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University of South Carolina  
BOARD OF TRUSTEES

Executive Committee

April 20, 2018

The Executive Committee of the University of South Carolina Board of Trustees met at 10:05 a.m. on Friday, April 20, 2018, in the Alumni Center's C. Edward Floyd Boardroom.

Members present were: Mr. John C. von Lehe Jr., Chairman; Mr. Hubert F. Mobley, Board Vice Chairman; Mr. Toney J. Lister; Mr. Miles Loadholt; and Mr. Eugene P. Warr Jr.; with Dr. C. Edward Floyd joining by telephone.

Other Trustees present were: Mr. Chuck Allen; Mr. Thomas C. Cofield; Ms. Leah B. Moody; Dr. C. Dorn Smith III; Mr. Thad H. Westbrook; Mr. Mack I. Whittle Jr.; and Mr. Charles H. Williams; with Mr. Mark W. Buyck Jr.; Mr. A.C. "Bubba" Fennell; Mr. William C. Hubbard; and Ms. Rose Buyck Newton joining by telephone

Also present were Strategic Advisor David Seaton; Columbia Faculty Senate Chairman Marco Valtorta and Columbia Student Government President Taylor Wright.

Others present were: President Harris Pastides; Secretary J. Cantey Heath Jr.; General Counsel Walter "Terry" H. Parham; Chief Operating Officer Edward L. Walton; USC Advancement Team Leader Paula Harper Bethea; Chief Financial Officer Leslie Brunelli; Vice President for Student Affairs Dennis A. Pruitt; Athletics Director Ray Tanner; Vice President for Information Technology Doug Foster; Vice President for Human Resources Chris Byrd; Vice President for Development Jancy Houck; Chief Communications Officer Wes Hickman; Vice President for Facilities and Transportation Derrick Huggins; Vice President for System Planning Mary Anne Fitzpatrick; Palmetto College Chancellor Susan Elkins; USC Upstate Chancellor Brendan Kelly; USC Beaufort Chancellor Al Panu; USC Aiken Chancellor Sandra Jordan; Chief Audit Executive Pam Doran; University Treasurer Pat Lardner; Associate Vice President for Business Affairs Helen Zeigler; Associate Vice President for Administration and Finance and Medical Business Affairs Jeffrey L. Perkins III; Executive Director of Economic Engagement William D. "Bill" Kirkland; Director of State Government Relations Derrick Meggie; Vice Provost and Graduate School Dean Cheryl Addy; College of Arts and Sciences Dean Lacy Ford; University Libraries Dean Thomas F.

McNally; Senior Director of Administrative Operations and Student Financial Services, Darla Moore School of Business, Sharon Guess; Director of Capital Budgets and Financing Charlie FitzSimons; Director of Facilities Planning and Programming and University Architect Derek S. Gruner; Assistant Director of Facilities Design and Construction Thomas Opal; Facilities Program Coordinator Courtney Livingston; Executive Director for Strategic Initiatives Jack Claypoole; USC Upstate Vice Chancellor for Administrative and Business Affairs Sheryl Turner-Watts; USC Aiken Executive Vice Chancellor for Academic Affairs Jeff Priest; USC Aiken Senior University Facilities Executive Brian Enter; The Boudreaux Group President Heather Mitchell; Watson Tate Savory Principal J. Sanders Tate; University Technology Services Production Managers Matt Warthen and Joe Woodard; and Board staff members Debra Allen and Terri Saxon.

I. Call to Order

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; and a quorum was present to conduct business.

Mr. Hickman introduced news media in attendance: Lucas Daprile, Greg Hadley, Josh Kendall and Andrew Ramspacher with *The State* newspaper in Columbia; David Cloninger with *The Post and Courier* newspaper in Charleston; John Del Bianco and John Whittle with TheBigSpur.com; Hale McGranahan with SECCountry.com; Chris Clark with GamecockCentral.com; and William Palaszczuk with South Carolina Radio Network.

**Motion for Executive Session**

Chairman von Lehe requested a motion and second for an Executive Session for proposed contractual matters regarding athletics and for legal advice regarding pending litigation.

Mr. Mobley made the motion, which was seconded by Mr. Loadholt. The vote was taken, and the motion passed.

The following persons were invited to remain: President Pastides, Secretary Heath, Dr. Valtorta, Mr. Wright, Mr. Seaton, the President's Executive Council, Dr. Addy and Ms. Doran.

