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University of South Carolina

BOARD OF TRUSTEES

Executive Committee

June 19, 2006

The Executive Committee of the University of South Carolina Board of Trustees met on Monday, June 19, 2006, at 1:55 p.m. in the 1600 Hampton Street Board Room.

Members present were: Mr. Herbert C. Adams, Chairman; Mr. James Bradley; Dr. C. Edward Floyd; Mr. Miles Loadholt; Mr. Michael J. Mungo; and Mr. Mack I. Whittle, Jr. Other Trustees present were: Mr. Mark W. Buyck, Jr.; Mr. John W. Fields; Mr. Samuel R. Foster, II; Mr. William C. Hubbard; Ms. Rita M. McKinney; Mr. Eugene P. Warr, Jr.; Mr. M. Wayne Staton; and Mr. Othniel H. Wienges, Jr.

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 University Advancement Brad Choate; Vice President for Information Technology and Chief Information Officer William F. Hogue; Vice President for Student Affairs Dennis A. Pruitt; Vice President for Human Resources Jane M. Jameson; General Counsel Walter (Terry) H. Parham; Associate Provost for Budget and Operations William T. Moore; Chancellor of USC Aiken Thomas L. Hallman; Chancellor of USC Upstate John C. Stockwell; Assistant Treasurer Susan D. Hanna; Dean of University Libraries Paul A. Willis; Dean of the School of Nursing Peggy O. Hewlett; Executive Director, Office of Foundations, Susie H. VanHuss; Vice Chancellor for Business and Finance, USC Aiken, Virginia Steel Hudock; Associate Vice President in the Office of Research and Health Sciences Sonya F. Duhé; Associate Professor in the College of Mass Communications and Information Studies August Grant; Distinguished Professor in the Department of Chemistry and Biochemistry Jerome D. Odom; Director of Administrative Services, University Libraries, C. J. Cambre, Jr.; Budget Director Leslie Brunelli; Director of the Department of Internal Audit Alton McCoy; Director of Periodicals, University Publications, Chris Horn; University Legislative Liaison John D. Gregory; USC Faculty Senate Chair Eugene C. Reeder; USC Columbia Student Government Association President Tommy Preston; USC Columbia Student Government Association Treasurer Jennifer L. Guest; Director of Finance and Budget William P. Bragdon; Director of Finance and Administration, Division of Research and Health Sciences, Edward Walton; USC Lancaster Public Information

Officer Shana Funderburk; Board staff members Terri Saxon, Vera Stone and Karen Tweedy; Public Information Officer, Office of Media Relations, Karen Petit; Director of University Communications, Division of University Advancement, Russ McKinney, Jr.; and members of the media.

Chairman Adams called the meeting to order and asked Mr. McKinney to introduce members of the media who were in attendance. Chairman Adams 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 members of the Committee; and a quorum was present to conduct business.

Open Session

Chairman Adams directed the attention of the Committee to the first agenda item and called on Mr. Parham.

I. Contracts Valued in Excess of \$250,000:

A. South Carolina Electric & Gas Company - School of Public Health:

Mr. Parham reported that this contract was a standard agreement between the University and SCE&G to provide electric service to the Arnold School of Public Health building located at 921 Assembly Street. This agreement was for a five year term beginning April 1, 2006 and ending April 1, 2011 and would continue on a year-to-year basis thereafter unless either party provided notice of termination not less than 12 months in advance. The estimated cost was approximately \$145,200 per year based on the size of the building.

Mr. Mungo moved approval of the contract as described in the materials distributed for the meeting. Dr. Floyd seconded the motion. The vote was taken, and the motion carried.

Dr. Floyd asked how much the University paid to South Carolina Electric & Gas Company for utilities per year. Mr. Kelly responded that the University had budgeted approximately \$20 million per year for utilities which included water and sewer; utility expenditures per year ranged between \$15 million to \$18 million on the Columbia campus.

Mr. Whittle inquired whether the University had researched what peer institutions were paying for utilities. He also asked if SCANA had available other options. Mr. Kelly responded that the University had negotiated the best rate possible. By December of this year, the biomass energy facility would be completed which would replace 80 percent of the natural gas purchased from SCE&G with an energy system which would burn wood chips. The immediate savings would repay the cost of building that plant, which was approximately \$18 million, amortized over a period of 15 years.

Mr. Bradley moved approval of the contract as presented and described in the materials distributed for the meeting. Dr. Floyd seconded the motion. The vote was taken, and the motion carried.

