

University of South Carolina
BOARD OF TRUSTEES

August 14, 2020

The University of South Carolina Board of Trustees met at 1:10 p.m. on Friday, August 14, 2020, in the Pastides Alumni Center Ballroom and by Microsoft Teams Audio Conference.

Members present were Mr. John C. von Lehe Jr., Chairman; Mr. Hubert F. Mobley, Board Vice Chairman; Mr. C. Dan Adams; Mr. Chuck Allen; Mr. Alex English; Dr. C. Edward Floyd; Mr. Richard A. Jones Jr.; Mr. Miles Loadholt; Ms. Leah B. Moody; Mr. Robin D. Roberts; Dr. C. Dorn Smith III; Mr. Eugene P. Warr Jr.; Mr. Thad H. Westbrook; and Mr. Mack I. Whittle Jr. Joining by audio conference were Mr. J. Egerton Burroughs; Mr. Toney J. Lister Ms. Rose Buyck Newton; Ms. Molly B. Spearman; and Mr. Charles H. Williams.

Also present were: Board of Trustees Strategic Advisor David Seaton, Board of Trustees Governance Consultant Cameron Howell; USC Columbia Faculty Senate Chair Mark Cooper, and USC Columbia Student Government President Issy Rushton.

Others present were: President Robert L. Caslen Jr.; Secretary J. Cantey Heath Jr.; Vice President for Human Resources Caroline Agardy; President's Chief of Staff Mark Bieger; Presidential Faculty Fellow and Executive Assistant to the President Susan Bon; Executive Director for Strategic Initiatives Jack Claypoole; Chief Audit Executive Pam Dunleavy; Palmetto College Chancellor Susan Elkins; Interim Chief Development Officer Will Elliott; Chief Information Officer Doug Foster; College of Music Dean Tayloe Harding; Alumni Association Chief Executive Officer Wes Hickman; Assistant to the President for System Affairs Eddie King; Director for the Office of Economic Engagement William D. "Bill" Kirkland; Associate Vice President for Finance Kelly Epting; University Controller Mandy Kibler; General Counsel Walter "Terry" H. Parham; Chief Operating Officer Jeffrey L. Perkins III; Vice President for Student Affairs Dennis A. Pruitt; USC Upstate Provost and Senior Vice Chancellor for Academic Affairs David

Schechter; University Budget Director Joe Sobieralski; Director of Public Relations Jeff Stensland; Athletics Director Ray Tanner; Provost William “Bill” F. Tate IV; Vice President for Communications Larry Thomas; Executive Vice President for Administration and Chief Financial Officer Edward L. Walton; Vice President for Diversity, Equity and Inclusion Julian R. Williams; Board staff members Delphine Bigony and Christina McCormick; and CTS Production Manager Matthew Warthen.

Others joining by audio conference were: USC’s Federal Legislative Liaison Steve Beckham; University Foundations President and Chief Executive Officer Jason Caskey; Special Assistant to the President James Smith; USC Upstate Interim Chancellor J. Derham Cole Jr.; College of Arts and Sciences Dean Lacy Ford; USC Aiken Chancellor Sandra Jordan; Director of Institutional Effectiveness and Accreditation, Division of Institutional Research, Assessment and Analytics, Donald Miles; USC Beaufort Chancellor Al Panu; and J. Puckett of the Boston Consulting Group.

I. Call to Order

A. Welcome and Introductions

Chairman von Lehe called the meeting to order and stated 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. He asked those in the room to introduce themselves. Secretary Heath confirmed a quorum by calling roll to identify Trustees and others joining by Microsoft Teams.

Mr. Stensland introduced members of the news media who were in attendance in person or who joined the meeting virtually: Tyler Fedor with *The Daily Gamecock*; Josh Kendall from *The Athletic*; John Whittle with *The Big Spur*; Ben Breiner and Lucas Daprile with *The State*; and Jessica Holdman with *The Post and Courier*.

B. Invocation

Chairman von Lehe invited “my special friend” the Reverend Tom Wall of the

Methodist Student Network, “who is here at my specific invitation,” to deliver the invocation.

C. Oath of Office/Code of Conduct/Statement of Commitment

Chairman von Lehe said on February 14, 2020, the Board adopted an Oath of Office, Code of Conduct, and Statement of Commitment whereby each Board member is to take the oath and sign the document annually at the full Board meeting in August. He referred Trustees to a copy of the Oath of Office at each of their seats and called for the Board to collectively take the Oath of Office with him:

I do solemnly affirm that I am duly qualified, according to the laws and constitution of the State of South Carolina, to serve and exercise the duties of Trustee of the University of South Carolina System, and that I will, to the best of my ability, discharge the duties of Trustee with dedication and integrity, mindful of my fiduciary obligations to the institution, and consistent with the public trust placed in me.

