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University of South Carolina

BOARD OF TRUSTEES

February 9, 2007

The University of South Carolina Board of Trustees met on Friday, February 9, 2007, at 1:30 p.m. in the 1600 Hampton Street Board Room.

Members present were: Mr. Herbert C. Adams, Chairman; Mr. Miles Loadholt, Board Vice Chairman; Mr. Arthur S. Bahnmuller; Mr. William L. Bethea, Jr.; Mr. James Bradley; Mr. Mark W. Buyck, Jr.; Mr. John W. Fields; Dr. C. Edward Floyd; 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. Ms. Darla D. Moore and Dr. James H. Rex were absent. 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; Vice President and Chief Financial Officer Richard W. Kelly; Vice President for Information Technology and Chief Information Office William F. Hogue; Vice President for Advancement Brad Choate; Vice President for Human Resources Jane M. Jameson; General Counsel Walter (Terry) H. Parham; Vice Provost and Executive Dean for Regional Campuses and Continuing Education Chris P. Plyler; Dean of USC Lancaster John Catalano; Dean of USC Sumter C. Leslie Carpenter; Dean of USC Union Hugh C. Rowland; Vice Chancellor for Business and Finance, USC Aiken, Virginia S. Hudock; Assistant Vice Provost for Academic Affairs William T. Moore; Executive Dean of the South Carolina College of Pharmacy Joseph T. DiPiro; Dean of University Libraries Paul A. Willis; Dean of the School of Nursing Peggy O. Hewlett; Assistant Treasurer Susan D. Hanna; Assistant Vice President for Advancement Administration J. Cantey Heath, Jr.; Associate Vice President for Student Affairs, Student Life, and Development, Jerry T. Brewer; Associate Vice President for Student Affairs, Student Development, Student Health, and University Housing, Gene Luna; Executive Director of the Alumni Association Marsha A. Cole; Director of the Thomas Cooper Library Thomas F. McNally; University Legislative Liaison John D. Gregory; Executive Assistant, Campus Planning and Construction, Donna Collins; Clemson University Graduate Student Julie Anna Hartwell; Office of Business and Finance temporary employee Carol P. Black; University Archivist Elizabeth West; The Reverend Tom H.B. Wall, Campus Minister, Palm Campus Ministry;

Director of the Office of University Communications, Division of University Advancement, Russ McKinney, Jr.; Board staff members Terri Saxon, Vera Stone and Karen Tweedy; and a member 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 announced that he would forego the formal introduction of Board members since he had already done so during the preceding Executive Committee meeting. Mr. McKinney introduced a member of the media who was in attendance.

At Chairman Adams request, Reverend Tom H.B. Wall, Campus Minister, Palm Campus Ministry, delivered the Invocation.

Open Session

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

- A. Executive Committee, December 18, 2006
- B. Board of Trustees, December 18, 2006
- C. Executive Committee, January 8, 2007

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

II. COMMITTEE REPORTS:

- A. Buildings and Grounds Committee:
(The Honorable Mary W. Buyck, Jr. reported)

The Buildings and Grounds Committee met on February 2nd. Mr. Buyck commented that the meeting was quite lengthy because there were a myriad of projects which necessitated extensive discussion and careful consideration. The following items will require Board approval.

1. Items Requiring Board Approval:

- a. Woodrow Roof Replacement: This project was originally approved as part of the 2003/2004 CPIP (Comprehensive Permanent Improvement Plan) and was postponed due to changing housing maintenance priorities. The delay in implementation of the project and an increase in scope to include repairs to cornice and fascia required an increase in the project budget.

On behalf of the Buildings and Grounds Committee, Mr. Buyck moved to approve an increase in the project budget by \$250,000 resulting in a total project budget of \$850,000 funded with Housing Maintenance Reserve Funds. Mr. Lister seconded the motion. The vote was taken, and the motion carried.

b. Patterson Hall Renovations: This project was approved as part of the 2003 CPIP. The work was to be implemented in phases with the requested budget funding the first phases of work. The project was delayed for several years due to scheduling conflicts with summer programs and changing priorities of University Housing.

The first phase of work was completed last summer. The second phase of work, planned for Summer 2007, will complete the renovation of the electrical and mechanical system upgrades installed last summer. These upgrades will replace aged systems and prevent unplanned outages.

On behalf of the Buildings and Grounds Committee, Mr. Buyck moved approval to increase the project budget by \$3 million resulting in a total project budget of \$6,561,000 funded with Housing Maintenance Reserve Funds. Mr. Bahnmuller seconded the motion. The vote was taken, and the motion carried.

c. 2007 CPIP - School of Medicine Clinical Assessment Center Renovation: This project will renovate the third floor of the Library Building on the V. A. Campus to establish the Clinical Assessment Center. The Center will be used for the teaching and assessment of clinical skills. The budget for the project was \$1,250,000 to be funded with MUSC Endowed Chair and private funds.

On behalf of the Buildings and Grounds Committee, Mr. Buyck moved to approve the School of Medicine Clinical Assessment Center Renovation project with a budget of \$1,250,000 funded with MUSC Endowed Chair and private funds. Mr. Warr seconded the motion. The vote was taken, and the motion carried.

d. Beta Research Facility (Horizon I): This project involved the construction of a research facility related to engineering, energy and nanoscience that will house a combination of laboratory and office space.

It was requested that the project budget be increased by \$4 million for the future upfit of a single floor, once the research unit was identified for occupancy. Additionally, it was requested that the budget be increased by \$335,000 to upfit the space for Engenuity.

Mr. Buyck explained that the Buildings and Grounds Committee carefully considered funding amounts for all of these projects before committee approval was rendered.

