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University of South Carolina

BOARD OF TRUSTEES

October 22, 2004

The University of South Carolina Board of Trustees met on Friday, October 22, 2004, at 10:35 a.m. in the Campus Room of the Capstone House.

Members present were: Mr. Mack I. Whittle, Jr., Board Chairman; Mr. Herbert C. Adams, Board Vice Chairman; Mr. Arthur S. Bahnmueller; Mr. James Bradley; Mr. Mark W. Buyck, Jr.; Dr. C. Edward Floyd; Mr. Samuel R. Foster, II; Mr. William C. Hubbard; Mr. William W. Jones, Jr.; Mr. Toney J. Lister; Mr. Miles Loadholt; Ms. Rita M. McKinney; Mr. Robert N. McLellan; Ms. Darla D. Moore; Mr. Michael J. Mungo; Mr. M. Wayne Staton; Mr. John C. von Lehe, Jr.; Mr. Eugene P. Warr, Jr.; and Mr. Othniel H. Wienges, Jr. Mrs. Inez M. Tenenbaum was absent. The faculty representative, Dr. James Augustine, was present; the student representative, Mr. Zachery Scott, was absent.

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 Information Technology and Chief Information Officer William F. Hogue; Vice President for Research and Health Sciences Harris Pastides; Vice President for Advancement T.W. Hudson Akin; Vice President for Human Resources Jane M. Jameson; 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 Union James W. Edwards; Associate Provost for Institutional Outreach and Dean of The Graduate School Christine Ebert; Dean of the College of Pharmacy Farid Sadik; Interim Dean of the College of Liberal Arts John V. Skvoretz; Dean of the College of Hospitality, Retail, and Sport Management Patricia G. Moody; Associate Provost and Dean of Undergraduate Studies Karl G. Heider; Associate Vice Provost for Regional Campuses and Continuing Education Carolyn A. West; University Architect and Director of Campus Planning and Construction, Division of Business and Finance, Charles G. Jeffcoat; Director of Student Development and University Housing, Division of Student Affairs, Gene Luna; Director of the Department of Internal Audit Alton McCoy; Professor in the College of Pharmacy and Chair-Elect of the Faculty Senate C. Eugene Reeder; Professor in the Department of Theatre and Dance,

College of Liberal Arts, Susan Anderson; Assistant Treasurer Susan D. Hanna; Executive Assistant, Campus Planning and Construction, Donna Collins; Public Information Officer, Office of Media Relations; Karen Petit; Baptist Campus Minister, Baptist Student Center, Jane Y. Poster; Dean Emeritus of the College of Pharmacy Julian H. Fincher; Clinical Associate Professor and Associate Dean, College of Pharmacy, Wayne E. Buff; Associate Professor and Assistant Dean, College of Pharmacy, L. Clifton Fuhrman; Associate Professor in the College of Pharmacy William E. Lingle; Clinical Assistant Professor in the College of Pharmacy Jill Michels; Clinical Assistant Professor and Director of Experiential Learning in the College of Pharmacy Lewis McKelvey; University Legislative Liaison John D. Gregory; Manager of Instructional Development for Distance Education and Instructional Support, Office of Information Technology, Doris Stephens; Director of the Office of University Communications, Division of University Advancement, Russ McKinney, Jr.; and members of the media; guests of Trustee Adams: Dale Shadden, Joe Shadden, Edward Simmons, Mike Lindley, Patsy Adams, Bill Adams, Mark L. Orcutt, Tara Dean, Chuck Dean, Kevin Dean, Winnie Adams, Byron Brown, Alice Brown, C. Phil Orr, Jr., A.C. "Bubba" Fennell, John Jensen, Ben Correll, Trustee Emeritus Lilly Roland Hall, Trustee Emeritus Paul Goldsmith, Nancy Goldsmith, Billy Strickland, William Porter, Maxine Bass, Bob Dominick, Mary Ellen Champaign, Pat Baughman, Laci Baughman, Kate Orcutt, Ella Gwen Orcutt, Benjamin Orcutt, Donna Verdin, Gene Tucker, Jim Klauber, and Bill Hixon; wife of Chairman Whittle, Jennifer Whittle; wife of Trustee Adams, Gwen Adams; wife of Trustee Loadholt, Ann Loadholt; wife of Secretary Stepp, Sarah Stepp;

Chairman Whittle 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 Whittle welcomed everyone and invited Board members to introduce themselves. Mr. McKinney introduced members of the media who were in attendance. At Chairman Whittle's request, Ms. Jane Poster delivered the Invocation.

Chairman Whittle stated that there were personnel matters with respect to honorary degree nominations, honorary faculty titles, appointments with tenure, a Board of Visitors nomination, additional appointments with tenure, and a contractual matter with respect to a gift naming opportunity which were appropriate for discussion in Executive Session. Mr. Bradley moved to enter Executive Session, and Mr. Mungo seconded the motion. The vote was taken, and the motion carried.

The following persons were invited to remain: Dr. Sorensen, Mr. Stepp, Dr. Becker, Mr. Kelly, Dr. Pastides, Dr. Hogue, Mr. Akin, Ms. Jameson, Dr. Pruitt, Mr. Parham, Dr. Plyler, Mr. Gregory, Mr. McKinney, Ms. Tweedy, and Ms. Stone.

Return to Open Session

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

- A. Executive Committee, August 5, 2004
- B. Executive Committee, August 6, 2004
- C. Board of Trustees, August 6, 2004
- D. Academic Affairs and Faculty Liaison Committee, September 10, 2004
- E. Health Affairs Committee, September 24, 2004
- F. Buildings and Grounds Committee, September 24, 2004
- G. Intercollegiate Activities Committee, September 24, 2004
- H. Fiscal Policy Committee, September 24, 2004

There were no additions, deletions, or corrections to the minutes; therefore, they stood approved as distributed.