B. South Carolina Electric & Gas Company - North Energy Facility:

Mr. Parham reported that the contract was an agreement between USC and SCE&G to provide electric service for the University's new North Energy Facility which was located behind the Carolina Coliseum at 701 Park Street.

The contract was for a five year term beginning May 16, 2006 and ending May 16, 2011 but would continue on a year-to-year basis thereafter unless either party provided notice of termination not less than 12 months in advance. Under the contract, the University would pay for the Energy Facility's electrical service at the same rate as other buildings on campus.

The North Energy Facility was the 4th energy plant on the campus. It would provide chilled water for the cooling systems of the Coliseum, the Koger Center, the Music School, and the new Arnold School of Public Health. As the Innovista Research Campus was developed, this energy facility would provide chilled water for those new buildings as well.

Facilities Services estimated that the cost of electrical service to the North Energy Facility would be approximately \$1,020,000 annually. However, most of these costs would be offset by an equal decrease in electrical costs at the West Energy Facility that currently served these buildings, and in the elimination of the cost for operating the original chillers at the Carolina Coliseum which were now 34 years old.

Built into the estimated annual cost was a monthly fee of \$2,812.50 that SCE&G was charging to offset the cost of equipment it purchased and would continue to maintain for the North Energy Facility. This prevented the University from having to purchase expensive equipment and imposed on SCE&G the obligation to maintain and replace the equipment as needed.

Facilities Services estimated that the cost of electrical service to the North Energy Facility will be approximately \$1,020,000 annually. However, most of these costs will be offset by an equal decrease in electrical costs at the West Energy Facility that currently served these buildings, and in the elimination of the cost for operating the original chillers at the Carolina Coliseum which were now 34 years old.

Mr. Mungo moved approval of the contract as presented and described in the materials distributed for the meeting. Mr. Loadholt seconded the motion. The vote was taken, and the motion carried.

C. USC Development Foundation - 707 Catawba Street Lease: Mr.

Parham stated that this was a proposed lease between USC and the USC Development

Foundation for the building located at 707 Catawba Street. The building was owned by the Development Foundation and consisted of approximately 27,018 square feet.

The lease extended for a period of five years beginning October 1, 2005 and ending September 30, 2010. The University had the right to extend the term of the lease for up to two additional five year terms.

Under the terms of the lease, USC would pay the Foundation yearly rent of \$75,000 in equal monthly installments of \$6,250. Also, the University would pay any real estate taxes on the property and all utilities. Mr. Parham explained that USC was using the property to house the University's Movietone news film collection and for other purposes.

Mr. Parham stated that the lease was a standard agreement. The University and the Foundation had agreed to the terms of the lease and, as required by state regulations, were seeking the approval of the State Materials Management Office. Since the state had not approved the lease at this time, Mr. Parham was requesting Executive Committee approval subject to any modifications required by the state and that were acceptable to USC and the Foundation.

Discussion ensued regarding the following issues.

Mr. Mungo inquired whether Movietone was a good investment for the University. For example, did the University charge a fee for Movietone's use by individuals who used it for research? Mr. Mungo's concern was that the University did not "sit here and hold a white elephant and it cost us a bunch of money just to say we own it." Mr. Kelly responded that he did not have on hand the total amount of funds involved.

Secretary Stepp stated that there were approximately 50 agreements per year but he did not know the total amount of money involved. He further stated that Movietone was used regularly by institutions all over the world.

Dean Willis explained that Movietone occupied less than 10,000 square feet in the warehouse and the space would be used only for a couple of years. He anticipated that once the new rare books wings were finished at the Thomas Cooper Library, Movietone would be relocated in the Thomas Cooper Library. The amount of revenues that came to the University because of that collection had decreased because of many other options. Normally, the revenue was between \$50,000 and \$100,000 per year. However, more importantly, the University received \$300,000 a year for two consecutive years from the Library of Congress and he anticipated another \$300,000 next year. He stated that there would be a substantial increase if the collection was made available on the internet. In addition, Congressman Clyburn would assist the University in working with the Library of Congress to continue to fund this initiative.

Dr. Floyd commented on having to pay property taxes. He asked the amount of the property taxes and if there was any way to transfer the ownership so the University could save that money.