D. Trustees Continuing Education Presentation on Fiduciary Duties – Consultant J. Puckett

Chairman von Lehe called on Trustee Smith to introduce the speaker. Trustee Smith said it was his privilege to introduce the senior partner and managing director of the Boston Consulting Group, J. Puckett. He described Mr. Puckett as:

someone who has worked extensively over the last 30 years with public and private sector entities on important strategic and operational transformation efforts. He has hands-on experience in strategy development, merger integration, large-scale transformation, organization design and effectiveness, governance, human resources effectiveness, process re-engineering, cost reduction, asset productivity improvement, change management and stakeholder engagement. Having received his BS in computer science and religion from Duke University, he also holds an MBA in finance and management from the Wharton School of the University of Pennsylvania.

Mr. Puckett thanked the Board for the invitation to address the topic of fiduciary duties of a board. He began by addressing the strategic context for higher education. There is no sector undergoing more simultaneous change than higher education, he said. All sectors are affected by what he called global

megatrends such as demographic shifts and workforce expansion, new jobs, new skills, rapid technology advancement, and the globalization and mobility of people and jobs.

In addition to these trends, Mr. Puckett said there are several very specific trends affecting higher education. These include an increasing connection between employers and educational institutions, rising costs and financial constraints, higher demand for education to include social and emotional learning, rise of new talent models, cross-border opportunities for institutions, connectivity between K-12 and higher education, evolving expectations for digital and in-person customer service, use of automation to improve student experiences, and increased consolidation activity.

Alongside these trends, COVID-19 poses new risks for higher education such as risks to enrollment, to institutional financial stability, and to student outcomes. Yet, he said COVID-19 and an increased focus on racial equity pose new opportunities for higher education. There is an opportunity to reinvent and reinvest in higher education's value proposition to students – opportunities to think about how to leverage technology and leverage federal funding to upgrade capabilities. There also are opportunities for higher education to rise to the moment and address racial equity and justice issues.

Mr. Puckett said some institutions are beginning to capitalize on these new opportunities by crafting strategic partnerships, aligning themselves more tightly with the needs of employers, reaching more students through technology, and redefining their distinctiveness by creating specialties and focus areas.

Within that context, he began to discuss the role of a board, especially its fiduciary duties. According to a survey of boards by the Association of Governing Boards, he said 85% are worried about the long-term future of higher education, 54% are concerned about the financial sustainability of their own institutions, and 35% think graduates have the skills to succeed in the global economy.

“Obviously, these are important times for good leadership and good governance,” Mr. Puckett said, noting the COVID environment heightens the role and importance of boards. With enrollment declines

and tightening of state funding, many are wondering whether they are going to be able to make ends meet, he said. University leaders are worried about more than the financial challenges; they are worried about how to return to campus and keep people healthy and about how to protect the reputation of the institutions they serve.

Mr. Puckett said university governance spans several domains of leadership – fiduciary leadership, which oversees operations and ensuring efficient and appropriate use of resources, legal compliance and fiscal accountability; strategic leadership, which ensures a winning strategy for the organization, being a strategic partner for senior leaders; and active leadership, which serves as a sounding board for all ranks of stakeholders.

In defining what is a fiduciary, Mr. Puckett described someone with special responsibilities related to the administration, investment, monitoring, and distribution of assets of an institution. He noted assets include both the tangible (like buildings) and the intangible (like stewardship) of an institution's reputation. A fiduciary is required to make good-faith decisions in the best interest of the institution, independent of any personal interests. And, while a fiduciary shares governance with other leaders like the president and the faculty, only board members have legal fiduciary responsibilities.

Mr. Puckett said he had reviewed the work of the University's Ad Hoc Advisory Committee on Governance and the documents it had prepared for board approval addressing topics dealing with fiduciary duty. He described the primary fiduciary duties as a duty of care, duty of loyalty, and duty of obedience. He then discussed specific aspects of each of these three duties.

As for the duty of care, he said it involved acting in a manner consistent with the best interests of the institution. He detailed the following about the duty of care:

- Best interest of the institution determined by the Board; usually based on institution's mission and strategic priorities
- Considering the short- and long-term financial health and risk of the institution

- Maintaining the quality of the institution’s academic programs
- Members should regularly attend meetings, actively participate, be knowledgeable about the institution’s goals, maintain confidentiality when needed
- Rely on outside expertise when needed.

The duty of loyalty involves garnering public trust by putting the institution’s interests above one’s own, he said, adding the following about the duty of loyalty:

- May not use board position to benefit themselves or another interested organization, e.g. another board/institution
- Member should not be an employee of the college or university, and acts independently of any relationship with other leaders
- Majority of members on the board should have full independence from the institution
- Members must fully disclose any conflicts of interest that may impact decision-making and recuse themselves when those exist.