II. COMMITTEE REPORTS:

- A. Academic Affairs and Faculty Liaison Committee  
(The Honorable Robert N. McLellan reported)

The following personnel matters had received all appropriate academic and administrative approvals and had been presented to the Academic Affairs and Faculty Liaison Committee and to the full Board in Executive Session without objection.

1. Honorary Faculty Titles: Three requests for honorary faculty titles had been mailed with the materials for this meeting.

The following individuals would be awarded the title Distinguished Professor during their final year of service. That title will change to Distinguished Professor Emeritus effective with their retirement:

- a. Dr. Gary Luoma
- b. Dr. Samuel Young

The following individual was awarded the title Emeritus Professor:

- Professor Wayne Chilcote

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. McLellan moved approval of these three honorary faculty titles. Mr. Hubbard seconded the motion. The vote was taken, and the motion carried.

2. Appointments with Tenure:

a. Dr. Robert Brookshire would awarded tenure at the rank of Professor in the College of Hospitality, Retail, and Sport Management effective with his appointment as Professor.

b. Dr. August Grant would be awarded tenure at the rank of Associate Professor in the School of Journalism and Mass Communications, effective with his appointment as Associate Professor.

c. Dr. Susanne Priest would be awarded tenure at the rank of Associate Professor in the School of Journalism and Mass Communications, effective with her appointment as Associate Professor.

d. Dr. Daniel Stout would be awarded tenure at the rank of Associate Professor in the School of Journalism and Mass Communications, effective with his appointment as Associate Professor.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. McLellan moved approval of these four requests for appointments with tenure as presented. Mr. Bahnmuller seconded the motion. The vote was taken, and the motion carried.

3. Departmental Name Change: Department of Educational Studies, College of Education: The College of Education was requesting that the name of the Department of Educational Psychology be changed to the Department of Educational Studies. This request had received all appropriate academic and administrative approvals.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. McLellan moved approval of this departmental name change as described in the materials distributed for the meeting. Mr. Bradley seconded the motion. The vote was taken, and the motion carried.

4. Program Proposals: College of Liberal Arts:

a. Doctor of Philosophy in Anthropology: The College of Liberal Arts was requesting the establishment of a Doctor of Philosophy in Anthropology. This program proposal had received all appropriate academic and administrative approvals.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. McLellan moved approval of this program proposal as presented. Mr. Buyck seconded the motion. The vote was taken, and the motion carried.

b. Bachelor of Arts in Dance: The College of Liberal Arts was requesting the establishment of a Bachelor of Arts in Dance. This program proposal had received all appropriate academic and administrative approvals.

On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. McLellan moved approval of this program proposal as presented. Dr. Floyd seconded the motion. The vote was taken, and the motion carried.

5. Removal of Honorary Degree Candidate from the Table: On behalf of the Academic Affairs and Faculty Liaison Committee, Mr. McLellan moved to remove the name of Kathy L. Olsen who delivered the August commencement address. Mr. Foster seconded the motion. The vote was taken, and the motion carried.

B. Health Affairs Committee  
(The Honorable John C. von Lehe, Jr. reported)

1. College of Pharmacy: The Health Affairs Committee met on Friday, September 24<sup>th</sup> and approved a proposal regarding the collaborative integration of the USC College of Pharmacy with the MUSC College of Pharmacy. This plan reflected the University's dedication - and President Sorensen's dedication - to dramatically increasing the number of trained pharmacists in South Carolina. Dr. Pastides, Vice President for Research and Health Sciences; Dean Sadik, representing the faculty; and a current student, representing the University's College of Pharmacy student body, wholeheartedly endorsed the proposal.

Therefore, on behalf of the Health Affairs Committee, Mr. von Lehe moved to direct the President and the administration to continue collaborative integration of the USC College of Pharmacy with the MUSC College of Pharmacy including the hiring of an Executive Dean who will have offices on both campuses. The Executive Dean will report to the Boards of both MUSC and USC through the appropriate academic administrative channels for each institution and the presidents of each. This motion recognized that there will be a pharmacy dean on the USC Columbia campus and that the resident Columbia dean will be responsible for day to day operations of the pharmacy program in Columbia as well as its integration into the South Carolina College of Pharmacy. The South Carolina College of Pharmacy will ultimately be operated as a single unit and will be an integral part of both universities. It was understood that the USC College of Pharmacy will retain its independent accreditation by the ACPE (Accrediting Council for Pharmacy Education) until the final class of students admitted under the USC and MUSC programs had been graduated. Dr. Floyd seconded the motion.

Mr. von Lehe called on Dr. Pastides who made the following comments:

I appreciate the opportunity to very briefly reiterate some of the comments that I made at the Health Affairs Committee meeting for the benefit of the full Board and for the visitors who are here.

I believe that we found the specific compromise that is suitable for everyone. We are determined to move forward to increase the quality of education and research, increase the number of graduates while carefully moving through a period of focused planning of curricular integration and admission issues while other important details continue to be discussed.

It is important for me to reiterate that pharmacy education will remain strong and undiminished at USC. The full range of pre-pharmacy and pharmacy education will continue. Applicants will not be told where they must study. There will be a pharmacy dean on the USC campus who will be responsible for day-to-day operations and who will report to an Executive Dean who will have offices on both campuses. The Executive Dean will report to the Boards of both MUSC and USC through appropriate administrative channels.

