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University of South Carolina

BOARD OF TRUSTEES

December 18, 2006

The University of South Carolina Board of Trustees met on Monday, December 18, 2006, at 10:20 a.m. in the 1600 Hampton Street Board Room.

Trustees present were: Mr. Herbert C. Adams, Chairman; Mr. Arthur S. Bahnmuller; Mr. James Bradley; Mr. Mark W. Buyck, Jr.; Mr. John W. Fields; Mr. Samuel R. Foster, II; Mr. William C. Hubbard; Mr. William W. Jones; Mr. Toney J. Lister; Mr. Michael J. Mungo; Mr. M. Wayne Staton; Mr. John C. von Lehe, Jr.; Mr. Eugene P. Warr, Jr.; Mr. Mack I. Whittle, Jr.; and Mr. Othniel H. Wienges, Jr. Trustees absent were: Dr. C. Edward Floyd; Ms. Darla D. Moore; and Mrs. Inez M. Tenenbaum. The faculty representative, Dr. Gene Reeder, and the student representative, Mr. Tommy Preston, were also present.

Others present were: President Andrew A. Sorensen; Secretary Thomas L. Stepp; Executive Vice President for Academic Affairs and Provost Mark P. Becker; Vice President and Chief Financial Officer Richard W. Kelly; Vice President for Research and Health Sciences Harris Pastides; Vice President for Advancement Brad Choate; Vice President for Student Affairs Dennis A. Pruitt; General Counsel Walter (Terry) H. Parham; Vice Provost and Executive Dean for Regional Campuses and Continuing Education Chris P. Plyler; Chancellor of USC Aiken Thomas L. Hallman; Dean of USC Lancaster John Catalano; Dean of USC Salkehatchie Ann Carmichael; Dean of USC Sumter C. Leslie Carpenter; Dean of USC Union James W. Edwards; Assistant Vice Provost for Academic Affairs William T. Moore; Associate Provost for Institutional Outreach and Dean of The Graduate School Christine Ebert; Dean of the School of Law Walter F. Pratt, Jr.; Dean of the Arnold School of Public Health Donna L. Richter; Dean of the School of Nursing Peggy O. Hewlett; Dean of the School of Music Tayloe Harding; Director of Athletics Eric C. Hyman; Associate Professor and Associate Dean for Academic Affairs, College of Education, Irma VanScoy; Associate Professor in the Department of Instruction and Teacher Education, College of Education, Nancy Freeman; Assistant Treasurer Susan D. Hanna; Executive Director of the Alumni Association Marsha A. Cole; Campus Planning and Construction Executive Assistant Donna Collins; Assistant to the Vice President, Division of Business and Finance, Ken Corbett; University Legislative Liaison Casey Martin; Director of Periodicals, University Publications, Chris Horn; Religious Counselor, Hillel Jewish Counselorship, Bernard L. Friedman; Bond Counsel Wayne

Corley, McNair Law Firm, LLC; Bond Counsel John Van Duys, Haynesworth Sinkler Boyd, P.A.; Bond Counsel, Dianne McNabb, A.G. Edwards and Sons; Public Information Officer, Office of Media Relations, Karen Petit; Director of the Office of University Communications, Division of University Advancement, Russ McKinney, Jr.; Board staff members Vera Stone and Karen Tweedy; and members of the media.

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

Chairman Adams welcomed everyone and explained that due to the extensive schedule of events that day, he would not ask Board members to introduce themselves. Secretary Stepp indicated that several Trustees Emeriti had called to express regret that they would be unable to attend the meeting or commencement luncheon. Mr. McKinney introduced members of the media who were in attendance.

At Chairman Adams request, Secretary Stepp delivered the Invocation.

Chairman Adams explained that the order of the agenda may be altered as needed to ensure that items requiring action be addressed initially so that Board members could attend the commencement luncheon at 11:30 a.m. honoring Board Member Darla Moore as the speaker and honorary degree recipient. He stated that there were personnel matters relative to the awarding of honorary faculty titles, honorary degree nominations, mid-year tenure and promotion recommendations, as well as contractual matters with respect to gift naming opportunities which were appropriate for discussion in Executive Session.