Mr. Parham responded that the property was owned by the Development Foundation and they had to pay property taxes. In addition, it depended on the use of the structure; there were certain exemptions from property taxes if the property was used for particular purposes; this was not one of those uses. Mr. Parham stated that the University continued to look at property tax issues and had worked closely with the Department of Revenue and the Development Foundation; this was an instance where there was not an exemption that would cover this particular use.

Dr. VanHuss noted that the Development Foundation paid property taxes county by county. Richland County charged property taxes unless the Foundation leased property to the University or sold real estate to the University for approved educational uses. Typically, this would not include office space and there were some questions on warehouse space.

Mr. Bradley moved approval of the contract as presented and described in the materials distributed for the meeting with the condition that the S. C. Budget and Control Board approve a version of the lease acceptable to the University and the Foundation. Dr. Floyd seconded the motion. The vote was taken, and the motion carried.

D. Innovative Interfaces, Inc. - Thomas Cooper Library: Mr. Parham stated that on behalf of Dean Paul Willis, the University was seeking approval of a contract with the State of South Carolina and Innovative Interfaces, Inc. that would allow USC to participate in a new state-of-the-art on-line library catalog system that would provide access to the library materials of a number of institutions of higher education.

In May, 2001, the Partnership among South Carolina Academic Libraries (PASCAL) was established by the library directors of South Carolina's public and independent higher education institutions. In 2003, a subset of PASCAL membership - USC (all campuses), Clemson, the College of Charleston, Francis Marion, SC State, the Citadel, Aiken Technical College and Florence Darlington Technical College joined in an initiative seeking to create a unified on-line library catalog system that would replace the aging systems each school was currently using; and to establish a platform that would allow the schools to share and have access to each other's on-line database of library resources.

Because of the number of schools involved in this project, the State of South Carolina's Chief Information Office coordinated the procurement of the system through a competitive RFP process. Ultimately, the Millennium and INN-Reach System created by Innovative Interfaces, Inc. was selected and awarded the state contract.

Under the contract, each of the participating institutions of higher education would pay Innovative Interfaces, Inc. a fee for the creation of an on-line database of its own library resources using the Millennium software, and for creating the merged "union catalog" which contained the library resources of all eight institutions. USC had approximately 3 million volumes in its library system. The cost to USC for participating in this project and for replacing its old on-line catalog (NOTIS) with the new Millennium catalog was \$548,000 (Student Technology Fees were used to fund this cost). USC would continue to pay maintenance fees of approximately \$100,000 annually to maintain the software for its new catalog system.

When fully operational, USC faculty, staff and students would be able to access the "union catalog" and locate reference materials contained in the library of any of the participating schools from their desk-top computer. Additionally, there was a statewide delivery service component to this contract which would allow for an individual who located resource material to have that book delivered to him or her within a number of days.

Other schools would be allowed to buy into this newly created integrated library system by paying a fee to Innovative Interfaces to convert their current library catalog system to the Millennium on-line system and merge it into the "union catalog." This would result in an expansion of the union catalog, which would in turn provide access to more library materials for students, faculty and staff at participating institutions.

Mr. Parham stated that Dean Paul Willis and C. J. Cambre from the Library were also available to answer any questions from the Board.

Mr. Mungo moved approval of the contract as presented and described in the materials distributed for the meeting. Mr. Bradley seconded the motion. The vote was taken, and the motion carried.

E. USC Upstate - Spartanburg Housing Authority: Mr. Parham reported that on behalf of Chancellor John Stockwell, he was requesting Board approval of a proposed lease agreement between USC Upstate and the Spartanburg Housing Authority for the lease of property and a building located at 325 South Church Street in Spartanburg.

The property consisted of 2.5 acres with two buildings and 95 paved parking spaces. The buildings contained 12,380 square feet and 7,600 square feet, respectively, of space including classrooms, conference rooms, office space and storage areas.

The lease agreement itself was the standard state document. The lease term was five years beginning September 1, 2006 and ending August 31, 2011; there were no renewal options. USC Upstate would pay rent at the annual rate of \$124,000,

which equated to \$6.21 per square feet. USC Upstate would also pay utilities and content insurance. Spartanburg Housing Authority would pay for property insurance and would be responsible for maintaining and repairing all building systems.

USC Upstate would use this property for a number of community outreach initiatives. Specifically, USC Upstate had received a \$400,000 federal grant to assist with assessing the South side of Spartanburg for economic development purposes. USC Upstate would provide faculty expertise in a number of areas as part of the assessment process; the property would serve as the home base for this project.