One day we foresee a single accreditation for the new South Carolina College of Pharmacy. This will occur after the due diligence required to unify the curriculum and to admit a new class of students who will train under the new curriculum. The South Carolina College of Pharmacy will become the accredited program once the final class of students admitted under the current USC program has been graduated. In the meantime, the USC College of Pharmacy will remain independently

accredited by the Accrediting Council for Pharmacy Education. We plan to increase the resources available to our programs by raising funds from donors, from larger research applications, and from supporters of a pharmacy educational presence in the upstate of South Carolina. This integration fits squarely with our Health Sciences South Carolina initiative and pharmacy is likely to be its first real academic winner.

Finally, we know that some level of disagreement or conflict will be inevitable. Therefore, we will develop an advisory board or conflict resolution committee to include the President of the South Carolina Pharmacy Association; the President of the Society of Health Systems' Pharmacists; the Chairman of the South Carolina Board of Pharmacists; and representatives of both colleges and the greater universities.

As you can see, I am wholeheartedly in favor of this period of integration that will lead to a merger.

Dr. Pastides asked Dean Sadik to add his personal comments as indicated below:

I am here today representing the College of Pharmacy. As you recall, on September 24, 2004, we appeared before you on behalf of a motion supporting a proposed plan for integration of pharmacy education with the MUSC College of Pharmacy. It is my intent today to reiterate to you that we are committed to the motion and the five points presented eloquently at that meeting by Dr. Harris Pastides. We respectfully request having the following information included on record with the University of South Carolina Board of Trustees. It is basically a reiteration of what Dr. Pastides mentioned.

1. The USC campus will retain its own dean and retain its independent accreditation from the ACPE until the final class of students admitted under the USC and MUSC programs has been graduated.
2. After the integration, USC will retain its own permanent dean.
3. Students will be allowed to apply and matriculate to the campus of their choice.
4. The President and Administration of the University of South Carolina will use due diligence and a measured process in conjunction with the ACPE for implementation of the motion.

By doing so, this will ensure the success of the motion and alleviate concerns of the students, parents and faculty of the College of Pharmacy. On behalf of the College of Pharmacy faculty, staff, students, and alumni, I thank you for this opportunity to highlight these crucial points for the record.

Dr. Floyd believed that this merger was one of the "great moves ever made by this Board of Trustees." He thanked and complimented the administrations of both schools for their tenacity and foresightedness.

Ms. Moore commended the administration and particularly Dr. Pastides and those individuals in Pharmacy for their insight and vision. She believed that the merger was in the best interest of not only both universities, but also the state because of the "incredible significance of health care."

Mr. Mungo postulated that the 36 institutions of higher learning in South Carolina would experience significant merging activities during the next two decades. He believed that the USC/MUSC pharmacy merger was the forerunner. "Otherwise, we are going to have mediocrity in everything. Reduce the number of institutions and reduce the number of programs and still have better quality education."

Chairman Whittle asked that these comments be shared with MUSC Board members. And, Mr. Mungo suggested that Dr. Pastides' remarks be posted in a prominent place within the College of Pharmacy for all of the students to read in order to help alleviate the various concerns which had been expressed during this process.

President Sorensen thanked Board members for their laudatory comments and especially praised Dr. Pastides for his role in the process. He also thanked the

many pharmacy students who had attended the meeting to witness this historic event. On behalf of the administration, President Sorensen expressed enthusiasm about the future of pharmacy education throughout the state.

The vote was taken, and the motion carried.

2. Research Foundation: The Committee also approved a proposal to integrate the research foundations of the two institutions and to establish a new foundation as the research sponsoring unit of both universities. The creation of a joint research foundation will allow faculty from both institutions to collaborate on proposals to the National Institutes of Health and other funding sources as well as dramatically increase the research funding capabilities of the University of South Carolina.

Therefore, on behalf of the Health Affairs Committee, Mr. von Lehe moved to direct the President and the Administration to work with the Medical University of South Carolina to integrate the operation of the University of South Carolina Research Foundation with that of the Medical University of South Carolina Foundation for research development in a manner by which, no later than July 1, 2005, the new Foundation will have been established and will be recognized by national funding agencies as the research sponsoring unit of both universities. Separate accounting of sponsored research for both universities shall be maintained within the larger foundation structure. Although the single entity will be created and operational by July of 2005, it was understood that the full integration of certain administrative operations and procedures such as financial systems, proposal development, information technology and others may take up to three years to accomplish. Mr. Hubbard seconded the motion.

Mr. von Lehe again called on Dr. Pastides who made the following comments:

I believe that the new combined foundation will be a major step forward in achieving our goals of significantly increasing the quantity and quality of our research programs especially those that require interdisciplinary approaches to complex research questions.

By combining the power of our flagship university and our rapidly expanding research productivity with the depth of MUSC's NIH and related programs, there will be a stronger chance for each university to meet its short and long term objectives.

Last year, alone, the combination of the two universities externally funded programs was approximately \$325 million surpassing many highly regarded universities including Emory and the University of Chicago and within an arm's reach of the nation's very best institutions.

The creation of a joint research foundation will allow faculty from both universities to collaborate on federal and industrial proposals without having to subcontract to each other. For example, we will be able to submit one program project proposal requesting \$10 million that involves two USC-led projects and two MUSC-led projects as a single combined proposal. Additionally, we will strive to improve the services that we provide to current and future faculty by increasing our critical mass, identifying the best practices of both foundations, and harmonizing our research, administrative, financial, and IT services.