Mr. Bradley moved to enter Executive Session. Mr. von Lehe seconded the motion. The vote was taken, and the motion carried.

The following individuals were invited to remain: President Sorensen, Secretary Stepp, Dr. Becker, Mr. Kelly, Dr. Pastides, Mr. Choate, Dr. Pruitt, Dr. Plyler, Mr. Parham, Mr. Gregory, Mr. McKinney, Mrs. Saxon, Ms. Stone and Ms. Tweedy.

Return to Open Session

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

- A. Executive Committee, October 19, 2006
- B. Board of Trustees, October 19, 2006
- C. Academic Affairs and Faculty Liaison Committee, October 19, 2006
- D. Buildings and Grounds Committee, October 19, 2006
- E. Fiscal Policy Committee, October 19, 2006
- F. Health Affairs Committee, October 19, 2006
- G. Intercollegiate Activities Committee, October 19, 2006
- H. Student-Trustee Liaison Committee, October 19, 2006
- I. Ad Hoc Committee on Advancement, November 16, 2006
- J. Student-Trustee Liaison Committee, November 16, 2006
- K. Health Affairs Committee, November 16, 2006
- L. Academic Affairs and Faculty Liaison Committee, November 16, 2006
- M. Buildings and Grounds Committee, November 16, 2006
- N. Executive Committee, December 2, 2006

Since there were no additions, deletions or corrections to the minutes, they stood approved as distributed.

II. COMMITTEE REPORTS:

- A. Executive Committee:
(The Honorable Herbert C. Adams reported)

The Executive Committee met on Thursday, October 19, Saturday, December 2nd and earlier today.

During the October 19th meeting, the Committee approved a contract with Synopsys, Inc. for the purchase of 50 software licenses to assist in the development of such products as enhanced cell phones, communications equipment and wireless networks; approved modifications of Head Women's Basketball Coach Susan Walvius's employment agreement; and approved the purchase of a Kinetta Archival Scanner System designed to digitize archival films from DeMott/Kreines Films. During the Executive Committee meeting on December 2nd, the Committee approved modifications of Head Football Coach Steve Spurrier's employment contract.

During the Executive Committee meeting earlier today, the Committee approved a contract of sale to purchase the Whaley House for use by the Children's Law Center; a contract with Global Spectrum to manage the USC Aiken Convocation Center; a renewal of a license agreement with Elsevier B.V. to provide access to subscribed online journals and titles in the Freedom Collection for all USC System campuses; and a donation from South Carolina Net d/b/a/ Spirit Telecom to deliver voice, data, video and broadband services to USC.

1. Arena Athletics Facilities Revenue BAN: The University was requesting approval to refund and refinance the Athletics Facilities Revenue Bond Anticipation Notes relating to the arena which were issued on March 16, 2006. They will mature on March 15, 2007.

The University anticipated issuing Athletics Facilities Revenue Bonds sufficient to pay the principal and interest due on this issue. This resolution provided for issuance in an amount not to exceed the current amount outstanding. The University will pay down the arena BANs on the approved schedule.

Mr. Bradley moved approval of the Bond Resolution to refund and refinance the Athletic Facilities Revenue Bond Anticipation Notes relating to the arena as presented. Mr. Mungo seconded the motion. The vote was taken, and the motion carried. [Exhibit A]

2. Stadium Athletics Facilities Revenue BAN: The University was also requesting approval to refund and refinance the Athletics Facilities Revenue Bond Anticipation Notes relating to the stadium which were also issued on March 16, 2006 and will mature on March 15, 2007.

The University anticipated issuing a separate series of Athletic Facilities Revenue Bond Anticipation Notes sufficient to pay the principal and interest due on this issue. The proposed resolution provided for issuance of BANs not to exceed the current amount outstanding. The University will reduce the BAN relating to the stadium based on the approved schedule.