The duty of obedience involves ensuring the institution is operating according to its purpose and governance documents. He added the following about the duty of obedience:

- Routinely assess the organization’s mission and purposes and modify as needed
- Maintain the institution’s legal and ethical compliance with the law and institutional rules, including accreditation, athletics, environmental, labor, etc.
- Implement necessary structures and internal control to maintain compliance and address any shortcomings.

Mr. Puckett then discussed how these principles are put into practice. He noted that in the case of the University of South Carolina, the composition of the board is in other hands, so the ability to define the composition of the board is not in its control. Typically, however, this is an important way to ensure fiduciary duties are well handled. Six other ways to put fiduciary principles into practice include:

- Be proactive in board planning
- Orient new members to duties, institution, expectations, resources
- Develop conflict-of-interest policy
- Liaise with university compliance office on formal programs, e.g. whistleblower, investigations

- Leverage experts to bolster board member knowledge on key topics
- Use committees to assess ongoing board effectiveness in upholding duties

Mr. Puckett then addressed best practices of effective boards. There are eight key building blocks of effective board governance, he said. The first is board composition – a board with the right people with the right skills, knowledge and capabilities; followed by board structure – a committee structure that ensures appropriate scrutiny, challenge and decision making at the right level; board processes – robust, consistent and transparent processes that enable the board to fulfill their responsibilities; and board role and agenda – a shared understanding of the board’s role versus that of management and that they are “handshaking” well, with the board’s agenda actively managed so sufficient time is spent on the most important topics.

Continuing with his list, Mr. Puckett described four additional key building blocks as executive relationships – effective and open relationships between the board and senior leadership, especially between the chair and the president; stakeholder relationships – robust relationships with stakeholders who support a balanced approach between short- and long-term value creation; culture setting – a board that actively oversees and is a steward of organizational values and culture that will deliver long-term value creation; and adaptability – adaptability to anticipate and respond to changing university circumstances, effectively managing crises while supporting long-term value creation.

Pitfalls are found occasionally with boards, which typically occur when there is not a strong sense of purpose, he said. Another common issue occurs when the board lacks clarity about its role and “inches” its way into management rather than performing its governance responsibility.

Mr. Puckett stressed “ambiguity in mission leads to issues in strategy.” The university’s mission must be the guiding principle in all actions, he said. “It is important to have a mission that is both ambitious and clear and that the strategy is aligned with it. This requires careful consideration and

profound thinking. There are a lot of organizations that do not have clear missions.”

He concluded his remarks, noting

It has never been more important to have a strong board with a strong understanding of its duties and the mission it is about. It is a critical time. The key fiduciary duties include care, loyalty, and obedience. The key to effective governance practice includes making sure you have a strong compass around mission and strategy; that you connect your work and your agenda to that mission; that you have an appropriate composition, orientation and training of your new board members; that your policies are established in writing and followed; that you have a strong committee structure; that you have expertise you can access as needed; and that you can uphold compliance to all of this through effective process.

Trustee Smith thanked Mr. Puckett and asked if Trustees had questions about the topics discussed.

Chairman von Lehe noted it was a “great presentation” and suggested Mr. Puckett might speak again, perhaps at a future board retreat.

Motion for Executive Session

Chairman von Lehe called for a motion to enter Executive Session for legal advice subject to attorney-client privilege and personnel matters related to the President’s evaluation and the Board’s self-assessment. Ms. Moody so moved. Mr. Burroughs seconded the motion. The vote was taken, and the motion passed.

Chairman von Lehe invited the following to remain in the room with voting Trustees: President Caslen, Mr. Seaton, Mr. Parham, and Mr. Elliott.

Executive Session

(Executive Session removed)

Return to Open Session

II. Approval of Minutes

- A. Ad Hoc Advisory Committee on Governance, Called Meeting, June 12, 2020
- B. Ad Hoc Advisory Committee on Governance, Called Meeting, June 29, 2020
- C. Ad Hoc Advisory Committee on Governance, Called Meeting, July 17, 2020
- D. Executive and Governance Committee, April 24, 2020
- E. Executive and Governance Committee, June 19, 2020
- F. Executive and Governance Committee, Called Meeting, July 24, 2020
- G. Board of Trustees Meeting, June 19, 2020
- H. Board of Trustees, Called Meeting, July 24, 2020
- I. Ad Hoc Committee on Strategic Planning, May 22, 2020
- J. Ad Hoc Committee on Strategic Planning, June 19, 2020

There being no additions, deletions, or corrections, Chairman von Lehe said the 10 sets of minutes stood approved as provided for review on the Board Portal.