The new foundation will be headquartered at USC Columbia and there will be personnel at both campuses much like today. While the vision is clear, the comprehensive merger of programs, people, and services will take some time to complete. Therefore, we aspire to create the new

foundation, as Mr. von Lehe said, by July 1, 2005, but will allow for functional integration to be accomplished within a three year period.

Personally, I cannot think of another strategy that will yield as dramatic or rapid benefit to USC research.

President Sorensen commented that he had met with MUSC President Ray Greenberg on the previous day; it was both presidents' fervent hope that the amount of federal funding would grow substantially in the near term. "The synergies that we can affect, such as those in pharmacy research and cancer research, expect dramatic growth." Projected was the likelihood that the University would be ranked within the top 50 higher education institutions for research dollars generated as a result of this joint venture.

The vote was taken, and the motion carried.

C. Buildings and Grounds Committee  
(The Honorable Miles Loadholt reported)

The Buildings and Grounds Committee met on Friday, September 24<sup>th</sup> and heard a status report on the following previously approved projects:

1. Thomas Cooper Library Renovations/Equipment: The main floor and Level 5 of the Thomas Cooper Library will be renovated in order to relocate the Processing Services staff and to provide multi-use seating for an additional 250 users.

2. Critical Building Energy System Needs - Phase II: This project was addressing critical risk energy related maintenance throughout the Columbia campus. The next phase of the project totaled \$323,000.

3. Thornwell College (Housing) Interior Renovations: A \$49,000 administratively approved increase will fund installation of porcelain tile in lieu of vinyl tile in the kitchen area and will provide contingency funds if the existing sub flooring was found to be unsuitable.

The following three items required Board approval:

4. McKissick Elevator Upgrade: The elevator in the McKissick building was very narrow and more than 100 years old. It provided the only means of handicap accessibility in the building, both to the Museum and to the new Visitor Center on the Horseshoe.

On behalf of the Buildings and Grounds Committee, Mr. Loadholt moved approval to establish the McKissick Museum elevator upgrade project with a budget of \$525,000 funded with University Funds as stated in the Three Year Capital Plan. Mr. Lister seconded the motion.

Mr. Buyck explained that he had talked with Secretary Stepp and Mr. Kelly after he had expressed his concern about this project in a formal letter to the Buildings and Grounds Committee on September 24<sup>th</sup>. He believed that Board members should have been advised that it would cost more than \$500,000 to replace the elevator in

McKissick Museum before the Visitor Center was relocated there. He further asked that the Buildings and Grounds Committee be more involved in prioritizing project needs. The vote was taken, and the motion carried.

5. Coker Life Science Phase II - HVAC Upgrade: In June 2003, the Board approved a project for \$950,000 to address the HVAC problems in the Coker Life Sciences. Phase I of the project was nearly completed. Mr. Kelly was requesting approval to establish Phase II of the project to include the replacement of the remaining VAV boxes on the first through fourth floors and cleaning of the existing ductwork throughout the facility to remove potentially hazardous mold. This project budget totaled \$500,000 and will be funded with University Funds.

On behalf of the Buildings and Grounds Committee, Mr. Loadholt moved approval to establish the Coker Life Sciences Phase II - HVAC Upgrade project with a budget of \$500,000 to be funded with University Funds as presented in the Three Year Capital Plan. Ms. McKinney seconded the motion. The vote was taken, and the motion carried.

6. Negotiations Related to Baseball Stadium Location: Dr. McGee presented a proposal to the Committee regarding a baseball stadium. Two possible scenarios were discussed: a baseball stadium for the University or a baseball stadium/amphitheater configuration to be shared with the City of Columbia. It was decided to approve a project to conduct a feasibility study, as described in the following motion.

On behalf of the Buildings and Grounds Committee, Mr. Loadholt moved to establish an architectural and engineering project for the design and development of a new Carolina baseball stadium. The study will examine various locations as well as study the construction of a stadium with and without a performance amphitheater option. The study will address all parking options, including the impact of parking displacement from the recommended stadium location. The project budget was \$750,000 to be funded from the Athletics' Department funds. Mr. McLellan seconded the motion. President Sorensen clarified that the city would fully fund the amphitheatre if that configuration was selected. The vote was taken, and the motion carried.

D. Intercollegiate Activities Committee  
(The Honorable Samuel R. Foster, II reported)

The Intercollegiate Activities Committee met on Friday, September 24th.

Dr. McGee was pleased to announce that the spring semester GPA for 414 student athletes had averaged 2.935 - the highest reported for any single semester. Of that average, 242 male student athletes had earned a 2.76 GPA and 172 female athletes had earned a GPA of 3.17.

Dr. McGee also reported that student athletes and coaches were contributing many hours toward community service activities. In the Fall 2003 semester, those hours totaled 1560; for the academic year 2003-2004, the total community service

hours exceeded 3000. Currently for the 2004-2005 academic year, more than 350 hours were already logged.

In addition, he discussed new recruiting requirements as a result of problems which surfaced around the country this past year. A new policy needed to be developed to address official visits; a University committee had been formed for that purpose. Specifically, he indicated that the Carolina Classics and its counterparts at other SEC institutions were terminated as a result. It was anticipated that a policy addressing all of the mandated recruiting restrictions will be submitted to the President for approval later in October; submission to the SEC and NCAA will follow before December 1.

And, finally, Dr. McGee briefed the Committee regarding the proposal to delay the beginning of the collegiate baseball season. A decision was to be made during the NCAA Council meetings on October 18<sup>th</sup> and 19<sup>th</sup>. If the proposal was approved, the college baseball season will move further into the summer and will become the only summer sport. He anticipated improved attendance as a result of this action.

E. Fiscal Policy Committee  
(The Honorable Michael J. Mungo reported)

The Fiscal Policy Committee met on Friday, September 24<sup>th</sup>, in the Capstone House Campus Room.

