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University of South Carolina

BOARD OF TRUSTEES

April 24, 2020

The University of South Carolina Board of Trustees met at 11:30 a.m. on Friday, April 24, 2020, by telephone conference hosted from Room 206-B of the Osborne Administration Building.

Members participating by telephone were Mr. John C. von Lehe Jr., Chair; Mr. Hubert F. Mobley, Vice Chair; Mr. C. Dan Adams; Mr. J. Egerton Burroughs; Mr. A. King Dixon II; Mr. Robert F. Dozier; 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 M. Spearman; Mr. Eugene P. Warr Jr.; Mr. Thad H. Westbrook; Mr. Mack I. Whittle Jr.; and Mr. Charles H. Williams. Mr. Chuck Allen participated in person.

Also participating by telephone were USC Columbia Faculty Senate Chair Dr. Mark Cooper, USC Columbia Student Government President Ms. Issy Rushton, and Strategic Advisor to the Board Mr. David Seaton.

Others participating in person were President Robert L. Caslen Jr., Secretary J. Cantey Heath Jr., General Counsel Mr. Terry Parham; Assistant Vice President and Chief of Staff for Division of Administration and Finance Mr. Joe Sobieralski, Interim Chief Communications Officer Mr. Jeff Stensland, and Executive Vice President and Chief Financial Officer Mr. Ed Walton.

Other participating by telephone were Presidential Faculty Fellow Dr. Susan Bon, President's Chief of Staff Mr. Mark Bieger, Director of Special Events Ms. Pam Bowman, President and CEO University Foundations Mr. Jason Caskey, Executive Director for Strategic Initiatives Mr. Jack Claypoole, USC Upstate Chancellor Dr. J. Derham Cole, Chief Audit Executive Ms. Pam Dunleavy, Palmetto College Chancellor Dr. Susan Elkins, Interim Chief Development Officer Mr. Will Elliott, Associate Vice President for Finance Ms. Kelly Epting, Dean of the College of Arts and Sciences Dr. Lacy Ford, Chief Information Officer Mr. Doug Foster, University Architect Mr. Derek Gruner, Interim Vice President for Academic Affairs and Provost Dr. Tayloe Harding, Alumni Association Chief Executive Officer Mr. Wes Hickman, USC Aiken Chancellor Dr. Sandra Jordan, Assistant to the President for System Affairs Mr. Eddie King, Director for the Office of Economic Engagement Mr. Bill Kirkland, Director of State Government Relations Mr. Derrick Meggie, USC Beaufort Chancellor Dr. Al Panu, Vice President of Research Dr. Prakash Nagarkatti, Chief Operating Officer Mr. Jeff Perkins, Vice President for Student Affairs Dr. Dennis Pruitt, Executive Assistant to the President Equal Opportunity Programs Mr. Clifford Scott, Special Assistant to the President Mr. James Smith, Athletics Director Mr. Ray Tanner, the Reverend Tom Wall and Board of Trustees Staff.

OPEN SESSION

I. Call to Order

A. Welcome and Introductions

Chair von Lehe called the meeting to order and invited those present in the room to introduce themselves. Secretary Heath confirmed those participating by telephone.

Mr. Jeff Stensland introduced the press participating by phone as Lucas Daprile and Ben Briner with *The State*, John Whittle and Hale McGranahan with TheBigSpur.com, Collyn Taylor and Wes Mitchell with *Gamecock Central*, David Klinger and Jessica Holdman with *The Post and Courier*, Josh Kendall with *The Athletic*, Tyler Fedor with *The Daily Gamecock*, and Emily Correll with WLTX.

Chair von Lehe stated notice of the meeting and the agenda had been posted and the press notified. The agenda and supporting materials had been circulated, and a quorum was present to conduct business.

B. Invocation

Reverend Tom Wall with the Methodist Campus Ministry delivered the invocation.

II. Committee Consent Agendas

A. Building and Grounds Committee – April 24, 2020

Chair von Lehe stated the Building and Grounds Committee met earlier in the day and recommends full Board approval of all items listed on the Committee's Consent Agenda as posted on the Board Portal. Hearing no objections to this single motion, a vote was taken, and motion carried. All items were approved, and the Committee's detailed written report follows:

BUILDINGS AND GROUNDS COMMITTEE

(The Honorable William C. Hubbard, Chair)

Written Report for Consent Agenda

April 24, 2020

The Buildings and Grounds Committee met earlier in the day and recommends full Board approval of all items in this report.

A. Phase II Approval

– Taylor House Maintenance Renovation

To fund Phase II design and construction for a total project budget of \$1,630,000 and will be funded with \$1,130,000 of private gifts and \$500,000 of Institutional Capital Project Funds.

B. Other Approvals

1. 2020 Comprehensive Permanent Improvement Plan

Approval is requested for the 2020 Comprehensive Permanent Improvement Plan. Individual projects will be presented to the USC Board of Trustees for approval at the appropriate time in accordance with the Five-Year Capital Improvement Plan.

2. Coker Life Sciences Building Roof Replacement

To establish and fully fund this project with a budget of \$825,000 to be funded with Institutional Capital Project Funds.