Mr. Whittle moved approval of the Bond Resolution to refund and refinance the Athletic Facilities Revenue Bond Anticipation Notes relating to the stadium as presented. Mr. von Lehe seconded the motion. The vote was taken, and the motion carried. [Exhibit B]

3. Higher Education Revenue Bond Act - Columbia Housing Resolution: The University was requesting approval of a Housing Revenue Bond Resolution which provided for the issuance and sale of a series of revenue bonds to be designated Series 2007A in the principal amount not to exceed \$52,000,000 to finance the construction, capitalized interest and issuance costs of the Honors Residence Hall to be built on the site of the Towers block.

Mr. Hubbard moved to approve a Housing Revenue Bond Resolution to finance the construction of the Honors Residence Hall as presented. Mr. Foster seconded the motion. The vote was taken, and the motion carried. [Exhibit C]

4. Establishment of Athletics Department Facilities Quasi Endowment Fund: This item had been withdrawn from the agenda.

5. Innovista Parking Garage Resolution: The University was seeking Board approval of a Letter of Credit to support certain obligations under the Operating Agreement with Columbia Parking Facilities Corporation for the financing of the Horizon Center Parking Garage.

Mr. Jones moved to approve the addition of a Letter of Credit in the Innovista Parking Garage Resolution as distributed. Mr. Staton seconded the motion. The vote was taken, and the motion carried.

6. Request for Special Tuition Rate: The South Carolina Department of Social Services had contracted with the University to assist the agency in preparing the next generation of early care and education leaders. One of the components proposed to offer the M.Ed. degree to 18-25 individuals who served in the early childhood care area. The College of Education was requesting a special contract rate for these students.

Mr. Bradley moved to approve the special tuition rate for this program as presented. Mr. von Lehe seconded the motion. The vote was taken, and the motion carried.

B. Academic Affairs and Faculty Liaison Committee:
(The Honorable John c. von Lehe, Jr. reported)

1. Honorary Faculty Titles: Ten requests for honorary faculty titles were mailed with the materials for this meeting. They had received all appropriate approvals and were presented to the Committee and to the Board in Executive Session without objection.

The following individual would be awarded the title Dean Emeritus and Distinguished Professor Emeritus concurrent with his retirement:

Professor Robert W. Foster

The following individual would be awarded the title Distinguished Professor Emeritus and USC Professor of Physics concurrent with his retirement:

Dr. Yakir Aharonov

The following individuals would be awarded the title Distinguished Professor Emeritus effective with their retirement:

- a. Professor Randall Bridwell
- b. Professor Charles Randall, Jr.
- c. Professor O'Neal Smalls
- d. Professor Eldon Wedlock
- e. Dr. Matthew Wolf

The following individuals would be awarded the title Emeritus Professor effective with their retirement.

- a. Professor Bernard Fitzgerald
- b. Professor Stephen Spitz

The following individual would be awarded the title Law Librarian Emerita concurrent with her retirement.

Ms. Melissa Surber

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. von Lehe moved approval of these ten honorary faculty titles. Mr. Buyck seconded the motion. The vote was taken, and the motion carried.

2. Midyear Tenure and Promotion Recommendations

Five recommendations for tenure and promotion on the Columbia campus were mailed with the materials for this meeting. They had received all appropriate approvals and were presented to the Committee and to the Board in Executive Session without objection.

- a. L. Allan James would be promoted to Professor in the Department of Geography, College of Arts and Sciences
- b. Robin Morris would be promoted to Professor in the Department of Psychology, College of Arts and Sciences
- c. Dimitris Rizos would be promoted to Associate Professor with Tenure in the Department of Civil and Environmental Engineering, College of Engineering and Information Technology
- d. Eva Monsma would be promoted to Associate Professor with Tenure in the Department of Physical Education, College of Education
- e. Ann Ramsdell would be promoted to Associate Professor with Tenure in the Department of Cell and Developmental Biology and Anatomy, College of Arts and Sciences

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. von Lehe moved approval of these five tenure and promotion recommendations. Mr. Bethea seconded the motion. The vote was taken, and the motion carried.

3. Program Proposal: Post Baccalaureate Certification in English for Speakers of Other Languages, School of Education, USC Upstate: USC Upstate was requesting the

establishment of the Post Baccalaureate Certification in English for Speakers of Other Languages. This request has received all appropriate academic and administrative approvals.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. von Lehe moved approval of the establishment of this post baccalaureate certification program as described in the materials distributed for the meeting. Mr. Fields seconded the motion. The vote was taken, and the motion carried.

