appointment with Tenure

Dr. Caizhi Zhou – Appointment with tenure at the rank of Associate Professor in the Department of Mechanical Engineering, College of Engineering and Computing.

3. Tenure and Promotion Recommendations (Mid-Year Cycle) [Exhibit A]
4. Columbia
 - a. New Joint Degree Programs
 - i. Master of Science in Exercise Science, Arnold School of Public Health with Hamad Bin Khalifa University (HBKU), Qatar
 - ii. Master of Science in Sport and Entertainment Management, College of Hospitality, Retail and Sport Management with HBKU, Qatar
 - b. New Dual Degree Programs
 - i. Master of Arts in Journalism or Master of Mass Communications from the College of Information and Communications; and the International Master of International Communication Studies from National Chengchi University, Taiwan
 - ii. Dual Degree Doctoral Program (PhD) in Business Administration from the Darla Moore School of Business and Sungkyunkwan University, South Korea
 - c. Unit Name Change
 - Office of USC Connect name change to the Center for Integrative and Experiential Learning
 - d. Program Terminations
 - i. Master of Science in Information Security, College of Engineering and Computing
 - ii. Master of Science in Software Engineering, College of Engineering and Computing
 - iii. Master of Communication Disorders, Arnold School of Public Health
 - e. Program Change – 100% Online Option
 - i. Master of International Business, Darla Moore School of Business

- ii. Master of Mass Communications with track in Strategic Communication Management, College of Information and Communications

5. USC Aiken New Program: Bachelor of Science in Earth Systems Science

D. Consent Agenda: Buildings and Grounds Committee, November 15, 2019

Chairman von Lehe said the Buildings and Grounds Committee met on November 15

and recommended for approval all items listed on its consent agenda. There were no objections to a single vote to approve all agenda items, the vote was taken, and the following consent agenda items were approved:

1. Project Approvals

a. Phase II – 2019 Maintenance and Renovation Projects with Appropriated State Funds

- i. USC Aiken Business and Education Building Renovation
- ii. USC Beaufort Library/Classroom Building Expansion

To fund these renovation projects for design and construction. All projects are funded with State Appropriations for the amounts indicated in the project descriptions.

b. Phase I – Colonial Life Arena Roof Replacement and Envelope Maintenance

To establish this project for Phase I with a budget of \$30,000 to be funded with Athletic Operating Funds.

2. Gift Naming Opportunities

As approved and recommended by the Gift Naming Opportunities Committee at its meeting on Wednesday, October 23, 2019.

– Athletics

- i. Bill Godbold Creative Media Office
- ii. Jeff S. Herndon Bench
- iii. Mike and Stephanie McCabe Tight Ends Room

- iv. Streetman Gate
- v. Stephens Gate

E. Consent Agenda: Health Affairs Committee, November 15, 2019

Chairman von Lehe said the Health Affairs Committee met on November 15 and recommended for approval the items listed on its consent agenda. The vote was taken, and the following consent agenda items were approved:

- School of Medicine Columbia & Prisma Health–USC Medical Group Leadership Changes
 - a. Dr. Les Hall to assume the role of Chief Academic Officer for Prisma Health Midlands, while continuing to serve as Dean for the School of Medicine Columbia
 - b. Dr. William Anderson to assume the leadership of the Prisma Health-USC Medical Group

F. Consent Agenda: Executive and Governance Committee, December 17, 2019

Chairman von Lehe said the Executive and Governance Committee met earlier in the day and recommended for approval all items listed on its consent agenda. There were no objections to a single vote to approve all agenda items, the following consent agenda items were approved:

- 1. Contracts Valued at \$750,000 and Above
 - a. Athletics Employment Agreement: Director of Football Strength and Conditioning

A two-year employment agreement for Paul Jackson to serve as the Director of Football Strength and Conditioning, ending December 31, 2021. Coach Jackson will receive total annual guaranteed compensation of \$450,000 and will earn incentive compensation based on football team performance in the SEC and the post-season.
 - b. Hamad Bin Khalifa University (HBKU), Qatar Academic Collaboration Agreement