On behalf of the Buildings and Grounds Committee, Mr. Buyck moved to increase the project budget by \$4,335,000 funded with \$4 million in State Institution Bonds and \$335,000 in federal grant funds. This will result in a total project budget of \$35,899,157 funded with \$25,564,157 in Research University Infrastructure Bonds,

\$10 million in State Institution Bonds, and \$335,000 in federal grant funds. Mr. Jones seconded the motion. The vote was taken, and the motion carried.

The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amount of proceeds of the tax-exempt bond issue.

e. Omega II Research Facility (Discovery I): This project would involve the construction of a research facility related to biomedical research that will house a combination of laboratory and office space. The request was to increase the project budget by \$4 million for the future upfit of a single floor, once the research unit was identified for occupancy.

On behalf of the Buildings and Grounds Committee, Mr. Buyck moved to increase the project budget by \$4 million funded with State Institution Bonds. This will result in a total project budget of \$33,924,516 funded with \$29,924,516 in Research University Infrastructure Bonds and \$4 million in State Institution Bonds. Mr. Foster seconded the motion. The vote was taken, and the motion carried.

The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amount of proceeds of the tax-exempt bond issue.

f. Gambrell Hall Auditorium Renovation: The Gambrell Hall Auditorium was one of the first spaces renovated as part of the classroom enhancement initiative. It was renovated in Summer 1997 and the multi-media equipment had been upgraded and replaced as required. The interior finishes and furnishings needed to be upgraded/replaced to maintain the appearance and functionality of one of the University's premier multi-function facilities with digital presentation capabilities. This renovation will be coordinated as one phase of the larger Gambrell Renovation that was being planned. The project will be funded with Classroom Enhancement Fund balances remaining from completed projects.

On behalf of the Buildings and Grounds Committee, Mr. Buyck moved to establish the project with a budget of \$425,000 funded with Institutional Capital Project Funds. Mr. Loadholt seconded the motion. The vote was taken, and the motion carried.

g. Williams-Brice Stadium South End Zone Elevator Addition: This project was to add an elevator at Williams-Brice Stadium to serve the Crews Building, the Zone, and the upper deck levels of Williams-Brice Stadium. The elevator will be installed in a vacant shaft of the existing elevator tower on the south end of the stadium.

On behalf of the Buildings and Grounds Committee, Mr. Buyck moved to establish this project with a budget of \$425,000 funded with Athletic Funds. Mr. Bahnmuller seconded the motion. The vote was taken, and the motion carried.

h. Williams-Brice Stadium Exterior Painting - Phase II:

This project was to complete the painting of the west side light towers at Williams-Brice Stadium, to include; painting six of the structural supports for the stadium lighting from the top of the west upper deck up to the lights/catwalk, and painting ten supports in the west upper deck. As funding allowed, the very top of the east side catwalk will also be included.

On behalf of the Buildings and Grounds Committee, Mr. Buyck moved to establish this project with a budget not to exceed \$500,000 funded with Athletic Funds. Mr. Staton seconded the motion. The vote was taken, and the motion carried.

i. Band Hall Construction: This project was for the construction of a band practice facility, a practice field, and parking area. The facility was also programmed to accommodate the dance program which was sponsored by the University.

On behalf of the Buildings and Grounds Committee, Mr. Buyck moved to increase the budget by \$2.5 million from State Institution Bonds, \$9,229,000 also from State Institution Bonds and \$600,000 from Institution Funds - the latter \$600,000 was conditioned on an initial raising of \$300,000 in private funds for the dance hall and a commitment to raise an additional \$300,000 by the Department of Theatre and Dance.

The resulting project total budget was \$9,829,000 (\$9,229,000 from State Institution Bonds). Mr. Lister seconded the motion.

President Sorensen asked for clarification regarding this proposal because he had understood that if the Department of Theatre and Dance raised \$300,000 privately, the balance would be matched by University funds; Mr. Buyck advised that the department would be required to raise the entire amount. Secretary Stepp expressed that he believed it was understood that the dance hall addition would be added to the project when the department had procured the initial \$300,000 with a commitment to raise the remaining \$300,000.

The vote was taken, and the motion carried.

The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amount of proceeds of the tax-exempt bond issue.

j. Athletics Master Plan - Phase I Development: This project was currently approved to proceed with architectural/engineering design

development of an Academic Enrichment Center, a Sports Administration Facility, a Sports Medicine Clinic, and improvements to football facilities.

The proposed Academic Enrichment Center will be the first capital investment in the redevelopment of the Roost area for Athletics. Currently, based on today's construction costs, it was believed a total project budget of \$12 million will be adequate to complete the Academic Enrichment Center.

On behalf of the Buildings and Grounds Committee, Mr. Buyck moved to increase the scope of the existing project to include design and construction of the Academic Enrichment Center, as presented, and to increase the existing project budget to \$12 million. The building's cost was estimated to be \$11 million, with a \$1 million contingency. This will result in a total project budget (including an amount of \$800,000 in prior master planning costs of \$800,000) of \$12.8 million funded entirely with Athletic Department funds. Mr. Wienges seconded the motion. The vote was taken, and the motion carried.

k. USC Lancaster Deferred Maintenance: This project was established with a budget of \$100,000 funded with State 2004/05 Supplemental Funds allocated to address deferred maintenance. An additional \$17,510 was added to the project funded with State Capital Improvement Bonds remaining at the completion of the project for Medford Library Expansion.

Additional State Supplemental Funds (\$200,000) were allocated this year for Repair/Renovation on the campus. It was proposed that these funds be added to the existing project for Deferred Maintenance. In addition, USC Lancaster proposed adding \$100,000 to the project in operating funds.