## Executive Session

### Return to Open Session

#### II. Board of Trustees Policy Revision: BTRU 1.04 *Authority to Sign Contracts*

Chairman von Lehe called on Mr. Parham who said the Legal Office was responsible for reviewing all contracts before sending them to the Secretary of the Board of Trustees for signature. As part of the process, it is required for the University department generating a contract to complete a form containing basic information for tracking the contract. As a result of a review of the contract approval process, Audit & Advisory Services recommended the form be modified to include “do’s and don’ts” to be confirmed by the department prior to submission of a contract for review.

Thus, an amendment to the Board’s contract signatory policy is being proposed to emphasize the importance of this recommendation. The change, he said, simply mandates the department requesting approval of a contract must complete a form and send it with the contract to the Legal Office as part of the review/approval process.

Chairman von Lehe called for a motion to recommend approval by the full Board of the revisions described by Mr. Parham to Board policy BTRU 1.04 *Authority to Sign Contracts*. Mr. Mobley so moved. Mr. Lister seconded the motion. The vote was taken, and the motion was approved.

#### III. Board of Trustees Bylaws Amendment

Chairman von Lehe said many comments and suggestions had been received about the proposed change to the bylaws regarding modifications to the name and jurisdiction of the Student-Trustee Liaison Committee. As a result, he remanded the proposed changes back to committee for receipt and review of Trustees’ comments and suggestions prior to the amendment being placed on the agenda at a future meeting of the Executive Committee. He also appointed Trustees Hugh Mobley and Leah Moody to serve with Trustees Toney Lister and Tommy Cofield on the Ad Hoc Committee on Bylaws.

Chairman von Lehe then called on Mr. Parham to present the proposed bylaws amendments dealing with designation of the Executive Committee as the Board’s Executive and Governance Committee. In addition to the name change, the proposed change includes “The Executive and Governance Committee is charged with exercising all responsibilities related to Board governance not otherwise expressly delegated by these bylaws to another standing committee of the Board.”

Mr. Parham said the Ad Hoc Committee on Bylaws also proposed amending the bylaws to reflect the University’s four-year institutions are now called Comprehensive Universities and two-year institutions are now called Regional Palmetto Colleges. [Exhibit A] If approved, he said, the amended bylaws would be

forwarded to the full Board at its meeting later in the day, but would lay on the table with no action taken until the full Board's next meeting on June 22, as required by the bylaws.

Chairman von Lehe called for a motion to recommend full Board approval of the bylaws amendments designating the Executive Committee as the Executive and Governance Committee, as well as updating references to the University's four-year and two-year campuses as Comprehensive Universities and Regional Palmetto Colleges. Mr. Mobley so moved. Mr. Loadholt seconded the motion. The vote was taken, and the motion was approved following discussion about the lack of clarity as to the number of faculty on a Presidential Search Committee. Mr. Parham said he would clarify the language dealing with faculty representation prior to the bylaws coming forward for final approval in June.

#### IV. Contracts

Chairman von Lehe called on Mr. Parham for presentation of contracts.

##### A. EBSCO Information Services Agreement

Mr. Parham said University Libraries sought approval to renew its annual agreement with EBSCO Information Services to acquire electronic journals and databases, effective July 1, 2018.

Under the agreement, EBSCO will serve as a single point of contact between the library and various publishers from whom the library seeks access to journals and databases. This improves efficiency because EBSCO provides the library with consolidated invoices, and the library has to write fewer checks and doesn't have to deal with hundreds of individual publisher contracts. By using EBSCO, the library acquires access in an efficient manner to approximately 13,733 journal titles and 50 EBSCO host databases.

During the one-year contract term, the library anticipates spending approximately \$5,290,635 on journals and databases. Additionally, EBSCO charges a 2.5% service charge, which is reduced to 1.9% (approximately \$100,522; a savings of \$31,741) if the library pays \$3 million to publishers by July 31, which the library plans to do. Therefore, the total estimated cost to the library under this contract will be approximately \$5,391,157.

Chairman von Lehe called for a motion to recommend full Board approval of the agreement between University Libraries and EBSCO Information Services. Mr. Mobley so moved. Mr. Loadholt seconded the motion. The vote was taken, and the motion was approved.

##### B. JDA Software, Inc. Gift

Mr. Parham said approval was sought for a proposed gift of educational software from JDA Software, Inc. to the Department of Retailing in the College of Hospitality, Retail and Sport Management. The Board previously approved a three-year gift of educational software from JDA on

October 12, 2017, valued at \$6,252,000. This gift provides additional software valued at \$1.5 million for the same contract term, which will end October 27, 2020.