Two academic collaboration agreements with Hamad Bin Khalifa University under which HBKU students can earn a joint Masters in Science degree in Exercise Science from the Arnold School of Public

Health or a Masters in Sport and Entertainment Management from the College of Hospitality, Retail and Sport Management.

c. South Carolina Student Housing Lease Co., LLC Student Housing Lease Agreement

A Student Support Agreement with South Carolina Student Housing Lease Co., LLC, under which the University is guaranteed the use of 400 beds for the 2020-2021 academic year for in-coming freshmen. Under the agreement, students will sign housing contracts directly with the owner. The University will collect housing fees from the student and remit the fees to the owner according to a schedule set forth in the agreement. The University is responsible if any student defaults on his or her housing contract.

d. TREA, Greene Crossing Student Housing Lease Agreement

A Student Support Agreement with TREA, Greene Crossing LLC under which the University is guaranteed the use of 300 beds for the 2020-2021 academic year for in-coming freshmen. Under the agreement, students will sign housing contracts directly with the owner. The University will collect housing fees from the student and remit the fees to the owner according to a schedule set forth in the agreement. The University is responsible if any student defaults on his or her housing contract.

e. RMF Engineering, Inc. Professional Services Agreement

A Professional Services Contract with RMF Engineering, Inc. under which RMF will perform a mechanical equipment and utility master plan and condition assessment for the Columbia campus at a total cost of \$1,083,086.

f. Sage Publications Online Services Agreement

An amendment to the University's Master License Agreement with Sage Publications under which University Libraries will acquire access to approximately 1,000 electronic journals and databases at a total cost of \$912,639. The term of the amendment is three years, ending December 31, 2022.

g. Collegiate Licensing Company, LLC (CLC) Athletics Trademark Licensing Agreement

A 10-year agreement with CLC under which it will serve as the University's exclusive marketing, licensing, and enforcement agent for

University trademarks. Under the agreement, the University will receive a \$600,000 signing bonus, and 90% of licensing revenues generated up to \$4 million, 87.5% of licensing revenues between \$4 million and \$8 million, and 90% of licensing revenues in excess of \$8 million.

h. AT&T License Agreement, Amendment

An amendment to the University's Master Lease Agreement for Antenna Sites with AT&T under which AT&T will be allowed to maintain a distributed antenna system on USC buildings, as approved by the University. AT&T will pay the University \$750 per month per building on which an antenna is erected, increasing by the sum of 3% on the anniversary date of the agreement. The five-year term of the agreement is renewable for up to two additional five-year periods.

i. Tennis Facility Use License Agreement

A Facility Use License Agreement with the USC Development Foundation under which the Athletics Department's men's and women's tennis teams will be authorized to use an indoor tennis facility constructed by the foundation for 60 hours per week. The Athletics Department will not be charged a usage fee but will be responsible for all costs and expenses arising from its use of the facility.

j. Koger Center Endowment, Amendment

An amendment to the Koger Center Endowment (a/k/a the Koger Presents Endowment) to authorize the School of Music to access the annual earnings generated by the endowment principal to hire a development officer for the Koger Center and to support Koger Center activities.

2. Policy Updates

a. FINA 1.00 Travel Policy

Revision to the University's travel policy updating the daily base rate for lodging from \$300 to \$350 and to provide direction for an annual escalation adjustment by the Consumer Price Index.

b. BTRU 1.15 University Personnel Expenditure Policy

Revision of the Board's policy on personnel expenditure to coordinate with the University's travel policy FINA 1.00 and to update the frequency of reports of development activity to Trustees.

IV. Directors and Officers Coverage

Chairman von Lehe said the Executive and Governance Committee at its meeting earlier in the day discussed and voted to recommend full Board approval to increase Directors and Officers coverage limits from \$5 to \$10 million.