On behalf of the Buildings and Grounds Committee, Mr. Buyck moved to add \$200,000 in State Supplemental Funds and \$100,000 in USC Lancaster operating funds to the project, resulting in a total project budget of \$417,510 funded with \$300,000 in State Supplemental Funds, \$100,000 in USC Lancaster operating funds, and \$17,510 in State Capital Improvement Bonds. Mr. Bradley seconded the motion. The vote was taken, and the motion carried.

2. Project Updates:

In addition to the items requiring Board approval Mr. Kelly reported on the following projects:

a. Administrative Project Increase - 1600 Hampton Street Elevator Repairs: In accordance with the policy approved by the Board of Trustees, administrative approval was obtained to increase the budget for the 1600 Hampton Street Elevator Repairs by \$26,082. The increase funded the repair of elevator motors. The increase was funded with Renovation

Reserve Funds and resulted in a total budget of \$996,082 funded with \$970,000 in Institutional Funds and \$26,082 in Renovation Reserve Funds.

b. Koger Center Hall of Fame: In recognition of the importance of the Koger Center as the premiere arts facility in the region, the Columbia Festival of the Arts - Hall of Fame Committee requested that it serve as the home of Columbia Arts Hall of Fame. A Committee was established and criteria for Hall of Fame nominations were developed. The University was accepting this request because of the many positive public relations opportunities which will result. There will be no cost to the University.

c. Whaley House Acquisition: The acquisition of the Whaley House was approved by the Executive Committee on December 18, 2006, with several contingencies including building inspection and appraisal. The University was proceeding with the establishment of a project to authorize the procurement of the appraisal, environmental study, and building assessment. The results of these studies will be presented to the Building and Grounds Committee at a future meeting.

d. Honors Residence Hall: The project was originally established and approved by the Buildings and Grounds Committee on April 29, 2005, with a budget of \$36,500,000. The project was later revised and approved by the Buildings and Grounds Committee on June 29, 2006 with a budget of \$47,600,000. Initially the dorm construction was scheduled to begin in November 2006, and be completed in time for an August 2008 occupancy. However, due to the inclusion of a student dining hall in the project; other required program changes; and the demolition delay of the Towers due to the discovery of asbestos in the building ceilings, the project required extensive re-design. Therefore, the Honors Residence Hall will open in August of 2009. It was believed the 2009 schedule will ensure that the University will receive a quality project at a reasonable construction price and this construction schedule will also result in minimum negative impact to student life on the campus.

e. Thomas Cooper Library Special Collections Addition:

The project was originally established and approved by the Buildings and Grounds Committee on February 18, 2005, with a total project budget of \$18,000,000. Because of a delay in receiving the grant money for the project, Budget and Control Board approval was not received until 16 months later on June 30, 2006.

On December 13, 2006 construction bids were received. The low bid was determined to be approximately 36.4 percent over the budget allocated for construction. To bring this project back into line with the approved budget, the architects began working on an alternate design that will reduce the complexity of

construction, provide more efficient space utilization and reduce the plan from two wings to a single multi-story wing to the south of the existing library. In order to stage construction of such a new library wing to the south of the Library, demolition of the west wing of the McBryde Quadrangle will be required.

The proposed design solution will be presented to the Architectural Design Review Committee for consideration and approval. It was the goal of the design team to re-bid the project in six to eight months. Hopefully when the project was re-bid, there will be considerably more interest from contractors that will result in the receipt of more competitive bids.

f. Baseball Stadium: Asbestos removal was currently underway on the existing structures in preparation for demolition, and was expected to be completed by the first week of February 2007.

The final adjustments to the demolition bid documents will be completed and delivered to the Office of the State Engineer (OSE) before the end of January 2007. Two weeks were being allowed for bidding and, absent a protest, demolition should begin mid March 2007 and be completed by mid April 2007.

The excavation package was expected to be bid no later than the end of March. Absent a protest, excavation should start by the middle of May 2007.

It was expected the stadium will be completed by February 2008.

3. USC Development Foundation's Report: Russ Meekins reported that the Wheeler Hill and the Adesso Projects were on schedule, and that the University had purchased from the USC Foundation 12.5 acres for \$5 million for the Baseball Stadium.

Chairman Adams expressed appreciation for the extensive amount of time Buildings and Grounds Committee members had devoted to the review and careful consideration of these projects.

Dr. Floyd commented that he had attended the meeting and that in *The State* newspaper on the following day an article summarizing the proceedings had been published; the newspaper account seemed to imply that the University was retracting its support of various projects because of financial problems. He believed that any delays experienced were well within the normal range for construction projects and asked Mr. Buyck to comment on this allegation.

In response, Mr. Buyck opined that the headlines in the newspaper had misinterpreted what the University had done. "Clearly we are not backing down on the projects, but some of them have been redesigned and we are certainly moving forward with each one of them."

Chairman Adams noted that the Thomas Cooper Library construction project had been extensively redesigned. He further emphasized that a report highlighting the

University's outstanding financial condition will be presented to Board members in the near future.

B. Fiscal Policy Committee:
(The Honorable Eugene P. Warr, Jr. reported)

The Fiscal Policy Committee met earlier today.

Mr. McCoy stated that CarolinaCard had one outstanding issue in the Audit Tracking Report which was more than six months old; a new software system will reconcile departmental reports with the University's general ledger.

He also stated that since the last meeting in June 2006, the following audits had been resolved: Colonial Center; Athletics; USC Beaufort; Advancement Administration and University Development; Office of the Registrar; University Library System; Legal Residency; Financial Aid and Scholarships; and Campus Planning and Construction.