III. Committee Consent Agendas

- A. Audit and Compliance Committee, August 14, 2020
(The Honorable Rose Buyck Newton, Chair)

Chairman von Lehe said the Audit and Compliance Committee met earlier in the day and recommended for approval all items listed on its consent agenda. There were no objections to a single motion to approve all consent agenda items, the vote was taken, and the following approved:

- Policy Revisions

- a. BTRU 1.18 Conflicts of Interest and Commitment

Proposed amendments include language to address foreign entity conflict risks.

- b. BTRU 1.20 Dishonest Acts and Fraud

Proposed amendments include scrivener corrections, updated titles, and language more representative of the University system.

- c. BTRU 1.24 Internal Control Policy

Proposed amendments include scrivener corrections and language more representative of the University system.

B. Executive and Governance Committee, August 14, 2020
(The Honorable John C. von Lehe Jr., Chair)

Chairman von Lehe said the Executive and Governance Committee met earlier in the day and recommended for approval all items listed on its consent agenda. There were no objections to a single motion to approve all consent agenda items, the vote was taken, and the following approved:

1. Darla Moore School of Business Service Agreement – U.S. Army Finance and Comptroller School, Fort Jackson, South Carolina: A five-year agreement between the Darla Moore School of Business (DMSB) and the U.S. Army Finance and Comptroller School at Fort Jackson under which the DMSB will provide classes focused on data analytics and Enterprise Resource Planning to Army financial managers. The U.S. Army Finance and Comptroller School will pay the tuition and standard fees for classes as approved by the USC Board of Trustees each year. The DMSB estimates it will receive revenues of up to \$1,750,000 per year of the contract.
2. Affiliation Agreements – USC Support Foundations: Affiliation agreements between the University of South Carolina and four of its support foundations changed to address requirements of Standard 5.3 of the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC). The support foundations are the South Carolina Research Foundation, the University of South Carolina Alumni Association, the Educational Foundation of USC Lancaster, and the USC Upstate Foundation.
3. Amendment to Concessions Services Agreement – Aramark Sports and Entertainment Services, LLC.: The amendment (1) terminates Aramark's rights to sell alcohol in defined suite and premium areas of Williams-Brice Stadium; (2) defines what is considered a suite, premium, club and non-premium area of Williams-Brice Stadium; and (3) provides that Aramark will pay the Athletics Department a commission of 45% of net revenues from alcohol sales at Williams-Brice Stadium.

IV. Board of Trustees Bylaws Amendments (Second Reading)

- A. Presidential Candidate Search Committee
- B. Fiduciary Duties of Trustees

On behalf of the Executive and Governance Committee, Chairman von Lehe moved approval of the Board of Trustees Bylaws amendments [Exhibit A] as recommended by the Ad hoc

Advisory Committee on Governance and provided on the Board Portal.

The vote was taken, and the motion was approved.

V. President's Annual Performance Appraisal

Chairman von Lehe said:

I speak on behalf of the Board in thanking President Bob Caslen for an outstanding first year as President of this great institution. Based on the leadership he has exhibited as the University faced challenges brought on by the Coronavirus, we expect he will continue to lead the University in an exemplary way. President Caslen has worked tirelessly during this time of adversity and led with integrity. In conjunction with the Strategic Planning Committee of the Board, he led the development of a new strategic plan with input from across the University and with a new emphasis of this flagship university serving the citizens of South Carolina. President Caslen has filled key positions and surrounded himself with an outstanding team.

President Caslen – thank you for your dedication to the students and to our institution.

Chairman von Lehe moved approval of the President's Annual Performance Appraisal. Mr. Mobley seconded the motion. The vote was taken, and the motion was approved.

VI. Report of the President

Chairman von Lehe called on President Caslen who said it was great to see Trustees in person after so many months of virtual meetings. He then congratulated Trustees on their Oath of Office, noting his military background where oaths of office were very important. "The oath you took today is significant and I want to acknowledge and recognize that and congratulate you for it."

He welcomed new Board members Alex English and Robin Roberts.

Proceeding to his report, he said he would address the University's reopening status, as well as the University's cost-saving measures related to the loss of \$126 million due to COVID-19; and the status of the SACSCOC monitoring report and reaffirmation of accreditation report. Other items in his report

would relate to SAT and ACT “test optional” as part of the admissions process during COVID-19 and an update on fall football.

First, he said he wanted to again thank Trustees for their approval of the strategic plan. “I hope you will dig into it to look at the programs, to look at the metrics. I plan to give updates at future Board meetings as we convert those metrics to dashboards and see where we are. I do believe, with COVID-19 and everything else going on, the most important thing I will do as President over the next two to five years is implementing that strategic plan.”