4. Program Proposal: Bachelor of Arts in Liberal Studies - Regional Campuses: The two year campuses were requesting

the establishment of the Bachelor of Arts in Liberal Studies. This proposed program had received all appropriate academic and administrative approvals.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. von Lehe moved approval of this program as described in the materials distributed for this meeting. Mr. Bahnmuller seconded the motion. The vote was taken, and the motion

carried. Mr. Bahnmuller commented that the Sumter Community greatly appreciated the establishment of this program.

5. Removal of Honorary Degree Candidate From the Table:

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. von Lehe moved to remove the name of the following honorary degree candidate from the table: Darla D. Moore. Ms. Moore will receive an honorary degree at commencement exercises this afternoon. Mr. Whittle seconded the motion. The vote was taken, and the motion carried.

In addition, Dr. Ozment, Executive Vice Chancellor for Academic Affairs at USC Aiken, reported on their first Pace Summer Program. It was offered as an option to students who were identified as "academically at risk." Of the 18 students who participated, 13 completed the program by earning a grade of "C" or higher in English 101. Dr. Ozment reported that beginning the summer of 2007, it will be offered as a mandatory provisional admission program in order to reach the vast majority of students who need to participate.

C. Buildings and Grounds Committee:
(The Honorable William C. Hubbard reported)

The Buildings and Grounds Committee met on November 16th and Mr. Kelly provided an update of various ongoing campus projects.

1. Administrative Project Increases:

a. 1321 Pendleton Street Acquisition: The budget for the existing project was increased by \$8,077.76 to fund the cost of appraisals, environmental studies, and building assessment required to obtain state approval of the acquisition. The increase was funded with State Institution Bonds and resulted in a total budget of \$558,077.76.

b. Humanities Pavilion Restaurant: The project budget was increased by \$150,000. The increase was funded from Auxiliary Funds and resulted in a total budget of \$1,900,000, funded with \$1,500,000 in Auxiliary Funds and \$400,000 in private funds.

2. Athletics Master Plan - Phase I Development: Mr. Hyman presented an overview of the entire Plan at the November 16th meeting. He discussed at length, Phase I, which included the Academic Enrichment Center, and the Williams Brice Stadium west side stands renovations for sports medicine and locker rooms.

On behalf of the Buildings and Grounds Committee, Mr. Hubbard moved approval to endorse the Athletics Master Plan in concept and to approve the architectural/engineering design of the Phase I Development, with a budget of \$800,000 funded with Athletics Funds. Mr. von Lehe seconded the motion. The vote was taken, and the motion carried.

3. 1600 Hampton Distributed Data Center Renovations:

University Technology Services (UTS) was proposing the construction of a second data center to increase the reliability of the University Information Technology (IT) systems, by having strategic equipment/systems operational at two separate locations on campus.

On behalf of the Buildings and Grounds Committee, Mr. Hubbard moved approval to establish this project with a budget of \$650,000 funded with Institutional Funds provided by UTS. Mr. Wienges seconded the motion. The vote was taken, and the motion carried.

4. Energy Performance Contract, Biomass Gasification Project:

As a part of the on-going energy performance contract between the University and Johnson Controls, the University was building a Biomass plant which will use wood chips as its primary fuel source. At the time construction began, it was properly permitted by DHEC. However, since the start of construction it was determined by DHEC that new more stringent air quality rules adopted by the EPA applied to this facility, and DHEC was now requiring that USC install an emissions control system to the exhaust stack to further reduce particulate emissions. The system was expected to cost \$1,500,000.

On behalf of the Buildings and Grounds Committee, Mr. Hubbard moved approval to increase the budget by \$1,500,000 funded by the State Treasurer Master Lease. This will result in a total project budget of \$56,156,160. Mr. Warr seconded the motion. The vote was taken, and the motion carried.

5. Gift Naming Opportunities: The Buildings and Grounds Committee approved the following gift namings as recommended by the Gift Naming Opportunities Committee.