Comprehensive audits of the following areas were presented:

1. USC Aiken Athletics: Three findings were cited in the audit: Financial Statement Reconciliation; Fee Waiver Reconciliation; and Transfers, all of which were currently being addressed. It was noted that access to the accounting records for the Baseball Fund Raising Rodeo was not made available to the auditors. Mr. Warr explained that in the future this process will alter significantly; USC Aiken will control the funds which will effectively eliminate a reoccurrence of this situation.
2. USC Upstate Athletics: No audit findings were revealed.
3. Facility Services: Four findings were cited in the audit: Misappropriated Assets; Overtime; Procurements; and Facility Services Inventory. All findings were currently being addressed.
4. College of Engineering and Information Technology: Several minor findings were noted in the audit, which once brought to the attention of management, were resolved. Two findings -- (1) E900 Salaries and (2) Invoices -- were being resolved by management.
5. Coleman Karesh Law Library: Several minor findings were noted, which once brought to the attention of management, were resolved in the course of the audit. A finding E400 Salaries with respect to photocopy operations was being resolved.

A finding with respect to insurance for the Library will require further action by management, the administration and possibly the Board. A comprehensive report on insurance practices was given by Mr. Kelly in the Executive Committee

Meeting earlier today. He advised Board members that the insurance coverage of the Law Library books had been substantially increased to the level of their established value; this figure will be reevaluated in the future to determine whether additional adjustments were warranted.

6. Columbia Cash Receipts: Individual audits were performed on cash receipting functions for twenty different areas on campus and a number of exceptions were revealed. Although the majority of noted exceptions were the result of personnel not following cash receipting guidelines established by Financial Services, the audit team reported that overall, the University properly handled and accounted for cash receipts. A copy of each exception and the departments' responses had been forwarded to the Bursar, who outlined guidelines to correct the deficiencies. Those guidelines were currently being put into place.

C. Intercollegiate Activities Committee:
(The Honorable Othniel H. Wienges, Jr. reported)

The Intercollegiate Activities Committee met earlier today.

The Athletics Director reported on recent activities of the Gamecock Club, proposed giving levels for various categories of membership and studies underway about future football ticket prices and the sale of parking at football games. His report on these matters was received by the Committee for information and referred to the Williams Brice Committee for continuing study. The Intercollegiate Activities Committee anticipates a called meeting when the time is right to consider matters requiring Board action such as parking rates and final ticket pricing proposals.

Mr. Hyman also reported on the academic progress of student athletes and new NCAA policies which can result in the reduction of the number of scholarships in specific sports if a team's academic progress is not up to specified standards.

The following item required action by the Board and was approved by the Committee earlier today:

- USC Beaufort Athletics Plan: USC Beaufort was requesting Board approval of its plan to implement an intercollegiate athletics program on that campus. This plan included application to the National Association of Intercollegiate Activities on or before December 18, 2006; a site visit by NAIA representatives after the first of the year and if the campus was accepted into the NAIA, a one year probationary period as a member. It was projected that the campus will begin fielding a team in men's and women's golf and cross-country in the fall of 2007. Once fully admitted into the NAIA, USC Beaufort will determine the appropriate athletics conference to join.

On behalf of the Intercollegiate Activities Committee, Mr. Wienges moved approval of the USC Beaufort Athletics Plan as described in the materials

distributed for the meeting. Mr. Bethea and Mr. Jones seconded the motion. The vote was taken, and the motion carried. Mr. von Lehe clarified that approval of this request applied only to USC Beaufort's application to the National Association of Intercollegiate Activities. The vote was taken, and the motion carried.

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

During the meeting earlier today, the Committee approved a contract with the National Advocacy Center to provide continuous law enforcement services for that site, and an amendment to the Sodexo Dining Services contract to furnish Sunday through Thursday evening meals at the Roost Athletics Dormitory.

The following item was approved for recommendation to the Board:

- Moore School of Business - Graduate Program Fee Request for FY 2007-2008: The Moore School of Business was requesting a 10 percent increase to graduate fees effective July 1, 2007 which will be applied to newly admitted students only. The anticipated increased revenue of \$173,661 will be used to partially offset academic expenditure increases, hire additional faculty and reduce class sizes at the graduate level. This matter was taken up at this time because the academic year of this program will begin in July.

Mr. Bahnmuller moved to approve the Moore School of Business Graduate Program Fee Request for FY 2007-2008 as presented. Mr. Bethea seconded the motion. The vote was taken, and the motion carried.

Also, earlier today, Mr. Kelly gave a report on the operating philosophy for insurance coverage for the University. Mr. von Lehe noted for the record that Mr. Kelly had concluded in his report that it was not financially prudent to incur a \$300,000 cost to ensure the Thomas Cooper Library's rare books.

III. PROPOSED BYLAWS REVISIONS - FIRST READING: Chairman Adams called on Mr. Loadholt, Chairman of the Ad Hoc Committee to Revise the Bylaws, to present the proposed revisions. He thanked Mr. Loadholt and members of the committee - Mr. von Lehe, Mr. Lister, Ms. McKinney, and Mr. Bethea (who succeeded Ms. McKinney as President of the Alumni Association), Mr. Parham, Dr. Reeder, and Secretary Stepp - for the many hours they had devoted to this project; the committee had met on six different occasions since last May. Mr. Loadholt also recognized Board staff member Terri Saxon who "had spent a lot of time and we certainly appreciate her help."

Mr. Loadholt summarized that Chairman Adams had appointed a committee charged with several tasks, one of which involved the revision of the Board of Trustees Bylaws. After numerous meetings and "a lot of hard work" he was presenting these proposed Bylaws revisions for Board consideration. He further explained that all

Board members had been sent "a clean copy" for review and another document which displayed the suggested changes and deletions.

On behalf of the Ad Hoc Committee to Revise the Bylaws, Mr. Loadholt moved approval of the revised Bylaws as distributed with the concurrent resolution that all persons currently serving as Trustees Emeriti would continue to serve whether or not they had accumulated twelve years of service at the time of their retirement from the Board of Trustees. Mr. Bradley seconded the motion.