The vote was taken, and the motion was approved. Trustee Williams voted against the motion.

V. Alcohol Sales

Chairman von Lehe said the Executive and Governance Committee at its meeting earlier in the day discussed and voted to recommend full Board approval for the Athletics Department to proceed with beer/wine sales at athletics venues, effective immediately.

The vote was taken, and the motion was approved.

VI. Report of the USC Alumni Association President

Chairman von Lehe called on Trustee Dozier who indicated Alumni Association Chief Executive Officer Wes Hickman would report on his behalf.

Mr. Hickman said it had been a busy fall for the Alumni Association team and he would offer Trustees three highlights.

First, he indicated conversations with President Caslen about hosting tailgates for all away football games for fans travelling to those games became a reality as tailgates were successfully hosted at all away games. This effort culminated in 184 fans attending the tailgate at the Texas A&M game. Plans are underway for repeating the effort in 2020.

Second, he said when the formal relationship between the University and the Alumni Association was approved in August 2019, it was indicated the association's employees would be moved out of University and state employment. The association has 18 full-time employees and as of December 1, Mr. Hickman and 10 other employees became wholly employed by the 501(c)(3) Alumni Association. Of the

seven remaining employees, two would transfer in early 2020 and the remaining five would be employed under a lease agreement with the University.

Third, through responsible fiscal management by Jack Claypoole, Elizabeth Muth, Robert Dozier, Paula Harper Bethea, Lee Bussell, Eddie Brown and others, as well as through fund-raising efforts, as of December, the Educational Foundation would be repaid in full for the \$5.9 million it provided the project.

In response to questions about the remaining debt, Trustee Dozier said 18 months ago the Alumni Association owed \$19.6 million and as of October 2020, it will owe \$8.6 million.

VII. Report of the President

Chairman von Lehe called on President Caslen who said he would address three items. First, he provided an update on the strategic planning process, then followed with observations from his statewide tour. He concluded with a review of his priorities for the spring semester.

He reminded Trustees of the vision statement: “The University of South Carolina is the preeminent research flagship university in the nation.” The mission is, “As the state’s flagship institution, the University of South Carolina transforms the lives of the people of South Carolina, the nation and the world through empowering education, innovative research, creative engagement, impactful economic development, and selfless service within an inclusive and diverse environment.”

President Caslen described the University’s eight strategic priorities as:

- Inspire and challenge our students to become innovative thinkers and transformative leaders.
- Assemble and cultivate a world-class faculty and staff.
- Create new pathways to research excellence to become Association of American Universities (AAU) eligible.
- Build a diverse, inclusive, supporting, and inspiring campus culture with the highest ethics and integrity in accordance with our Carolinian Creed.
- Harness the power, attributes, and regional diversity of an integrated and interoperative USC System that enhances access and affordability for every South Carolina eligible student.

- Spur innovation and economic development through impactful community partnerships.
- Construct a physical and virtual campus infrastructure that ensures preeminent student life and academic excellence.
- Build winning teams that win the right way with character and integrity.

The way ahead is simple, he said, indicating a webpage was developed to showcase the vision, mission, and priorities. A lead was assigned with supporting units to support the lead effort, which is to collect input from faculty, staff, and students. Those involved with each strategic priority will now collect feedback and, in a collaborative and transparent manner, develop goals, objectives and metrics. The team will come together at the end of February to confirm goals, objectives, and metrics. The tough part would come in March and April, he said, when programs and resources would be aligned based on the identified goals and objectives. The source of revenue will be the Initiative Fund.

“This is not just a strategic plan that looks good on your tabletop. This is a living document that will align our efforts, our energy, our resources and programs to move in accordance with the vision statement, mission statement and strategic priorities,” President Caslen said.