On behalf of the Buildings and Grounds Committee, Mr. Hubbard moved approval of the following naming opportunities as provided by Article VII Section 2. paragraph 3(a) of the Board Bylaws:

- a. Moore School of Business:
 - i. "The Michael R. and Julie C. Brennan Group Study Room"
 - ii. "The Daniel - Mickel Center for Executive Education"
 - iii. "The First Citizens Classroom"
 - iv. "The James C. Leventis Administrative Office"
 - v. "The South Carolina Bank and Trust Group Study Room"
 - vi. "The McKissick Family Foundation Dean's Suite"
- b. USC Sumter: "The Montague Faculty/Staff Lounge"
- c. College of Mass Communications and Information Studies:

- i. "The Mary W. (Mimi Wilkinson) and Thomas G. Cunningham Technology Suite"
- ii. "The Kenneth W. Baldwin Jr. News Editorial Suite"
- iii. (Subject to Final Approval) A tentative agreement with Time Warner to name (4) computer labs in the new LeConte Building
- d. School of Law: "The Shelli Willis De Roos Library Carrell"
- e. Arnold School of Public Health: "The Blanchard Machinery Company Rehabilitation Laboratory"

In addition, earlier today the Executive Committee, on behalf of the Buildings and Grounds Committee, approved the establishment of "The Dolores Anderson Academic Enrichment Center" in the Athletics Department.

Mr. Jones seconded the motion. The vote was taken, and the motion carried.

At the conclusion of the November 16th Buildings and Grounds Committee meeting, Russ Meekins provided an update on the Odesso Condominium and the Wheeler Hill Projects. He also reported that they had received positive feedback about the "Inn at USC" from guests and the neighborhood community.

D. Ad Hoc Committee on Advancement:
(The Honorable Miles Loadholt reported)

The Ad Hoc Committee on Advancement met on Thursday, November 16th and discussed the following items:

1. Report on Advancement Administration: Mr. Choate discussed the three main objectives for University Advancement during FY 2007. They were to increase philanthropy significantly, to prepare USC for a major fundraising campaign, and to improve the overall reputation of the University.

Efforts were underway to double membership in the Alumni Association through an initiative entitled "Member Get-A-Member" in which each current member was asked to recruit a new member.

Several goals of the Marketing and Communication Division were discussed. Focus was being placed on student recruiting, the Innovista project, Athletics, and the Darla Moore School of Business.

2. Report on Development Administration and Restructuring:

Mr. Choate reported that University Development had been reorganized to create three core constituency areas - one in Health Sciences, one in Business and one in Arts and Sciences.

3. Report on Campaign Preparation from Grenzebach, Glier & Associates: A Strategic Planning Study was underway to help the University evaluate the potential for a successful fundraising campaign.

The Study's key elements were case prospectus development, leadership briefings, and individual interviews. The final Report was due in February 2007.

E. Student-Trustee Liaison Committee:
(The Honorable William W. Jones, Jr. reported)

The Student-Trustee Liaison Committee met on Thursday, November 16th.

Student representatives, Tia Milligan and Rebecca Zorch, reported on student participation trends in Campus Recreation, Intramurals, Group Exercise, Sport Clubs, and Informal Recreation.

Campus Recreation offered Group Exercise and Intramural Sports programs. This semester, approximately 1,200 students had participated in the Group Exercise programs, a 50 percent increase from last year. For the Intramural Sports program, a variety of leagues and tournaments were available for students, staff and faculty.

USC boasted 28 sport clubs, the newest of which was the Carolina Table Tennis Club. Other programs included Aquatics and Strength and Conditioning.

In addition, Campus Recreation offered outdoor trips ranging from kayaking the Saluda River, backpacking the Smokey Mountains or canoeing the Okefenokee Swamp. Students may also rent outdoor equipment.

Court Sports had available nine multipurpose indoor courts to accommodate basketball and volleyball; one court was designed for indoor soccer and floor hockey. Currently, there were 10 racquetball courts, 4 squash courts and 3 tennis courts.