Mr. Buyck stated that he had read the 59 page document with the highlighted changes. He was proposing the following additions and corrections which he had asked Secretary Stepp to forward to Mr. Loadholt for his consideration; a copy was distributed to Board members.

A. Page 15, line 371, delete "Council" and insert "Association."

Mr. Buyck noted that the text on Page 15 which read the "incumbent President of the USC Alumni Council" should be reworded to the "incumbent President of the USC Alumni Association". Mr. Loadholt indicated that the text should read as Mr. Buyck proposed and that the committee will accept that change.

B. Page 52, line 1288, insert between the word "Trustee" and the "," the following language, "one member nominated by the Gubernatorial Designee to the Board of Trustees; one member nominated by the Gubernatorial Appointee to the Board of Trustees." Mr. Buyck explained that this section delineated the mission, role and scope of the Board of Visitors; he was proposing to add nominations to that group from the two gubernatorial members because he believed those two additions would strengthen the Board of Visitors.

C. Page 53, line 1320, insert after the word "Visitors" the language "and as an ex officio member thereof." Mr. Buyck advised that under the Board of Visitors section, it stated that the University Secretary will serve as Secretary of the Board of Visitors and that the Vice President for University Advancement and the spouse of the President shall serve as ex officio members. He believed that it would be appropriate to have the Secretary of the Board of Trustees who served as Secretary of the Board of Visitors also be an ex officio member.

D. Page 55, line 1372, change "officer" to "officers" for the purpose of continuity. Mr. Loadholt noted that the committee would accept the change as proposed.

Mr. Buyck moved to incorporate these suggestions into the proposed revised Bylaws. Mr. Bradley seconded the motion. The vote was taken, and the motion carried.

Chairman Adams called for a vote on the Committee motion as amended (the Bylaws including the addition of Mr. Buyck's suggestions as approved in the previous motion). The vote was taken, and the motion carried.

Secretary Stepp announced that these proposed amended Bylaws will be on the agenda of the April 20th Board of Trustees meeting for final approval.

IV. REPORT OF THE ALUMNI ASSOCIATION: Chairman Adams called on Mr. Bethea who reported that Alumni Association staff and various members of the USC Legislative Liaison team will attend a high level meeting of volunteers for the Community Action Network in Greenville on February 13th. The Community Action Network, as he explained, was a cooperative effort between the Association and the University's Governmental Affairs to recruit alumni volunteers in order to interact with members of the General Assembly from their area of the state to ensure that legislators clearly understood Carolina needs and priorities. The meeting in Greenville will share USC's legislative agenda and University highlights with a group of carefully selected volunteers who will assist in this Community Action Network effort. Past President Rita McKinney was helping to guide this effort. In addition, Mr. Bethea invited everyone to mark their calendars for the annual USC Day at the Statehouse which was scheduled for the last Wednesday in March.

The Alumni Association will be in Spartanburg for an educational social on March 13th. Mr. Bethea expressed gratitude to Toney and Cynthia Lister who had graciously agreed to be part of the Host Committee for this event; a member of the School of Public Health Faculty will speak.

The Association will return to Greenville on April 24th for an Alumni Reception in conjunction with Dr. Sorenson's Bow Tie Tour on that day.

On the student membership front, Mr. Bethea was pleased to report that student membership was at an all time high with over 4,300 memberships following last week's organization fair.

The Annual Meeting of the Alumni Association will be held in conjunction with its Board of Governor's Meeting on March 3rd. All Association Members were welcome to attend.

And, finally, Mr. Bethea noted that on March 23rd a number of former Student Body presidents will be on the Columbia campus to attend the installation of new student government officers. Incoming, outgoing and former leaders will gather for lunch to talk about "then and now"; on the following day, past presidents will form a panel to share their leadership experiences with the newest generation of elected student leaders.

V. REPORT OF OUTGOING STUDENT GOVERNMENT ASSOCIATION PRESIDENT TOMMY PRESTON:

Chairman Adams called on Mr. Tommy Preston who commented that it was a bittersweet day for him because he was attending the last full Board meeting as the Student Body President at Carolina. "It has truly been an honor to serve in that capacity at Carolina and I often laugh at the fact that a boy who grew up in Clemson would eventually become USC Columbia's SGA President. It has been a wonderful experience and it is something I will cherish for the rest of my life."

He noted that when he became president he had pledged to the students that he would work hard to make a difference.

Mr. Preston highlighted various Student Government accomplishments during his administration. He stressed that his associates including members of the Student Senate, the Cabinet and the Freshman Council worked very hard every day on behalf of the student body.

Student Government goals for the year were organized into eight specific areas. One of the areas addressed was the cost of textbooks. Student government members discussed with professors ways to make textbooks more affordable. Through collaboration with the bookstore, professors were encouraged to submit their book orders on time.

Currently the Student Government Association was working with the General Assembly to draft legislation which would require publishers to disclose the price of textbooks to professors. Currently, a publisher may talk to professors about adopting a book without listing the price. However, states such as Connecticut passed legislation requiring those publishers to disclose that information. On a national level, the SGA assisted in raising attention to this issue by holding a major campaign on campus.

In addition, the organization was working with Dean Willis and his staff to reserve highly expensive textbooks in the library.

Another area of concentration involved working with government officials. A University Congressional Advisory Board, the first one in the country, was established during Mr. Preston's administration. Last year twelve students traveled to Washington to talk about national issues. They met with the entire congressional delegation supporting the initiatives of President Sorensen and the University as well as officials from the White House and the Department of Education. Next month, another group of students will again travel to Washington to engage in conversations with various officials.

In addition, Student Government worked with the mayor to improve lighting on campus.