Chancellor Stockwell was available to answer any specific questions from the Board. Secretary Stepp stated that additional information had been placed at each member's place regarding this agenda item and the other Upstate lease to be considered.

Chairman Adams stated that Mr. Lister, who was unable to attend the meeting today, supported the agreement.

Mr. Whittle moved approval of the contract as presented and described in the materials distributed for the meeting. Mr. Mungo seconded the motion. The vote was taken, and the motion carried.

F. USC Upstate - Valley Falls Road Properties: Mr. Parham stated that on behalf of Chancellor John Stockwell, he was requesting Board approval of a proposed lease agreement between USC Upstate and the Carolina Piedmont Foundation. The lease pertained to property located on Valley Falls Road and Shell Road adjacent to the USC Upstate campus.

The property consisted of approximately two acres and contained four houses. This land had not been acquired by the S. C. Department of Transportation as part of its recent I-585 roadway project around the USC Upstate campus; therefore, the Carolina Piedmont Foundation had purchased the property for \$440,000.

USC Upstate would use two of the houses for offices for the Athletics Department. The other two houses would be removed by the Carolina Piedmont Foundation.

The lease agreement itself was the standard state document. The lease term was for one year beginning July 1, 2006 and ending June 30, 2007. In addition, the lease would provide for automatic one year extensions unless either party provided notice of termination. USC Upstate would pay rent at the annual rate of \$90,000. Once the Carolina Piedmont Foundation recovered its investment of \$440,000, USC Upstate's obligation to pay rent would cease.

Mr. Parham stated that the lease contained a clause that USC Upstate could purchase the property at any time upon payment of the Foundation's existing indebtedness on the property at the time of purchase.

Mr. Parham stated that Chancellor Stockwell was available to answer any specific questions.

Mr. Bradley believed that \$90,000 seemed rather expensive. Mr. Parham explained that the Foundation had purchased the property for the betterment of the campus and that it would fit into the campus master plan as it was adjacent to the campus; it was a way for USC Upstate to repay the Foundation for acquiring this property over a five year term instead of within one year.

Chancellor Stockwell stated that after five years, the Foundation would lease the property to USC Upstate for \$1.00 per year indefinitely and that the University could acquire the property at any time for an amount equal to \$440,000.

Mr. Bradley moved approval of the contract as presented and described in the materials distributed for the meeting. Mr. Mungo seconded the motion. The vote was taken, and the motion carried.

II. FY 2006-2007 Budget: Mr. Adams called on Dr. Sorensen who reported that when he became President of the University on July 1, 2002, the budget situation was dire. On his first day in office, he was asked to eliminate \$19 million from the budget; needless to say, that task had left an "indelible impression" on him. Dr. Sorensen further stated that this year's generous increase in tuition funding from the General Assembly would allow the University to put much needed resources into the ongoing effort of building one of the very best living and learning environments for Carolina students while also keeping their tuition increases low.

President Sorensen stated that he was pleased to recommend the FY 2006-2007 University budget to the Committee. This was the first time that the Administration had been able to recommend to the Board a single digit increase in tuition as part of the budget. He called on Mr. Kelly to provide an overview of the proposed University budget.

Mr. Kelly displayed information on the screen about the proposed budget. The Administration was recommending a 6.75 percent (\$247) increase in the undergraduate tuition rate for in-state residents.

On the Columbia Campus, which also included the Graduate School, Law School and School of Medicine, that portion of the tuition dedicated to servicing the University's Institution Bond payment would increase by \$36 per semester from \$182 to \$218 to address research activities. The Student Activities fee would increase \$2 per semester from \$66 to \$68 to cover the Readership program. The Student Health Center fee would increase by \$6 per semester from \$140 to \$146; the student athletics fee would increase by \$16 per semester from \$16 to \$32; the athletics bonds fee would increase \$14 for full-time students from \$20 to \$34 to support capital projects.

Mr. Mungo voiced concern regarding the Law School's tuition increase which was less than the undergraduate tuition increase. Dr. Sorensen stated that the base for the Law School was higher. He further believed that if the University substantially increased the tuition now it would affect recruitment. However, in the future and as the Law School's academic reputation improved, the University would consider other possibilities. Presently, Dr. Sorensen felt this was the most prudent course of action.

Mr. Kelly noted distribution changes on the USC regional campuses as follows:

Aiken Campus:

Institution Bond: - Full time increased from \$181 to \$223 per semester; part-time increased from \$13.50 to \$16.50 per credit hour.