Mr. McCoy summarized the status of the audits listed on the Audit Tracking Report. The Human Resources Department will have a Background Checks Policy finalized and ready for approval by December 2004; the Payroll Department had moved to mandatory check deposits with an implementation goal of July 1, 2005; and USC Salkehatchie will resolve a Continuing Education deficit by the end of the year. In reference to International Support, a database was being developed to identify international employees on the University's payroll and implementation was anticipated by December 31, 2004.

Mr. McCoy reported that Internal Audits were conducted in the Office of the Provost, Printing Services, Colonial Center and International Programs for Students.

The Provost's Office was in compliance with policies and procedures and financially sound. Printing Services sustained an operating loss of \$175,700 for the fiscal year because of one-time relocation expenses, "high end" equipment needs and computer upgrades.

Mr. McCoy reviewed the audit findings for the Colonial Center. He explained that the Athletics Department and the General Counsel's office were working together to resolve various issues related to these findings.

The International Programs for Students audit included the regional campuses as well as the Columbia campus. There were specific violations of some federal policies; however, no guidelines existed to determine appropriate penalties.

Dr. Pruitt had received President Sorensen's approval to appoint a Task Force to develop system-wide policies and procedures to address various international student situations; these guidelines could also serve as a model for other institutions in the state and the Commission on Higher Education. Dr. Pruitt anticipated a draft report by December.

- Bookstore Quasi Endowment Fund: Mr. Kelly reported that the Bookstore Quasi Endowment Fund total was nearly \$5 million. During the October 5, 2000, Fiscal Policy Committee meeting, the Committee had recommended that when the Bookstore Quasi Endowment fund balance reached \$5 million, the interest earned should be used to fund scholarships; the recommendation was subsequently approved by the Board of Trustees. Since the interest income was approaching nearly \$200,000 annually, Dr. Sorensen recommended that the Committee authorize all future "interest income only" to be used for scholarships.

On behalf of the Fiscal Policy Committee, Mr. Mungo moved approval of the use of all future "interest income only" from the Bookstore Quasi Endowment Fund for scholarships. Ms. Moore seconded the motion.

In response to an inquiry about the growth of the corpus, Mr. Kelly explained that two figures impacted the growth of this fund: interest and dividend income and commission income. For the current year, commission income had totaled slightly more than \$150,000. Commission income will continue to be deposited into the endowment in order to grow that figure to the \$5 million level; the generated interest income will be used for scholarships.

The vote was taken, and the motion carried.

III. ALUMNI ASSOCIATION REPORT: Chairman Whittle recognized Ms. McKinney who remarked that she had recently met with Mr. Hudson Akin, Vice President for Advancement, and Ms. Marsha Cole, Executive Director of the Alumni Association, to discuss the decrease (from 24 percent to 21 percent) in alumni giving during the prior year; the *U.S. News and World Report* institutional ranking system weighted this factor five percent of their total evaluation. She was pleased to announce that current preliminary figures indicated a rebound to the previous level.

Ms. McKinney discussed several initiatives which had been generated to address this issue. Specifically, it was believed that all of the alumni who were giving to the University were not being captured in the report; therefore, data changes had been initiated. For example, many alumni were giving to the Gamecock Club; previously those numbers had not been calculated in the total.

Also under review was the area of membership retention and expansion. From 1997 - 2001, alumni association membership had doubled; since 2001, that figure had leveled. A consulting group had been hired to conduct an in depth assessment of the

association; recommendations will be used to develop strategic planning. In addition, another firm had been retained to assist with branding strategies. All of these initiatives had as a goal the better engagement of University alumni, not merely an increase of membership numbers.

Evaluation of alumni association participation during Homecoming was also being conducted. Changes to the previous format had begun this year; for example, the traditional tea dance had been replaced by a game day party.

Responding to Dr. Floyd's question about the cause of the three percent decrease in alumni giving, Mr. Akin explained that staffing issues had created a "small hiccup" in the annual fund area; in place at this time was a professional staff anxious to move forward. In addition, he was confident that the previous level of alumni giving was "a solid number" and easily re-obtainable. Mr. Akin noted that certain items had been incorrectly configured into the overall number; an adjustment had been made "to get that number back where it ought to be." Discussion ensued regarding the various methods of giving to the University and the manner in which that information should be tracked and reported.

IV. REPORT OF THE PRESIDENT: Chairman Whittle recognized President Sorensen who heralded today as a "red letter day" in the history of this institution as well as in the history of the Medical University of South Carolina with Board approval earlier in the meeting of the integration of the respective pharmacy schools and research enterprises. He especially thanked Trustees von Lehe and Hubbard for their unwavering and tireless efforts during the many hours of protracted negotiations. President Sorensen also expressed his gratitude to Dr. Floyd, the only member of the Board who had graduated from both institutions, for his enthusiastic endorsement and to Trustees Moore and Mungo for their supportive comments.

President Sorensen distributed a document outlining proposed Board of Trustees goals for the University from 2005 through 2010. During his interview process at the University, President Sorensen had recommended the collective articulation of a series of very explicit goals and the concomitant objectives to achieve them. Extensive discussions had been held with members of the Executive Committee; the distributed document represented an initial rendering.

Proposed was a series of criteria by which a performance evaluation of the President and vice presidents charged with the responsibility for implementing particular goals could be conducted; therefore, this document would be widely disseminated. President Sorensen further explained that the role of the Board would involve not only the evaluation of progress toward these goals, but also the collective (with the Administration) development of policies which these goals would necessitate. The Administration would suggest mechanisms and means by which the

goals could be achieved and would report the results to the Board for evaluation purposes.