The organization also helped President Sorensen increase the state's financial assistance to the University. This year, with the assistance of Mr.

Preston, the president delivered his message to the Ways and Means Committee in the State House (another example of the partnership between Carolina students and administrators.

Mr. Preston also referenced the meeting with Governor Mark Sanford opposing his tuition cap proposal. "During my first day as president, I went over to the State House and met with the governor opposing that plan. We were given a lot of media attention because of that, which again shows that students and administrators are working together on a common goal."

Mr. Preston listed several other examples of Student Government accomplishments during the previous year:

- Expanded the use of the CarolinaCard on campus to include additional restaurants, the Williams-Brice Stadium, the Colonial Center and other locations.
- Worked with library officials to provide 24-hour access to the library.
- Supported "Healthy Carolina" to ensure that students remained healthy.
- Addressed a variety of athletic concerns including ticket distribution, student behavior at athletic events and promoting athletic events that traditionally students did not attend.
- Assisted in discussions about building a new health center.
- Improved the quality of call boxes on campus and, with Rick Kelly's assistance, worked with the USC Police Department to create a Campus Patrol Officer Program composed of students who are part of the Criminal Justice department.
- Created a television station - SGTV - similar to CSPAN.
- Created a training program to help University police deal with concerns involving disabled students.
- Permanently funded the *USA Today* Readership program to provide that newspaper to students on a daily basis.
- Provided an efficient library shuttle service to ensure that students will be transported safely to their dorms during early morning hours. Shuttles were also available to transport students to athletic events and to the airport during the holidays.
- Promoted the University beyond the campus, hosted the SEC Student Government Leadership Conference.
- Promoted literacy across South Carolina through Cocky's Reading Express.
- Promoted minority outreach by sending minority students across the state to talk to their peers about Carolina.

- Increased the Sustainable Practices at USC by encouraging more recycling on campus; placing more trash cans in the garages; and promoting the use of Styrofoam in the dining facilities.
- Improved academic practices.

In addition, he noted that the Faculty Senate had voted this past week to approve a "Grade Forgiveness Policy" (first ever for the University of South Carolina). A Faculty Senate Student Liaison Committee was also formed to meet once a semester with the Faculty Senate in order to discuss relevant issues.

In closing, Mr. Preston made the following comments:

I would like to go around the table for just a moment and make comments about all of you. Before I begin, I would like to tell you that as a student the first thing that my peers say when I come to Board meetings is 'how did they treat you there.' That is the question I am always asked. I will tell you that I have always been treated equally by the members of this Board and I appreciate that.

Now, I will tell you the first thing I thought about each one of you this morning.

Mr. Adams is a very honorable man. We had the opportunity to spend some time together in Laurens a few months ago. The stories you told me about your time here at Carolina are memories I will cherish for the rest of my life.

Mr. Loadholt and Mr. Lister are the comedians of the Board of Trustees. I have had a wonderful time spending time with them and their wives on our Board trips and learning some great things from them.

Mssrs. Bahnmuller, Bradley and Wienges are those gentlemen who have inspired me. Your wisdom is something that I will also cherish for the rest of my life.

Mr. Bethea is a person I consider such a nice man and has a wonderful partnership with his wife, Paula. It has been great to have both of you as friends.

Mr. Buyck is probably one of the most generous men I have ever met. We were on our Board trip to Vanderbilt and I saw a hat that Mr. Fields had on (a Carolina hat he had bought) and I was admiring the hat. As we were getting onto the bus after the game, Mr. Buyck gave me one of those hats he had purchased. So, I wear this hat with pride.

Mr. Fields is my buddy from the Upstate. We all share a love for Carolina, but you don't know how hard it is to be from the Clemson area and have to deal with those folks. This year I would say we had a great holiday season to be able to say to those people we beat the Clemson Tigers in football.

The personal relationship that I gained with Mr. Foster, his wife and sons are another example of things I will cherish for the rest of my life.

I don't think we could have asked for a better Chairman of the Student-Trustee Liaison Committee than Mr. Jones. You have been a great help and I look forward to working with you to continue to make that committee grow.

Ms. Moore is not here today but I think we all can say that her generosity and compassion for her state is something that continues to help us.

Dr. Floyd's service to our country is profound. As a political science student sitting in a class learning about the United Nations this year, I was able to raise my hand and say, 'hey, we have a South Carolinian who is serving as an ambassador to that organization. That is something we can be proud of.'

Mr. Mungo and I have had some very interesting conversations at football games. I was always happy to be able to come to the football games early and the two of us would sit down and talk about the history of South Carolina. Those are memories I cherish.

Mr. Staton and Mr. von Lehe are the two members of the Board I met initially when I was treasurer of the Student Body. They approached me and welcomed me to the leadership at Carolina.

Mr. Warr is a very nice man and I have enjoyed talking with him.

What I will most remember about Mr. Whittle is his leadership and community involvement.

And finally, Gene Reeder has become a good colleague of mine and a good friend.

To Dr. Sorensen and the other administrators here today and to those who could not attend, it is a great pleasure to work with you. No one can say that you don't care about the students at this university and that you don't work hard everyday to make sure that we have the best education that we deserve. Thank you for all you do.

With that said, I can tell you that I have learned something from each of you especially the attorneys on this Board whom I hope to join in the Bar Association some day. Let me again express how much all of you mean to me. It has been an honor to serve with you. Even though I am the young guy of the group, you have always made me feel like an equal. Even though there is a difference between our ages, there is one thing that binds us together and that is our love for this university.

I truly believe that God has a way of blessing people because he blessed each of us by bringing us to Carolina. Farewell to all of you. It has been a pleasure to serve with you and may God continue to bless this university.