The plan is not firm, it will evolve as the University and its environment evolves, he said. “It is strictly tied to the budget cycle because any strategy includes the ends which are the goals, the ways which are the programs to achieve those goals, and the means which is the money, the resources to implement the programs.”

He continued, reminding Trustees that “the vision statement talks about us being the preeminent flagship university in America. As I talk to people about that and they look at things like access and affordability, they get excited.” President Caslen continued that the mission statement talks about the transformation of lives because of the education and experience students receive at the University. “I’m excited about our strategic plan and I look forward to implementing it with all of you,” he said, noting the importance of inspiring every one of the University’s students, faculty and staff members to understand what it means to live in an environment of excellence.

He then talked about partnerships, beginning with his recent visit with the Special Operations Command at MacDill Air Force Base in Tampa, Florida, organized by Bill Kirkland in USC’s Office of Economic Engagement. Deans from the college of engineering and computing and the college of public health accompanied him to discuss University research projects applicable to the command. President Caslen added that it was through Mr. Kirkland’s efforts that an educational memorandum of understanding

recently was signed with Fort Gordon.

Regarding the opening of the University, President Caslen said it is good to see COVID-19 cases appear to be decreasing. He reported cases in South Carolina on the first of July per 100,000 were 38; now they are at 22 per 100,000. Campus cases since the beginning of COVID are at 433 of which 373 were students, 30 of whom were on campus. The number of off-campus infections is likely higher, but those were the only reports the University received. There have been 48 staff members who have tested positive and across the system outside of Columbia, there have been only 8 reported cases. He said the higher numbers were expected in Columbia because of the urban environment.

Currently there are 26 active cases on and off-campus in Columbia, while there is an average of 7 to 10 University cases being reported daily which has remained steady through the summer. From a quarantine standpoint, the building set aside for this purpose is at 2% occupancy. President Caslen said when contract tracing identifies students who have come in contact with someone with COVID-19, they are invited to quarantine. Then there are those required to quarantine up front such as international students returning to campus. Returning international students currently account for the 2% quarantine occupancy.

COVID testing is vital for the University, which has tested 7,255 students, faculty, and staff to date with a 3.9% positive rate – much lower than the rates reported from across the rest of the state. Testing is important because in the college-age group, 1.5% to 5% are asymptomatic positive, which means they can spread the virus even though they have no symptoms. Thus, if 30,000 students return to campus there could be as many as 450 students who are asymptomatic positive and spreading the virus.

We're asking every student to return with a test completed at home. Already 5,500 students have reported testing information. At the same time, those who come without testing are being tested when they arrive on campus. The problem is we want results in hours, not five to seven days later. Thanks to Nephron, one of our partners, we are able to take a nasal test

and receive results within hours. They are limited to about 250 tests and we can do another 200 in our laboratory facilities.

To the credit of our pharmacy college, they have come up with a saliva test with the ability to get results in hours, not days.

That is the process we want to use to scale up our testing; we expect FDA approval within days.

President Caslen said the University's plan for reopening has four principles: everything is focused on the health of students, faculty and staff; because of being an urban campus, any outbreak needs to be contained within the campus to prevent its spread in the community; the mission is to deliver education regardless of modality while maintaining the University's standards and integrity; the health of the University must prevail through this pandemic through careful management.

The reopening plan has three phases. Phase 1 was the gradual increase of students on campus over the summer, which illustrated off-campus student behavior must be a focus. President Caslen recognized the efforts of Ms. Rushton's "I Pledge Columbia" campaign in helping educate students. The campaign is a partnership with the City of Columbia, which already had a mask ordinance and curfew ordinance. The University also has asked the city to pass an ordinance to limit space distance inside restaurants and bars, and the mayor is considering an ordinance restricting off-campus parties.

Phase 2 is the optional return to avoid forcing students and faculty to return, which requires online delivery of education to supplement in-person classroom offerings. He complimented the interim provost and provost for their efforts in organizing the faculty to deliver the necessary classes. When undergraduate classes begin next week, 40% will be online with 60% in-person classes, while 14% of graduate programs will be online with 86% in-person classes. President Caslen expressed appreciation for the level of support from the faculty, unlike the negative reactions of faculty at many institutions.

Phase 3 is to maintain flexibility to respond to increased risks, allowing a quick return to 100% virtual classes if necessary. The staff developed a decision-making matrix based on criteria that are

evaluated daily including the University's capacity for contact tracing, quarantine capacity, wastewater monitoring, campus health care capacity, community health care capacity, and risk mitigating behavior.

President Caslen said there will be a spike in numbers when the students return, but he has faith in students modifying their behavior. The issue he said would be in the University's capacity to deal with increased numbers of positives and the public reaction. He concluded his report on campus reopening by describing positive interactions with students, which emphasized the students' use of masks and social distancing.