President Sorensen commented that Chairman Whittle had diligently and persistently worked with the Administration to ensure the development of the various goals. He suggested that the final document have a "glossier" more concise format to easily and succinctly reflect the University's progress toward these objectives; in addition, particular goals would require qualitative, rather than quantitative, criteria. An integrated document would be developed which would outline methods for achieving the various goals so that "you can have a relatively concise document that will allow you to see the integrity and integration of the various components of the plan." President Sorensen projected that the proposed goals for 2010 would be presented for Board approval before the end of the calendar year.

Mr. Mungo moved to adopt the goals reporting system with the understanding that the Administration will present refined, specific benchmarks at the December meeting. Mr. McLellan seconded the motion.

To Mr. Wienges inquiry about the number of transfer students, President Sorensen asked Provost Becker to include that information. Mr. Buyck asked the number of entering South Carolina freshmen who scored 1149 (the average SAT score for Fall 2004) or higher; Ms. Moore also requested that information for future reference. "We need to see what South Carolina students are doing in the context of what we are trying to do."

Chairman Whittle addressed the possibility of a legacy admission policy which would establish special consideration for offspring of University graduates. "If family members went to the University and moved somewhere else, then they need to be treated a little bit differently than those from out of state students who have no connections to the University."

Before the final vote was taken, Chairman Whittle remarked that President Sorensen had often stated that the plan and goals which were penned under Mr. Hubbard's leadership had "intrigued him to further look at coming to the University of South Carolina." In addition, these published goals had attracted others including the Provost and various deans and faculty members. Chairman Whittle applauded the Board for the 2000-2004 series of goals as well as the proposed current ones; President Sorensen wholeheartedly endorsed the Chairman's comments.

The vote was taken, and the motion carried.

V. ELECTION OF PERMANENT CHAIRMAN: Chairman Whittle called on Mr. Mungo who made the following comments:

Mr. Chairman, it gives me a great deal of pleasure to nominate my very good friend, Herbert Adams, to be the next Permanent Chairman of this Board of Trustees.

Herbert probably brings to the chair more knowledge of this institution and the way it works than anyone in recent memory who has held his chair because Herbert has served on every standing committee we have had for the last 10-12 years as well as the last two presidential search committees. I do not know of anyone who could possibly be more qualified and I am sure that he will do a wonderful job.

Ms. Moore seconded the nomination and remarked:

As we were exhorted in the Invocation to pick leaders who are intelligent, wise, have a great deal of integrity and insight, I am proud to second Herbert Adams' nomination for Chairman of the Board of Trustees.

With Ms. Moore's permission, Mr. Bradley asked the entire Board to join her in seconding the motion.

Mr. McLellan moved that nominations be closed and that Mr. Adams be elected by acclamation. Mr. Mungo seconded the motion. The vote was taken, and the motion carried unanimously.

VI. ELECTION OF VICE CHAIRMAN: Mr. Bradley nominated Mr. Loadholt to serve as the Vice Chairman of the Board of Trustees for the next two years. Mr. Wienges seconded the motion and asked that nominations be closed and that the motion be unanimous. The vote was taken, and the motion carried unanimously.

Mr. Loadholt thanked the Board for this honor and expressed appreciation for the vote of confidence. He commented that he and Mr. Adams had been great friends since the early 1960s when they were both students at the University. He looked forward to supporting Mr. Adams and cooperating with him in any way possible.

VII. ELECTION OF MEMBERS OF THE EXECUTIVE COMMITTEE: In response to a call for nominations to the Executive Committee, Mr. Adams nominated Mr. Bradley; Mr. McLellan nominated Mr. Mungo; Mr. Hubbard nominated Dr. Floyd. Mr. Buyck moved that nominations be closed and that these three Board members be elected by acclamation to the Executive Committee. Mr. Bahnmuller seconded the motion. The vote was taken, and the motion carried unanimously.

At this time, Chairman Whittle formally turned the chairmanship of the Board of Trustees over to Mr. Adams.

Chairman Adams made the following comments:

For the past four years, we have been extremely blessed to have Mack Whittle as our chairman. I listened to the discussion about the bookstore and I remembered 10-12 years ago when Mack and I served on a committee that studied the bookstore and Mack showed great leadership on that committee in asking us to outsource the bookstore. At that time, our bookstore was losing about \$25,000 a year. You heard the report today that they are turning over almost \$500,000 for scholarships. That decision was led by Mack Whittle.

Mack has become a great friend. When I first came here, Lilly Hall, Paul Goldsmith and I would ride together and then, following that, Mack and I would ride together as he came from Greenville and I came from Laurens. And then all of a sudden Mack started to come in from Virginia, and then Florida, and North Carolina and places like that, so we didn't ride together as often. But he kept not only me, but, I think, the members of this Board and the members of the faculty and the staff of this University, very involved about where we wanted to go as a university.

Mack, it is a pleasure to present to you this gavel in appreciation of your service. Thank you very much.

VIII. OTHER MATTERS:

A. Appointment with Tenure of Dean of Arts and Sciences: Chairman Adams indicated that Mr. McLellan, chair of the Academic Affairs and Faculty Liaison Committee, had given his consent for this item to be considered by the full Board.

Chairman Adams called on President Sorensen who remarked that Dr. Mary Anne Fitzpatrick was currently deputy dean of the College of Arts and Sciences at the University of Wisconsin at Madison, an AAU institution with an outstanding reputation. He was requesting Board approval of Dr. Fitzpatrick's appointment with tenure in the Department of Psychology, College of Liberal Arts; Dr. Fitzpatrick had accepted the University's offer to become Dean of the College of Arts and Sciences effective January 16, 2005.