Campus Recreation provided students the skills to maintain healthy lifestyles. The program had a positive effect on recruitment and retention efforts and was a point of distinction for the University.

F. Health Affairs Committee:
(The Honorable M. Wayne Staton reported)

The Health Affairs Committee met on Thursday, November 16th.

Dr. Pastides presented a detailed report on the "Centers of Economic Excellence" program. He explained that these centers will lead to tangible economic development and job creation and will be a collaborative effort between the University, Clemson, and MUSC.

Several proposed initiatives were the South Carolina Center for Older Adult Independence; Healthcare Facilities Design and Testing Centers; the Strategic Environmental Approaches to Electricity Production from Coal; and Rehabilitation and Reconstruction Sciences.

Smith and Nephew, one of the world's leading manufacturers of surgical implantable materials for orthopedic surgery and for implantable biomaterials, agreed to donate \$5,000,000 over a period of five years in support of the "Centers of Economic Excellence" program. The company believed that their initial

investment was likely to be a catalyst to attract the investment of other companies focused on healthcare innovation.

In addition, Dean Poole gave an overview of the College of Social Work. In his report, he provided facts about the college, its vision and priorities, and details regarding the Social Work profession.

Dean Poole reported that his goal as dean was to increase access to the Masters program and to make the school one of the "Top Twenty" graduate schools of social work among public universities.

III. REPORT OF THE ALUMNI ASSOCIATION: Chairman Adams called on Mr. Bethea who extended holiday wishes to Board members and President Sorensen on behalf of the Alumni Association.

He noted that on December 5th more than 500 students and their families had attended the Fall Semester Ring Ceremony at which graduates received their official class rings. It was well received and enjoyed by students and their families.

On December 7th student volunteers and staff were present throughout the day to distribute Alumni Association Exam Survival Packs of goodies to students who presented their Alumni Association Membership Cards. More than 700 packs were distributed (hopefully resulting in improved performance on the exams).

Last Wednesday, December 13th, the Association hosted a champagne toast in honor of those students graduating today.

Mr. Bethea reported that the fall semester Bow Tie Tours concluded with a trip to New York City at the end of November. A record number of attendees joined President Sorensen and other members of the staff for a reception at the Yale Club. In addition to Alumni, several prospective students and their parents attended.

And, finally, 22 Alumni Clubs in 16 states and the District of Columbia hosted TV viewing parties for the Carolina-Clemson football game. Those viewing parties were well attended and were obviously well enjoyed.

IV. REPORT OF THE PRESIDENT: Chairman Adams called on President Sorensen who remarked that Mrs. Sorensen and he had thoroughly enjoyed hosting a holiday dinner party for Board members and their spouses/guests the previous evening. He expressed appreciation for their "remarkably wonderful collaborative spirit" and for all of "the wonderful things that have happened during the past year."

President Sorensen was saddened to report the passing of Senator Vern Smith whom he typified as "an extraordinary and unyielding" supporter of the University, a very influential member of the Senate, and highly respected influence in the House of Representatives. He noted that every Thursday during the legislative sessions, Senator Smith would convene prayer meetings and would from time to time, ask him to offer the devotions and speak to the group.

President Sorensen was pleased to announce that the University had received two multi-million dollar gifts. He noted that momentum was building as the University experienced the quiet phase of the upcoming capital campaign; a minimum of two other multi-million dollar gifts was also anticipated. He was extremely pleased with the generosity of the University's friends and supporters.

And, finally, President Sorensen extended an invitation to everyone to attend the baccalaureate and masters commencement ceremony scheduled for 3:30 p.m. in the Colonial Center. "It's a rare event, indeed, when a member of the Board of Trustees is a commencement speaker and recipient of an honorary degree."

Chairman Adams thanked Mr. Foster and Mr. Hubbard for serving on the Williams-Brice Committee to study the football reseating of that facility. He noted that the Gamecock Club representatives had expressed their appreciation of these two members and "what they have brought to the table."

Since there were no other matters to come before the Board of Trustees, Chairman Adams declared the meeting adjourned at 11:00 a.m.

Respectfully submitted,

Thomas L. Stepp
Secretary