Trustee Westbrook said he participated in several reopening meetings and commented how impressive the team is which is working on the reopening.

I come away from those meetings amazed at the work being done and the progress that has been made. From my perspective, (Trustees) should rest assured, this has been a deliberative process and an issue where students, faculty, and staff safety has been paramount throughout the entire process. The President has challenged the team repeatedly on issues and continues to push them. They respond well. We've got a great team and a strong plan moving forward. There are about 70 people involved with the team and I thank them for their service to keeping everyone here safe.

President Caslen next offered a COVID cost-savings update. The estimated budget losses are at \$126 million, he said. Of that amount, \$59 million are recurring and \$67 million represent a one-time impact. The commitment is to match the impact on recurring dollars with recurring budget reductions. As indicated with approval of the budget, administrative units have been assessed a 10% reduction and academic units a 5% reduction. Additional recurring cost-savings taken include reductions in travel, reductions in external contracts and consulting agreements, reductions in temporary staffing, holding vacancies open, and workforce right-sizing efforts.

To address the \$67 million in one-time costs, carry forward reserves were reduced. The University also is pursuing federal and state appropriations, with \$10 million received to date from the initial CARES

Act. Furloughs and 10% pay cuts also have been implemented.

However, President Caslen said, cost reductions could not undercut the University's strategic efforts. "You can deal with the fire at your feet and take your eye off the strategic horizon and someone else will take advantage of the opportunities that are created in every crisis." Thus, he said a systematic approach would be taken to identify long-term academic and administrative opportunities.

He explained his plan for transparency with an illustration of the various groups and entities addressing the issue. Reporting to the president is the Gang of 6, which is responsible for oversight and coordination of all efforts. The Gang of 6 is composed of Provost Tate, CFO Walton, Student Affairs Vice President Pruitt, Diversity Vice President Williams, Council of Deans representative Harding, and Faculty Senate Chair Cooper.

Other entities supporting this effort include the faculty specific Committee of 9, which will review academic program offering changes and ensure faculty manual compliance; nationally recognized expertise of USC's consultant EAB, which is focused on data driven decision support for the Gang of 6 and Committee of 9; and the internal, cross-functional expertise of Future Planning Group 4, which is focused on reviewing efficiency and cost savings opportunities in administrative areas. Group 4 is further assisted through the following subgroups: Cost Containment Group, which performs systematic review of administrative areas for cost savings; the joint Faculty and Staff Cost Savings Task Force, which leads the "Grassroots" effort to find cost savings across the University; and the Future Opportunities Group, which focuses on developing a systematic process to find efficiency and time/cost savings.

"If we look at restructuring, reorganizing certain elements and aspects of the University, this is the effort that will get us there," President Caslen said.

President Caslen's timeline includes initial recommendations to the Board in late October, to be refined for final recommendations by December to allow decisions and implementation planning during

the first six months of 2021, with implementation scheduled for Fiscal Year 2022.

With no questions from Trustees on the cost-savings measures, President Caslen next reported on the University's 10-year reaffirmation of accreditation efforts. Before beginning his update, he clarified that the SACSCOC monitoring report based on the presidential selection process is a separate report with deadlines coinciding with the timeline for the University's reaccreditation process.

President Caslen recognized the "incredible work" of Donald Miles who is coordinating the University's 10-year reaffirmation of accreditation efforts. He presented several PowerPoint slides illustrating the timeline and the two-year process taken to meet each of the report's 14 sections of the compliance report, which is due to SACSCOC on September 8. SACSCOC will conduct several reviews following submission of the compliance report, with an on-campus SACSCOC peer review scheduled for March 2021. Ultimately all reports and recommendations will be provided to the SACSCOC Board of Trustees for its review, with a decision to be announced in December 2021.

With no questions regarding reaffirmation, President Caslen asked Dr. Pruitt to report on the undergraduate admissions "test optional" pilot. Dr. Pruitt said he would summarize his report at the request of Chairman von Lehe.

The decision was made to go test optional when testing agencies indicated they were unable to test every high school graduating senior. They estimated as many as 1.5 million high school students would be unable to obtain a test score by the beginning of the 2020-21 academic year for college admissions.

This was a COVID-related decision for the University, he said, noting the University was informed June 2 by the testing agencies they were unable to test all graduating high school students. There were a series of national meetings during the first two weeks of June, including a meeting of all Southeastern Conference (SEC) admissions directors. By June 15, it was concluded that the University, most SEC Schools, and most institutions across the country were going to go test optional for one year. He said he

had apologized to the President and several Trustees for failing to communicate with Trustees what was taking place and said in the future such information would be provided in a timelier manner.