Student Health: Full-time increased from \$20 to \$25 per semester; part-time increased from \$1 to \$2 per credit hour to cover inflationary increases.

Athletic Activities: Full-time increased from \$163 to \$171 per semester; part-time increased from \$14 to \$16 per credit hour to cover the increased cost of Athletic Scholarships.

Campus Activities: Full-time reduced by \$3 per semester to move to Campus Media; part-time reduced by \$.50 per credit hour.

Campus Media: Full-time increased by \$6 - \$3 from Campus activities; Part-time increase to .50 cents from Campus Activities.

Beaufort Campus:

Renovation Reserve: Full-time only increased from \$100 to \$110 per semester to restore prior year funding.

Campus Activities: Full-time increased from \$37 to \$57 per semester to restore prior year funding to \$52 and add \$5 for additional student activities.

Upstate Campus:

Athletic Activities: Full-time increased from \$149 to \$352 per semester; part-time increased from \$13 to \$30 per credit hour to remove reliance of "A" funds for athletic activities, including salaries.

Lancaster Campus: No changes proposed.

Salkehatchie Campus:

Campus Activities: Full-time only increased from \$5 to \$12 per semester to allow for additional funding for increased activities and increased enrollments.

Athletic Activities: Full-time to reinstate athletics fee removed when the baseball program ended two years ago to \$10 per semester; part-time was \$3.25 per credit hour to cover athletics programs.

Sumter Campus:

Correct part-time Board Mandated Fees based on information campus submitted a few years ago.

Institution Bond: This item increased from \$7 per hour to \$3.50 per credit hour. Mr. Kelly reported that Renovation Reserve would increase from \$2 to \$2.25 per credit hour and Campus Activities from \$2 to \$2.25 per credit hour.

Union Campus: No changes proposed.

Mr. Kelly stated that the President and Board had challenged the Administration to keep the tuition as low and as affordable as possible for students. Mr. Kelly thanked the Board, Johnny Gregory and Shirley Mills for their efforts in working with the General Assembly to secure state funding for FY 2006-2007.

Mr. Kelly stated that the General Assembly had funded \$4,000,000 for the Faculty Excellence Initiative (FEI). The FEI would target the recruitment of new tenure and tenure-track faculty in programs that represented strategic initiatives designed to advance the national profile of the University. USC would hire an additional 150 new tenure and tenure-track faculty by the year 2010 and replace additional faculty retirees.

Another project funded was the Congaree River - Freshwater Environmental Initiative in the amount to \$2,000,000 (recurring funds of \$500,000 and non-recurring \$1,500,000). In cooperation with private donations with the City of Columbia, USC sought to develop research projects involving the Congaree River, a natural setting for research and education in environmental biology/microbiology, health and toxicology, hydrology, chemical ecology and environmental engineering. The research would provide for K-12 research collaborations as well as undergraduate and graduate research opportunities.

Mr. Kelly reported that in 1998, 36.6 percent of the University's budget was funded by the General Assembly; this year 21.3 percent would be funded by the General Assembly.

Mr. Kelly reported that the General Assembly was very supportive this year of the Regional campuses and had approved the following MRR Parity funding:

Mission Resource Requirement (MRR) Parity - Non-recurring

USC Aiken - \$599,237	USC Beaufort - \$502,175
USC Lancaster - \$650,000	USC Salkehatchie -\$100,000
USC Sumter - \$51,269	USC Union - \$16,206
USC Upstate - \$1,877,675	

USC Lancaster would receive an additional \$200,000 for facilities repairs and \$100,000 for tennis court repaving.

Mr. Kelly summarized the Source and Use of "A" Funds and the USC Columbia Campus - FY 2007 New and Continuing Funding Recommendations.

Mr. Kelly stated that he was most proud of the Academic Learning Center recommendation. Many students at the University were on scholarships and had to meet and maintain certain requirements to retain that funding. This program would

provide counselors, tutors and advisors to assist those students who were struggling academically.

Mr. Kelly noted that moving the Visitor's Center to the McKissick building was an overwhelming success. However, parents of potential students requested that information regarding financial aid options be made available to them in that same facility; the \$104,044 in the budget would allow the University to add Financial Aid advisors in the Welcome Center.

Mr. Kelly stated that Dr. Hogue had previously made a presentation to the Board regarding a OneCarolina Project; which would revamp the University information technology system at an estimated cost of \$54 million dollars. The Board had approved that funding over a period of five years; for this year the portion was \$1,648,000.