Mr. McLellan moved approval to award Dr. Mary Anne Fitzpatrick tenure at the rank of Professor in the Department of Psychology, College of Liberal Arts, effective with her appointment as Professor. Mr. Mungo seconded the motion. The vote was taken, and the motion carried.

B. Appointment with Tenure, Professor in the School of Hotel, Restaurant and Tourism Management: Chairman Adams stated that Mr. McLellan, chair of the Academic Affairs and Faculty Liaison Committee, had also given his consent for this item to be considered by the full Board.

Chairman Adams recognized Secretary Stepp who indicated that, as discussed earlier in Executive Session, a request had been forwarded to President Sorensen and Provost Becker and subsequently approved by them to consider this appointment in a timely manner because of recruitment considerations; materials had been distributed to Board members requesting approval of the appointment with tenure of Dr. David Bruce Weaver.

Mr. McLellan moved approval to award Dr. David Bruce Weaver tenure at the rank of Professor in the School of Hotel, Restaurant and Tourism Management, College of Hospitality, Retail and Sport Management, effective with his appointment as Professor. Mr. Bradley seconded the motion. The vote was taken, and the motion carried.

C. BOARD OF VISITORS NOMINATION: Chairman Adams called on Secretary Stepp who stated that as was discussed without objection in Executive Session, Mr. Loadholt had nominated Mr. Leonard Browder to the Board of Visitors.

Mr. Loadholt moved approval of the nomination of Leonard Thomas Browder to the Board of Visitors. Mr. Bahnmuller seconded the motion. The vote was taken, and the motion carried.

D. PRESENTATION OF WHITTLE RESOLUTION: Chairman Adams called on Secretary Stepp who read and presented a framed copy of the following resolution to Mr. Whittle as the outgoing chairman of the Board of Trustees:

UNIVERSITY OF SOUTH CAROLINA  
BOARD OF TRUSTEES

RESOLUTION

WHEREAS, the Honorable Mack I. Whittle, Jr., has served for two discrete periods on the Board of Trustees of the University of South Carolina: initially, in 1983, as the first President of the USC Alumni Association to serve as an ex officio member and, later, from 1990 to the present as the representative elected by the General Assembly to represent the 13<sup>th</sup> Judicial Circuit; and

WHEREAS, he has served as a member of the Academic Affairs, Medical Affairs, and Student-Trustee Liaison Committees and has further served as member and Chair of the Buildings and Grounds Committee, both the ad hoc and standing Fiscal Policy Committees and the Committee on Advancement as well as Vice Chairman of the Board from 1996 to 2000 and as Chairman of the Board from 2000 to 2004; and

WHEREAS, Mr. Whittle holds and expresses a resolute faith in Carolina to improve the lives of all citizens of this state, a faith reflected in the words he placed in a Bicentennial time capsule addressed to his successor in 2051: "I believe that at this time this institution is in a state of preparedness to take a large step upward in our quality, service and reputation ... [and] that you are now the beneficiaries of policies, goals, and actions [this] Board put in place..."; and

WHEREAS, his membership on the Business Partnership Foundation, his responsibilities as Chairman of The South Financial Group (having built the institution beginning with the formation of Carolina First in 1986 from a single office in Greenville to its current preeminent status), his upcoming service as Chair of the S.C. Chamber of Commerce, and other civic responsibilities have reflected positively on this University; and

WHEREAS, Mr. Whittle holds two degrees from the University of South Carolina, has been designated the College of Business Distinguished Alumnus, and has given outstanding service in many organizations including the President's Advisory Committee on the Arts at the JFK Center for the Performing Arts, the S. C. Arts Foundation, the S. C. State Museum Foundation, the Greenville Symphony Advisory Board, the Midlands Business Leadership Group, the Palmetto Business Forum, and others and has been recognized by awards such as S. C. Entrepreneur of the Year and the Greenville Urban League's Whitney M. Young Humanitarian Award;

THEREFORE BE IT RESOLVED that the Board of Trustees in session assembled expresses its sincere appreciation of Mack I. Whittle, Jr., for his many contributions to Carolina, distinguished by his reliance on sound planning and an unswerving dedication to accomplishing established goals and benchmarks; and

BE IT FURTHER RESOLVED that a copy of this resolution be presented to Mack I. Whittle, Jr., as a token of the high esteem in which he is held and in anticipation of his continued service to Carolina, particularly as Chairman Emeritus in the immediate years to come.

PRESENTED THIS 22<sup>nd</sup> DAY OF OCTOBER 2004  
AT COLUMBIA, SOUTH CAROLINA

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President of the University

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Secretary of the Board of Trustees

Mr. Mungo moved approval of the resolution as read. Mr. Hubbard seconded the motion. The vote was taken, and the motion carried.

Mr. Whittle offered the following comments to the Board of Trustees:

At this stage of service in any organization, one of the things you have are the memories and the things that really have happened during the course of your exposure to the organization.

I remember perhaps five years ago Mr. Mungo had heard that I was interested in being chairman, he pulled me aside and said, 'Mack, you know that being chairman requires a lot of time and lot of energy. Are you sure that you have the time that will be needed to be committed to really serving and being the chairman?'