3. USC School of Medicine Columbia – Medical Park Building #15 Roof Replacement

To establish and fully fund this project with a budget of \$500,000 to be funded with \$321,589.13 of School of Medicine Institutional Capital Project Funds and \$178,410.87 of remaining appropriated State Lottery Funds.

4. USC School of Medicine Columbia – Medical Park Building #15 Chiller Replacement

To establish and fully fund this project with a budget of \$500,000 to be funded with School of Medicine Institutional Capital Project Funds.

II. Gift Naming Opportunity

As approved and recommended by the Gift Naming Opportunities Committee at its meeting on April 13, 2020.

— USC Upstate: Lee and Brad Poole Aquatics Center

This concludes the report of the Buildings and Grounds Committee.

B. Executive and Governance Committee – April 24, 2020

Chair von Lehe stated the Executive and Governance Committee met earlier in the day and recommends full Board approval of all items listed on the Committee's Consent Agenda as posted on the Board Portal. Hearing no objections to this single motion, a vote was taken, and the motion carried. All items were approved, and the Committee's detailed written report follows:

Executive and Governance Committee
(The Honorable John C. von Lehe, Jr., Chair)

Written Report for Consent Agenda

April 24, 2020

The Executive and Governance Committee earlier in the day and recommends full Board approval of the following items:

– Contracts and Gift Agreements Valued at \$750,000 and Above

A. Global Content Delivery Agreement – Shorelight Educational, LLC

A Global Content Delivery Agreement with Shorelight under which Shorelight will establish Global Study Centers for international students to enroll in academic programs approved by USC. Revenues from the tuition paid by these students will be split between USC and Shorelight. USC estimates that it may receive revenues up to \$16,000,000 during the 5-year contract term.

B. Gift Agreement – Xpoda Educational Software

A gift from Xpoda to the College of Engineering and Computing of 500 licenses for educational use of its no-code business application software and on-premises enterprise engine for a 5-year period. The value of the gift is \$1,320,000.

C. Enrollment for Education Solutions Agreement – Microsoft

An agreement with Microsoft to allow all faculty, staff and students on

all USC system campuses to use Microsoft products for a 3-year term. The cost of the contract is approximately \$2,625,000.

D. Lease Agreement – South Carolina Emergency Management Division

A lease agreement to allow the South Carolina Emergency Management Division to use the USC Volleyball Complex as surge space in the event area hospitals experience a shortage for beds for coronavirus patients. USC will be reimbursed for all costs and expenses incurred as a result of SCEMD's use of the space.

E. ESIMULATIONiQ - Education Management Solutions, LLC

A software licensing agreement with Education Management Solutions, LLC to provide patient simulation and audio-video recording for medical students at the School of Medicine in Greenville. The term of the agreement is 5 years. The total cost is \$834,910.

This concludes the consent agenda report of the Executive and Governance Committee.

III. Ad Hoc Advisory Committee on Strategic Planning Update

Chair von Lehe called on Mr. Thad Westbrook, Chair of the Ad Hoc Advisory Committee on Strategic Planning, for an update.

Mr. Westbrook advised the President's Strategic Planning Group has continued to work on a long-term Strategic Plan for the University. However, with the onset of the COVID-19 pandemic and the work of the Future Planning Group, the President is evaluating short term issues that need to be addressed concurrently with the Ad Hoc Advisory Committee on Finance. The Ad Hoc Advisory Committee on Strategic Planning anticipates receiving a proposal from University Administration on priorities and goals in May. The Committee will have an opportunity to review the report before a tentative called Committee meeting on May 22, 2020.

IV. Report of the President

President Caslen provided updates in three specific areas. The first includes the Future Planning Group's effort to assess and analyze the impact of COVID-19 on the University for Fall 2020 and beyond. The second as directed by Trustee Whittle, provides an update on the current Administration organizational chart. The third as directed by Trustee Moody, provides a briefing on military programs.

A. Future Planning Update

The Future Planning Group consists of seven groups assembled to assess the impact of COVID-19 on the University. The first group consists of Public Health and Medical personnel identified to project, predict, and perform disease modeling. The objective is to refine the medical and public health recommendations and model the respective impact to campus populations. The second group consists of Admissions and Enrollment personnel identified to assess recruiting, education, and housing scenarios for undergraduates, graduates, and post-graduates. The third group consists of Academic and Research personnel identified to assess in-person and virtual classroom capability. The fourth group consists of Finance personnel identified to assess the financial impact on the University and provide informed financial modeling. The fifth group consists of Risk Management and Public Safety personnel identified to determine the safest ways to repopulate campuses and implement virus risk reduction strategies. The sixth group consists of Communication personnel identified to create a comprehensive communication plan targeting key stakeholder to ensure timely and transparent communications. The seventh group consists of Athletic personnel identified to assess the impact on Athletic operations and provide scenario

modeling for informed decision making. President Caslen provided an update on current Future Planning Group assessments and cost containment strategies already in place. He advised the goal was to evaluate results for further decision making by May 15 or no later than June 15, 2020.