Mr. Kelly pointed out budgeting for utilities costs was very challenging. The budget was out of balance by \$2 million; under the direction of Dr. Becker and his team, the deans had donated funding to cover that amount. Mr. Kelly anticipated an increase in utilities by another \$1 million next year; therefore, the budget was increased by \$3.1 million.

Mr. Kelly stated that insurance would increase by approximately \$250,000; the University's share of the state pay raise and benefits package would be \$1.8 and \$510,000 respectively. Last year, the General Assembly had passed a two year statute that required employer contributions to the retirement system be increased by .5 percent each year; this was the second year of that increase.

Mr. Kelly reported that the total Central Operations and General Support Programs budget was \$1,027,652. Last year, the Administration had requested funding and training for Carolina's law enforcement division. In the past the University would hire officers and train them; however, the City of Columbia, Lexington County and Richland County would offer a higher salary. Mr. Kelly stated the Law Enforcement and Safety Initiative had been a very successful program and the University had a very stable Law Enforcement team.

Mr. Kelly stated that the Facilities Salary Allocation Plan would allow for salary adjustments as well as a training program for many of our technical workers. Employees would increase their skills and education by attending technical colleges.

For the Business and Finance budget \$266,858 had been allocated. The Environmental Health and Safety initiative was \$9,625; this was for an emergency alert system. The Office of Human Resources had requested \$68,027 for both salary issues as well as an Ethics Reporting System. The Legal Department had requested \$100,000 to address contractual work. The majority of this work would involve

intellectual property research, patent licensing and other matters directly related to research.

Mr. Kelly stated that the majority of the University's revenues were derived from Tuition and Fees (34 percent); Grants, Contracts and Gifts (28 percent) and State Appropriations (23 percent). Predominately, the University's expenditures were spent on Instruction (31 percent).

Dr. Floyd made a motion to adopt the operating budget for FY 2007, as presented in the materials distributed to the Board, including tuition and fee schedules, the housing budget and associated fee schedules, the athletics budget, and the designated funds budget. Mr. Bradley seconded the motion. The vote was taken, and the motion carried.

Dr. Floyd inquired about the University's bond indebtedness and how it compared with other schools. Mr. Kelly responded that the University was rated Aa3. Many institutions carried a larger debt than the University and others carried more Athletics debt than the University. The University had been very conservative with long-term debt funding. Enrollment was growing; SAT scores were increasing as well as state funding.

Dr. Floyd asked if the debt was increased to 15 percent, from the standpoint of the debt formula, would the University receive additional money from the State. Mr. Kelly responded that the formula did not affect the state appropriation.

Mr. Bradley expressed his appreciation to the Administration, Mr. Gregory and Ms. Mills for their efforts in working with the Legislature to receive funding for FY 2006-2007. He was very pleased with the 6.75 percent tuition increase while, at the same time, the University had upgraded admissions standards and increased the overall quality of students. Mr. Bradley inquired about the percentage of tuition increase for our peer institutions. Mr. Kelly responded that only a few institutions had made announcements and the rates ranged from an increase of eight to ten percent.

Chairman Adams called on Mr. Preston who commented on his experience during the budget process. He stated that when he first received a copy of the proposed budget he "literally almost fell out of his chair"; it was amazing to him that Carolina was being made more affordable for students while keeping the momentum of the University going. Mr. Preston paid tribute to Dr. Sorensen, Rick Kelly, Johnny Gregory and Shirley Mills who knew what students needed and made sure that student leadership was a part of the process the entire time. He thanked the Administration for allowing the SGA officers to be briefed throughout the year. Mr. Preston commented that the tuition increase was reasonable and the quality of students at the University was improving everyday.

Mr. Hubbard commented on the excellent quality and credentials of potential new faculty hires; some of whom were coming from very prestigious schools. That the University was still able to maintain only a 6.75 percent tuition increase was a remarkable achievement.

Mr. Kelly thanked Provost Becker, Ted Moore and Bill Bragdon for their efforts; he especially recognized Leslie Brunelli, Budget Director, who had to help craft the budget.

Mr. Adams thanked the Administration for their efforts and the members of the Legislature for the amount of state funding.

Since there were no other matters to come before the Committee, Chairman Adams declared the meeting adjourned at 3:45 p.m.

Respectfully submitted,

Thomas L. Stepp
Secretary