Chairman Adams stated that he believed that Mr. Preston was one of the most outstanding presidents of the Student Body since his 23 year association with Carolina as a member of the Board of Trustees. He praised Mr. Preston's dedication and expressed that it had been a pleasure working with him. He further noted that the Board would recognize Mr. Preston in an appropriate manner during the April meeting.

VI. REPORT OF THE PRESIDENT: Chairman Adams called on President Sorensen who echoed his sentiments regarding Mr. Preston. He commented that during his 40 year association with higher education, he had worked with 40 different student government association presidents. "I have never known a student government president who worked harder, who is more articulate, more thoughtful, more passionate about a university in which he is involved than Tommy Preston." President Sorensen also believed that most student government leaders did not realize that university administrators, as well as their respective boards of trustees' members, held the same goal - to make the institutions which they served the best and to work tirelessly toward improvement. He applauded Mr. Preston for his efforts to bring together university leaders and the student senate.

At this time, President Sorensen made the following comments:

I have, with the approval of the Board of Trustees, developed a number of plans for the next five years, which we are in the middle of implementing. I want to begin my presentation today by reviewing the goals that I presented to you in February of 2006 and then see how we have done so that you can see evidence of whether I am or am not achieving with the team, that I have the pleasure of leading, the goals that we set.

President Sorensen displayed a chart outlining a comparison of the fifteen elements used in *U.S. News and World Report* rankings from 2004-2006 and continued:

The first line indicates the fall freshman enrollment. Beginning the fall 2005-2006, we had 3,734 freshmen and I proposed that we have 3,600 for the next year. We actually enrolled 3,694 so the enrollment dropped a total of 40.

Next year, I am proposing 3,600 as the goal to enroll in the Fall 2007. All freshmen includes summer and spring semester enrollment. We had 3,875 in the Fall of 2005; I proposed a 50 person increase to

3,925. We actually dropped 42 or 3,833. I am predicting an enrollment of 3,900 for next year.

I want you to understand that we are doing something that, to the best of my knowledge, is not being done at any other public university in the United States. We are improving the quality of the students as measured by their test scores and their grade point averages and we are increasing the size of the entire student body. It is easy to increase the size of the student body by lowering admission requirements; but if you raise admission requirements and raise the size of the entire student body -- and our student body is actually up nearly 300 from what it was in 2005 -- that is very difficult. So, we have increased the student body, but we have also increased simultaneously the test scores and the grade point averages.

How do we do that? We do it in two ways. We are getting more transfer students coming in. We are aggressively encouraging people who can't meet the requirements for incoming freshmen to attend another institution, preferably one of the USC institutions, for some time and then to transfer here. We are also increasing retention so that when students are enrolling here, a higher proportion are staying here and staying on to graduate.

The first quartile SAT score of 1050 in the Fall of 2005 signifies that 25 percent of the students in our freshman class that year had SAT scores lower than 1050. I proposed for the next year that we raise it by 10 points and we actually achieved that goal. I am proposing next year that we raise it 10 more points to 1070.

The third quartile score means that 25 percent of the students enrolled have scored higher than that. So, 1250 in the Fall of 2005; I proposed going up 10 points by this past fall and it actually went up to 1280. So, we are above the goal that we set for 2007-2008.

Freshman/Sophomore Retention is the percent of freshmen who begin as freshmen and return as sophomores. It was 83 percent in the Fall of 2005. I proposed that it increase to 84 percent, but it actually went up to 86 percent so we have achieved the goal we established for 2007-2008 a year early.

There was a slight drop in Doctorates Awarded in 2005-2006. We need to make our stipends to Ph.D. students more competitive.

I have also wanted to lower the student/faculty ratio. I wanted to have fewer students per faculty member so that we can have a greater number of smaller classes. In the Fall of 2005, we had 18 students for every faculty member; I proposed that we go to 17½ for this past fall and next fall, 17 to 1. We are actually 16.9 to 1 so we have done better than the goal.

It is important to me that we keep a high proportion of undergraduate students in state. We actually had 80 percent in the Fall of 2005; I proposed 79 percent and it actually turned out to be 78 percent. I am proposing that we keep it at 78 percent next year.

For Alumni Giving, we had 22 percent in the Fall of 2005; a year later it increased to 23 percent. I am hoping that next year it will go to 24 percent.

Mr. Wienges asked about those applicants who attended rural interior schools.

In response, President Sorensen explained that a holistic admissions process had been introduced. In his recent *State of the University* address, President Sorensen had described a student with poor test scores and grades who lived in a rural area. Every year while he was in high school, the student's mother had undergone surgery; his father was no longer a part of the family. The student was the only source of help for his mother, who could not afford nursing care. He fell into the category of students who earned scores in the 25th percentile. President Sorensen advised that he was attending the University as a nursing student on a scholarship and was doing very well. Therefore, through the holistic admissions process the University was able to admit this individual.

Last year I gave you the rankings of the "top ten" programs at our University. At that time we had ten programs in the top ten in the nation. International Business is number 1 in the country according to *U.S. News and World Report*. The graduate program for School Library

Media is number 2; the Ph.D. program for Philosophy of Physics is ranked 3.5; Health Education is ranked number 5; Marine Science is number 5; Health Librarianship is number 8; Services for Children and Youth is number 8; Exercise Science is number 8; Advertising is number 8; Hotel, Restaurant, and Tourism is number 8; and Public Relations is number 10. Therefore, we now have 12 programs ranked in the top 10 nationally.

Ph.D. programs throughout the United States are ranked every several years by the National Research Council. They are having various internal organizational problems and they have not published these rankings since 1995. There has been considerable discontent among graduate programs throughout the country.

In response, a group of faculty members under the leadership of a professor at State University of New York at Stony Brook, formed an organization called Analytics Academics which ranked 104 areas of Ph.D. programs across the United States. There has been some question about their methodology, so I have not included their rankings in this report. However, five of our Ph.D. programs are in their top ten nationally. We are the only university in the state that has programs in the top ten nationally of this rankings system.