Dr. Pruitt emphasized the decision was COVID-based; there was no hidden agenda. The University needed to take this step because higher education is a competitive market and it was moving to test optional. Test optional is for one year only for the 2020-21 entering class. After that, there will be an evaluation of the process which will include determining what is happening with testing and testing availability to high school students. At the end of the year, he said, test optional will be reviewed by the Faculty Senate, the President, and the Board of Trustees before further decisions are made post 2020-21.

“The decision was a good decision and I thank the President and the Board for your confidence in the faculty and in the staff for making what was a good decision. We’re joined by thousands of institutions around the country,” he said noting 92% of AAU institutions, plus the entire North Carolina system have gone testing optional.

Concluding, he again apologized for the timing of the process and the lack of a proper explanation to Trustees about why the decision was made.

It was a COVID decision made to be responsive to our students and their families. We are still going to ask people to provide their test scores if they can. We’re going to expand our holistic admissions process. We’re going to maintain the academic integrity of the institution. *U.S. News and World Report* has now said it will rank all institutions including those who are not using tests for their entrance admissions for the 2020-21 year.

Trustee Newton said she was proud of the decision that was made, noting she had a child affected by being unable to take the test. She asked for clarification of what admissions criteria are used instead of SAT and ACT test scores. Dr. Pruitt said he would have admissions staff provide a more thorough explanation at a future meeting of the Academic Excellence and Student Experience Committee. The main goal of admissions, he said, is to determine who can come to the University of South Carolina and be

successful. “We don’t recruit freshmen, we recruit graduates,” he said, continuing:

We want students who not only can survive, but who can thrive in our academic arena. So, we know there is no one single measure to predict academic success. But we do know that high school grades; high school rank; English, science, and math scores in high school classes – in particular, English – all have a dramatic ability to predict college success. We have an enrollment analytics group and they are doing very good work expanding what already was a robust, holistic admissions process that looks at a variety of things beyond test scores. This is a proven, validated process and we know we can make good predictions on who those students are that we can admit. And remember, in South Carolina, we are going to provide a 98% opportunity rate, so we are going to be very inclusive for our South Carolinians.

There is a small dilemma as relates to the lottery scholarships, which are based on high school grade point average, test scores, and rank in the high school class. You can obtain a Life Scholarship with just two of those criteria, but for the Palmetto Scholarship, by law you must have a test score. We’ve approached the Commission on Higher Education and are working through our legislative support team to ask the Legislature for one-year relief, so those students won’t be penalized.

Concluding his report, President Caslen said in respect to fall football, his assessment is the intent is to have a season. While the SEC has voted for a 10-game conference-only season, the schedule is not yet complete. One complicating issue with moving forward is the NCAA decision to eliminate fall championships in volleyball, cross country, and soccer. Another important aspect is the fans and whether a safe environment can be obtained in the stands.

As the Board prepares to vote on new leadership, President Caslen offered special thanks to Chairman von Lehe and Vice Chairman Mobley for their leadership. “I would never have gotten where I am today without your mentorship, your patience, your understanding, and your leadership. On behalf of the University, I want to thank you for your service to this Board.”

VII. Election of Permanent Chair

Chairman von Lehe called for nominations for a permanent chair for the USC Board of Trustees. Ms. Moody nominated Dr. C. Dorn Smith III and Mr. Whittle seconded the nomination. Mr. Mobley moved that nominations be closed, and Dr. Smith be elected by acclamation. Ms. Moody seconded. The vote was taken, and the motion passed. Mr. von Lehe turned the gavel and meeting over to Chairman Smith who thanked Trustees for their vote of confidence and said:

I only hope I can live up to your expectations.

The University has been through some rough seas over the last year or so but out of this storm, we have emerged stronger and better positioned to deal with our challenges. With the leadership of this Board, President Caslen and our excellent staff, faculty, and students, we have the opportunity now to set the course for this University for the next 200 years.

My priorities are as follows:

1. To enhance the integrity and academic excellence of the University of South Carolina. This includes enhancing the faculty, growing research, graduate programs, focusing on academics, online education, and positioning Carolina to be the premiere institution for health care.
2. To pursue financial efficiencies with the new budget model. This includes streamlining administrative costs, eliminating duplication of services, reviewing the tuition and fee structure to keep tuition prices as low as possible, and improving the competitive position of the University.
3. I am going to ask the Governance Committee to take up the mantle of finishing the Bylaws review and revision, as well as the modernization of our system of governance here at the University of South Carolina. This includes orientation programs for new board members, enhancing the communication between the Board and our stakeholders, Board-only executive sessions with each meeting, as well as many other changes that need to be implemented going forward.
4. Today I am asking President Caslen to charge the Presidential Commission on University History to review and bring forward to the Board of Trustees a set of names

of prominent African-American South Carolinians who could be considered for honorific namings of University buildings in the near future. This list should include, but not be limited to, Richard Greener, Judge Ernest Finney, Robert Anderson, James Solomon, and Dr. Henrie Monteith Treadwell, among others. This is an issue that is past due.