Dr. Smith asked President Caslen to provide an update at the next Board meeting on efforts to review the University's at-risk academic areas, continued cost containment measures and strategies for revenue protection. Possible Fall football season scenarios were discussed among Trustees, President Caslen and Athletics Director Ray Tanner.

B. University Organizational Structure Update

President Caslen provided an overview and history of the Administration's organizational chart during his tenure. He first presented the organizational chart that existed when he became President in August 2019. President Caslen compared the August 2019 organization to the current organization reporting to the University President. He reviewed details and rationale behind changes implemented and entertained questions.

Dr. Smith stated the Chief Audit Executive position reporting to the Board may have a dotted line to the President but emphasized the organizational chart should depict this position as a direct hire of the Board of Trustees. Ms. Moody asked for a breakdown on diversity of new hires. President Caslen reviewed the diversity of staff hired. Mr. Williams asked if cost containment measures are being addressed when adding additional administrative staff. President Caslen stated he believed in flat

organizations and referenced a book titled “*The Starfish and the Spider.*” Flat organizations have the advantage of shared guidance and strong performance. He confirmed cost containment was important and understood the Board’s concern. He explained the role of the cross-functional External Affairs Team. President Caslen advised the Vice President of Development and Vice President for Communications positions will report directly to the President. The Military and Veterans Program was not identified in the previous organizational chart and is a new area reporting to the Special Assistant to the President. This unit is necessary to expand Department of Defense related research, establish the SC Cyber Center, and build up veterans’ programs and partnerships with other military installation programs across the state.

C. Military and Veterans Programs

President Caslen called on Special Assistant to the President James Smith for an overview of Military and Veterans Programs. Mr. Smith explained that military and veteran students are important because they boost every metric higher education uses to measure success including: 1) increase in GPA, 2) increase in success rates, 3) increase diversity and minority representations, 4) increase in federal funding through VA benefits or Department of Defense, and 5) increased shared life experiences, which enriches the classroom. The group consists of Veterans, Active Duty, Guard, Reservists, Dependents and ROTC. The University Columbia campus is home to approximately 2,000 military-affiliated students. In fiscal year 2018-19 this community accounted for economic impact of \$10.7 million.

The mission of the Military and Veterans Programs is to serve the University System by advocating, promoting, and serving military and veteran students which will

forge strong relationships among military, veteran, civilian and academic cultures. The motto is “Serving Those Who Serve.” Mr. Smith reviewed the organizational structure of the unit and recent accomplishments. The future vision for the unit includes a one-stop shop for military and veteran student services center (both physical and virtual). The focus includes admissions, enrollment, veteran benefits, counseling, and a VA Representative all under one roof and one access point on the internet. This will enhance efforts to manage military engagements and veteran’s initiatives. Mr. Smith reviewed important next steps to accomplish the mission and future vision of the unit.

Dr. Smith asked for enrollment numbers for system campuses on local military bases and for enrollment cost comparison metrics to online only schools such as Webster. Mr. Smith advised the University is competitive with smaller online only schools. He will provide further metrics at a future meeting. President Caslen advised he has studied the University’s academic programs with military installations across the State. He was most impressed with USC Aiken’s work with Fort Gordon. However, he stated the University is behind at Fort Jackson and Shaw Air Force Base and this is a tremendous market.

Chair von Lehe thanked President Caslen for his presentation and stated it was received as information.

IV. Vice President for Communications

Chair von Lehe called on President Caslen for his recommendation of candidate for the Vice President for Communications.

President Caslen recommended Mr. Larry Thomas for the Vice President for Communications. Mr. Thomas graduated from the University of South Carolina with a Bachelor of Science in Journalism. He earned a Master of Public Administration from Valdosta State University. He is a seasoned corporate communication executive with more than 30 years' experience in leadership roles across oil and gas, government, maritime and defense sectors. President Caslen recommended a salary of \$235,000 and stated Mr. Thomas will start May 15, 2020 pending Board approval.

Chair von Lehe called for a motion to approve Mr. Larry Thomas for the appointment of Vice President for Communications. Dr. Smith so moved, and Mr. Burroughs seconded the motion. A vote was taken, and the motion carried.

V. Other Matters

Chair von Lehe called on Faculty Senate Chair Dr. Mark Cooper. Dr. Cooper read a resolution affirming the Faculty's commitment to work with the University Board of Trustees and President Caslen. Chair von Lehe thanked Dr. Cooper and stated the resolution was received as information.

Chair von Lehe provided an update on Board of Trustees Governance. He advised a Board policy was adopted to protect the University from undue influence. An annual Oath of Office has been adopted. The Board formed a separate Ad Hoc Advisory Committee on Governance. An Ad Hoc Advisory Committee on Finance was formed to work with University Administration and the President's Future Planning Group. The Board has hired a Governance Consultant to assist in implementing Governance reforms.

V. Adjournment

There be no other matters for discussion, Chair von Lehe adjourned the meeting at
1:02 p.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "J. Cantey Heath, Jr.", written in a cursive style.

J. Cantey Heath, Jr.
Secretary