Kinesiology and Exercise Science is number 1; Marine Biology and Biological Oceanography is number 6; Physical Oceanography is number 8; Clinical Psychology is number 8; and Nuclear Engineering is number 10. Therefore, if you included their rankings, we would have 15 programs in the top 10 throughout the entire United States.

In addition, I gave you last year the programs that were ranked from 11-30 in the United States. They are the Entrepreneur Program; Public Relations; Social Psychology; Social Psychology Graduate Program; Philosophy of Science; Advertising Graduate Program; Advertising; Library Science Graduate Program; Chemistry and Biochemistry Ph.D programs; Chemical Engineering (money spent on chemistry research); Chemical Engineering (Ph.D. production - number of Ph.D.s graduated); and Chemistry and Biochemistry (Federal Grant Support).

And, finally, there is philanthropic support. I want to be evaluated not only on our academic excellence, but on how well we do securing support for the University. For Gifts, Gifts-in-Kind, Pledges and Planned Gifts for the period July 1 - December 31 of 2005 (which are the first six months of that fiscal year), we raised \$21.1 million and during this year's (2006) comparable period, we raised \$31.6 million - an increase of 57 percent of giving to the University.

It is also terribly important to recognize that we had a much larger number of donors. We went from 13,119 people who gave money to us during that period in 2005 to 14,539 - an increase of 11 percent.

Another critical number is the number of donors making gifts or commitments of \$100,000 or more. We had 31 during that period in 2005 and then it went up to 42, or a 35 percent increase 1 year later.

For the Gamecock Club, money given for physical facilities, for the first six months of the fiscal year beginning July 1, 2005, slightly more than \$303,000 was given; that amount one year later was \$11,821,000 or an increase of 3,791 percent. That reflects Mrs. Anderson's \$5.5 million gift. In addition, we are working on 2 multi-million dollar gifts that I hope will be announced within the next 2 or 3 months for athletics support.

Another interesting datum concerns the Directors of Development contacts with major gift prospects. The number of visits has gone up. I want to commend Brad Choate and Michelle Dodenhoff for their aggressiveness in working with their staff to increase the number of development prospects and the number of 'presenting visits' to prospective donors.

And then, finally, the number of major gift prospects with the capacity to give very large gifts went from 141 to 159, or a 13 percent increase.

In sum, I want to tell you that I am very grateful for the support that you give. The master plans are of paramount importance to the University's future and the Board of Trustees, through your thoughtful implementation of them, is living up to our historic mandate to be a faithful index to the ambitions and fortunes of the state.

I think it is an exciting time at the University and maintaining the momentum that we are building up, of which I have given you empirical evidence, is absolutely critical. We all need to work together in order to make wonderful things happen.

Thank you very much, Mr. Chairman.

Mr. Buyck congratulated President Sorensen for the many accomplishments at the University described in his presentation. He hoped that in the future the departments of History and English would also receive national recognition. President Sorensen advised that Dr. Mary Anne Fitzpatrick, Dean of the College of Arts and Sciences, had requested from the Provost an expansion of the number of faculty in both areas.

VII. OTHER MATTERS: Chairman Adams called on Ms. Elizabeth West, University Archivist, to discuss the significance of the items of décor in the new Board Room Suite.

Secretary Stepp commented that the Board had been meeting in this room since February 2005 and the "finishing touches" were nearly completed. He had enjoyed working with Ms. West to create an atmosphere which was dignified and suitable but not extravagant. In addition, he noted that she had recently published a pictorial book about Carolina and had acquired a vast historical knowledge of the University.

Ms. West thanked everyone for the opportunity to discuss the project and to describe the images displayed on the Board Room walls. Selections were made based on attractiveness and historical significance to the University. On the "document wall" the centerpiece was a reproduction of the very first page of the University's Charter - the handwritten act to establish the South Carolina College in 1801. To the left were two reproductions of commencement programs from 1812 and 1852. Ms. West noted that commencements, then as now, were very elaborate affairs. An image of a catalogue from 1831 listing the current Board members was also displayed (names included such notables as DeSaussure, Preston, Harper and Pinckney). The 1836 additions to the College Laws adopted by the Board of Trustees was another document. Required was presidential approval to visit a tavern; also listed was a ban on smoking in public rooms or halls of the College, the campus or the streets of Columbia.

To the right of the centerpiece was another grouping including two other commencement programs selected because of the significance of events in those years. The other two items were reproductions of exams: one in 1855 from Professor Francis Lieber and an 1873 examination for graduation in surgery.

On another wall were two aerial views of the campus: one from 1940 and the other from 2006 which provided a stunning physical contrast of the campus as well as Columbia.

For the back wall an image of McKissick circa 1942 had been selected. In that year the building housed the main library; the newly established Naval Color

Guard was pictured marching in front. This picture was flanked with modern shots of the University Gates located at the entrance to the Horseshoe.

Ms. West also described the historical significance of the various pictures which bordered the gallery seating area as well as those images which were displayed above the refreshment counter.

In the adjoining committee room several well known images of South Carolina history were highlighted as well as selected Audobon wildlife prints and Pope Brown watercolor prints.

The almost completed dining room collection will contain a variety of University images; the largest ones will display Horseshoe buildings primarily from 1875; also included will be a panoramic view of the Horseshoe.

Chairman Adams thanked Ms. West for her interesting presentation and, on behalf of Board members, expressed appreciation for her dedication.

Since there were no other matters to come before the Board of Trustees, Chairman Adams declared the meeting adjourned at 3:15 p.m.

Respectfully submitted,

Thomas L. Stepp
Secretary