Finally, I ask for your support over the next two years that we can better the University of South Carolina and our entire state. I am honored to work with each of you and look forward to doing so. Thank you all for your vote.

VIII. Recognition of Outgoing Chairman

Chairman Smith thanked Chairman von Lehe and Vice Chairman Mobley for their service.

Thank you for your leadership over the past four years. Amid many challenges, they have done a tremendous job in bringing us President Caslen who has done an exemplary job along with them, managing this unprecedented COVID-19 crisis.

I particularly want to thank John for his tireless effort and notable leadership. I hope that you know your number will be on my phone's speed dial as the number one resource for guidance as I go down this path over the next two years. I want you to know we will be arranging a banquet in the future when things settle down from a health standpoint to honor you.

Again, thank you for your service.

IX. Election of Vice Chair

Chairman Smith called for the election of a vice chairman. Mr. Warr nominated Thad Westbrook. Mr. English seconded the nomination. There were no other nominations. The vote was taken, and the motion passed. Chairman Smith welcomed Mr. Westbrook as the new vice chairman.

X. Committee Assignments

Chairman Smith announced that in accordance with recent Bylaws amendments, the Board Chair has the responsibility of appointing Board members to standing committees other than the Governance Committee. He asked Secretary Heath and Ms. Bigony to distribute a committee assignment list. At the conclusion of the full Board meeting, he said each newly constituted committee would convene

to elect its committee chair. Composition of the newly defined standing committees for 2020-2022 are listed below. The Board Chair and Vice Chair serve as *ex officio* members of all standing committees.

Academic Excellence and Student Experience Committee

| | |
|-----------------------|-----------------------|
| C. Dan Adams | Leah B. Moody |
| Chuck Allen | Molly B. Spearman |
| Alex English | John C. von Lehe, Jr. |
| Richard A. Jones, Jr. | Eugene P. Warr, Jr. |

Advancement, Engagement and Communications Committee

| | |
|-------------------|-----------------------|
| Chuck Allen | John C. von Lehe, Jr. |
| Alex English | Eugene P. Warr, Jr. |
| Robin D. Roberts | Charles H. Williams |
| Molly B. Spearman | |

Audit, Compliance and Risk Committee

| | |
|-----------------------|---------------------|
| J. Egerton Burroughs | Robin D. Roberts |
| Richard A. Jones, Jr. | Charles H. Williams |
| Rose Buyck Newton | |

Finance and Infrastructure Committee

| | |
|----------------------|----------------------|
| C. Dan Adams | Toney J. Lister |
| J. Egerton Burroughs | Rose Buyck Newton |
| Alex English | Mack I. Whittle, Jr. |
| Dr. C. Edward Floyd | Charles H. Williams |

Health and Medical Affairs Committee

| | |
|-----------------------|----------------------|
| Dr. C. Edward Floyd | Hugh F. Mobley |
| Richard A. Jones, Jr. | Molly B. Spearman |
| Miles Loadholt | Mack I. Whittle, Jr. |

University System Committee

| | |
|----------------------|-----------------------|
| Chuck Allen | Hugh F. Mobley |
| J. Egerton Burroughs | Leah B. Moody |
| Toney J. Lister | Robin D. Roberts |
| Miles Loadholt | John C. von Lehe, Jr. |

Governance Committee

Dr. C. Edward Floyd
Toney J. Lister
Miles Loadholt
Board Chair – Dr. C. Dorn Smith III
Board Vice Chair (Committee Chair) – Thad H. Westbrook
Chairs of the six other standing committees

XI. Other Matters

Chairman Smith said some stakeholders have expressed concerns about the composition of the Presidential Search Committee as outlined in the Presidential Candidate Search Committee Policy BTRU 3.01. To ensure those concerns are addressed, he said he would send an email soliciting feedback from the parties who have expressed concern, including the faculty, the foundations, as well as the Alumni Association and others. That feedback will be referred to the Governance Committee for further review.

Chairman Smith also asked Trustees who had not submitted a completed and signed copy of the Conflict of Interest and Oath of Office/Code of Conduct/Statement of Commitment documents to do so before leaving the meeting.

XII. Adjournment

There being no other business to come before the Board, Chairman Smith declared the meeting adjourned at 3:30 p.m.

Respectfully submitted,

J. Cantey Heath, Jr.
Secretary