President Caslen next addressed his statewide tour from which he cited eight lessons learned:

- The USC College of Education is dedicated and committed to developing teachers and students throughout the state through several key programs.
- There is a strong desire among K-12 superintendents to partner with the University. There is great eagerness to get USC students into their schools.
- Even though South Carolina’s K-12 system ranks No. 44 out of 50 states, there really are some great programs in the state’s high schools that produce highly qualified graduates. It is important to remember and focus on this.
- USC shares in the responsibility to serve the people of South Carolina through service and outreach to develop South Carolina high school students to be competitive for higher education admission standards. The intent is to inspire more students to seek a path of higher education and to make more students more competitive.

- There are highly qualified students who are thriving in their high school experience, but who have dismissed the idea of entering higher education simply because they cannot afford it. This is a shame. The question is, how can the University partner with the General Assembly and others to make college affordable and to address need-based scholarships.
- There must be a conversation on what is a flagship university. Specifically, a discussion about how much a flagship serves the students from the families of the flagship's state. Specifically, a discussion about USC's admissions policies and programs for in-state students and out-of-state students, as well as for minority students for diversity purposes. For example, is it ok for USC as a flagship university for the State of South Carolina that serves the people of South Carolina to be 51% in-state and 49% out-of-state? Is it ok for one of USC's colleges to be 65% out-of-state and 35% in-state?
- There are effective strategies that address access, affordability, and diversity. These include USC's two-year regionals and South Carolina technical schools, with transfers into USC Columbia. We must develop USC System transfer programs and develop MOUs with the technical schools. The intent is not that USC Columbia will pick up all the transfers; this is a system with three other comprehensive campuses, which participate very closely in the transfer program coming out of the University's two-year regionals.
- This is tongue in cheek, especially with the news media in attendance: never go into a press conference without preparation and ground rules and never assume you can have a normal conversation with the press.

President Caslen concluded his remarks with seven priorities for the spring semester:

- Continue the strategic planning process. Develop goals and objectives and metrics for each priority, then align programs and resources accordingly.
- Hire and onboard the executive staff, specifically the eight unfilled senior staff positions.
- Work closely with the Board of Trustees, particularly through the Association of Governing Boards' retreat, its findings and recommendations, and with any potential legislative actions and onboard training of any newly elected Trustees.
- As the upcoming legislative cycle begins, build a strong legislative relationship.
- Continue to build the Department of Defense and the Department of Energy research opportunities to include the Army Futures Command's Power Center, the South Carolina Cyber Institute, the Fort Gordon Cyber Commands, and the Savannah River Laboratory Partnerships.
- Build and implement a trial program of outreach and service partnership with South Carolina high schools, starting with Fairfield County.
- Set the conditions for a successful transition to the new budget model; insuring all intended and unintended consequences have been identified and insure everyone is fully trained.

Faculty Senate Chair Cooper noted appreciation of President Caslen's affordability remarks, noting when the President spoke about this to the Faculty Senate he shared another statistic – South Carolina is last in the nation in terms of the median income ratio to median tuition cost ratio.

President Caslen elaborated that if a parent with the average per capita income in South Carolina sends a child to USC, it takes 33% of that individual's salary to pay tuition. He further noted there is a state statute that restricts the use of tuition income to 4% for need-based or merit-based scholarships. The criteria for need-based scholarships is the federal definition of the poverty level. This needs to be changed to 8% and the poverty level limit needs to be changed to poverty level plus 100%, allowing more people to be eligible and for the University to use more money for need-based scholarships. Trustee Hubbard noted the federal poverty level for a family of four is \$28,000.

Trustee Moody added another reason to examine development activities and money available for need-based scholarships. President Caslen noted 1,200 African American students were accepted in the current class but opted not to attend and when asked why they cited affordability.

VIII. Other Matters

IX. Adjournment

There being no other business to come before the Board, Chairman von Lehe declared the meeting adjourned at 3:00 p.m.

Respectfully submitted,

J. Cantey Heath, Jr.
Secretary