He really caused me to pause and think about what time commitment was going to be involved. The more I thought about it and the more that I have continued to serve the Board as chairman and otherwise, and as I am sure many of you have had the same feelings, a cause like the University is something we need to make time for. It doesn't matter how busy we are or what we have going on. This is the future of our state. This is the future of the economic being of our state. And we have an obligation and I see it in everybody on this Board in the time and energy that you put forth to make that happen. I also can remember - Herbert reminded me of Paul Goldsmith - I was at a football game and I had thought about running for the Board of Trustees. Paul Goldsmith was still the member from our district. Paul was there and Eddie was there and Eddie pulled me aside and said, 'I don't think Paul is going to run again. He just told me you need to run for the Board of Trustees.' I am sure each of you has memories about how you got where you are today relative to the Board at the University of South Carolina. They are just a part of what you carry as you move forward.

I want to thank each of you for the opportunity you have given me. It has been a great four years, but there is not one person driving it. It is a board that doesn't always necessarily agree on everything. Those of you who have worked with me before know that I like to be challenged a lot of different ways. I think we become better the more we are challenged. We think about things in a lot of different ways, but the unity that this board has when we decide what we are going to do, the focus that this board has once it decides that it wants to do something is a factor that we all should be very proud of. It is the effort and the energy that we put in. It's the comments and the thoughtfulness with which we operate.

So, the unity is something that Dr. Floyd preached when he was chairman and William preached when he was chairman. We can close the doors and disagree on what we think is needed to make the University better. But, when the door is open and we go out, then we are all together as one family and we operate that way. I think that is not a unique characteristic, but it is a characteristic that makes this University and this board as successful as it has been.

The last four years really have been my carrying on the mantle that William Hubbard put forth when he was chairman. The goals and the focus on the goals were the visions of Eddie and William. I think those goals served a great purpose. I think the new goals will serve a great purpose. As Tommy pointed out in the resolution, most of us in business like to set goals, like to have a plan, like to talk about being at 'best practice.' I see this University moving in that direction where we can truly line ourselves up with any university in the country, and there are areas of this University that are as good if not better than any top 10 universities in the country. It is because of a vision, a plan, the tenacity of this board, the willingness of this board to make tough decisions and to work as a group that has allowed us to make progress.

Andrew pointed out the new goals. I think the new goals raise the bar a little bit. We are looking at some different things. The challenge we have is that we make progress, but we forget that everybody else is making progress too. As President Todd of the University of Kentucky said last week when this board visited his campus last week, 'we are starting at a lower level than our peer states and some of our peer universities.' So, we have to work harder, we have to be more focused on what we are doing, we need to be more diligent and work a little smarter if we are going to gain on them. Yes, we may get better, but the real future is going to be our ability to gain on everybody else.

The University to me is the education of students which is obviously one of the primary missions. But as a business person in South Carolina and as a person concerned about the future of South Carolina, I

view the University as an economic engine. It is one of the economic engines that will drive this state as we move into the centuries going forward. The per capita income of South Carolina is 82 percent of the national average. If we can raise that per capita income by bringing the right jobs in, by providing the capable bright students who would accept those jobs, then we could solve a lot of the problems that this state has. So, it is more than graduating the student in my eyes; it is more than graduating the quality student. It is truly an economic engine, or one of the engines, that will drive and move this state forward.

I want to thank Tommy and the staff for the job they do. Tommy and I had a conversation when I first took the chair. I said, 'Tommy, I've got a lot of energy and I move fast. You aren't going to retire on me while I am doing this?' He said, 'I am not planning on retiring and I am willing to run as fast you want to run.' He did exactly what he said he would do.

Ruth and others of the staff, I appreciate the energy and effort in keeping me posted on where I needed to be and telling me what I needed to be prepared to say.

Also, to Jennifer. Mike, you didn't tell me that I would be away from my family and I guess I didn't really take into consideration the number of trips that I would be making to Columbia. I remember when Eddie was chairman, he had a driver who would bring him back and forth to Florence. There were many nights when I came home late and other nights when I ended up staying down here because the meetings went longer. I thank Jennifer for being a real trooper and allowing me to do a lot of things.

Again, this has been an incredible opportunity and an incredible honor. I met a bunch of really neat people whom I will consider friends for the rest of my life. For that I am very grateful. Thank you very much.

Chairman Adams thanked Mr. Whittle for involving all of the Trustees during his chairmanship and particularly as the Board worked together to establish goals for the University.

He expressed appreciation for their vote of confidence and trust in electing him as chairman. Chairman Adams referenced a conversation with his father in 1984, following his legislative election to the Board.

His father exclaimed, 'Herbert, I don't know what you want this position for, but now that you got it, give it your best.' I promised him I would do it and I have tried to do that through the years.

If you look around this board room, we have five former chairmen who are still active: Othniel, Mike, Eddie, William, and Mack. That is 25 percent of the Board of Trustees. We have great leadership on this board. Each of those men has served this University with dignity and honor and each one of them, when I look back at the challenges they had to meet, did not anticipate them when they first assumed the chairmanship, I feel sure. But all of them successfully met those challenges. Therefore, to you five men I thank you for your example.

It takes three things to succeed in public life: a fire in your belly, a good work ethic, and being accessible. I promise you I have the fire in my belly; I promise you I will work; I promise you I will be accessible.

Chairman Adams recognized the many friends and family in attendance who had helped him achieve the honor of becoming a trustee. He initially acknowledged his 95 year old mother whose oldest brother had graduated from Carolina in 1919 as well as others in the family who had graduated from the University since then. And, he especially recognized his wife, Gwen, who had unfailingly supported him as a University trustee throughout the years. "Outside of Gwen Thomason agreeing to become Gwen Adams, this is the highest honor of my life."

Since there were no other matters to come before the Board of Trustees, Chairman Adams declared the meeting adjourned at 12:25 p.m.

Respectfully submitted,

Thomas L. Stepp  
Secretary