Based in Scottsdale, Arizona, JDA is a world leader in providing retail software. More than 4,000 retailers globally use JDA software, he said, including major retailers in the United States such as Wal-Mart. This gift consists of specialized educational retail management software used to train USC undergraduate and graduate students for retail management jobs, giving our graduates a competitive advantage in the job market. Under the terms of the gift, the Department of Retailing will receive up to 200 licenses to use the various JDA software components.

Chairman von Lehe called for a motion to recommend full Board approval to accept the gift of educational software from JDA Software, Inc. Mr. Warr so moved. Mr. Lister seconded the motion. The vote was taken, and the motion was approved.

C. Marine Corps Memorandum of Understanding

Mr. Parham said the Darla Moore School of Business (DMSB) sought approval to enter into a Memorandum of Understanding (MOU) under which it will deliver the Professional Masters of Business Administration (PMBA) program to active duty, reservists, eligible retired military personnel, Department of Defense employees, civilians and adult family members of these groups at the Marine Corps Air Station at Beaufort and the Marine Corps Recruit Depot at Parris Island.

The PMBA is a 48-credit hour graduate program offered online, with courses broadcast from the DMSB. If approved, this MOU will add the two new sites to the existing sites at which the PMBA program is offered, including Greenville, Charlotte, Charleston, Aiken and others.

Under the MOU, the DMSB will provide curriculum and instructors for the program, and will monitor student progress and advise students of their academic standing. Both the Marine Corps Air Station and the Recruit Depot will provide an Education Services Officer, an office and a classroom including furniture and internet/data connections and security.

Individuals wishing to enroll must meet all DMSB admission requirements. Once admitted, they will be subject to all DMSB academic requirements and USC policies and procedures. Students will pay the Board-approved tuition, currently \$741 per credit hour, for the term in which they enroll. Either party may terminate the MOU on 180 days written notice. Over the MOU's five-year term, beginning Fall 2018, the DMSB estimates it will generate \$1,452,360 in tuition revenue.

Chairman von Lehe called for a motion to recommend full Board approval of the MOU offering the PMBA online at the Marine Corps Air Station at Beaufort and the Marine Corps Recruit Depot at

Parris Island. Mr. Lister so moved. Mr. Loadholt seconded the motion. The vote was taken, and the motion was approved.

D. Program Collaboration Agreement, Pontificia Universidad Javeriana, Bogota, Colombia

Mr. Parham said the Darla Moore School of Business (DMSB) also sought approval of an academic cooperation agreement with Pontificia Universidad Javeriana located in Bogota, Colombia. Javeriana is a private higher education institution founded in 1623. It is one of the most prestigious Colombian universities and traditionally educates the Colombian elite. Under the agreement, up to five Javeriana students per academic year will have the opportunity to pursue Ph.D. degrees from the DMSB, beginning with the Doctor of Philosophy in Business Administration with a major in Accounting.

Javeriana students interested in enrolling must meet all DMSB and USC admissions and academic requirements and are subject to all USC policies and procedures. They will pay the Board-approved tuition and fees established for graduate non-resident students. The DMSB does not incur any additional costs associated with the agreement, which begins July 31, 2018.

The DMSB estimates it will receive tuition revenues of approximately \$400,000 over the five-year term of the agreement, although the actual amount of revenue will depend on the number of Javeriana students who enroll.

Chairman von Lehe called for a motion to approve the academic program collaboration agreement with Pontificia Universidad Javeriana in Bogota, Colombia. Mr. Loadholt so moved. Mr. Mobley seconded the motion. The vote was taken, and the motion was approved.

E. Barclays Capital Agreement

Mr. Parham said approval was sought for a new agreement with Barclays Capital under which Barclays will continue to serve as the University's lead underwriter to provide investment banking services in connection with the University's debt offerings. Barclays was selected by the State Treasurer after a competitive solicitation and will be paid for its services through underwriting revenues generated from the sale of bonds.

For bonds issued under the Higher Education Revenue Bond Act or the Athletic Facilities Revenue Bond Act, Barclays will receive financing fees of \$3.75 per \$1,000 issued with no management fee and no additional hourly fees.

The University will reimburse Barclays for reasonable expenses incurred in providing its services, including travel, meals, lodging and legal expenses, all of which must be approved in advance by the University and must be supported by appropriate receipts.

The one-year agreement begins April 20, 2018, and the engagement may be renewed for up to two additional one-year periods upon the mutual written consent of the parties. The agreement may be terminated by either party at any time on 30 days written notice.

Chairman von Lehe called for a motion to approve the agreement with Barclays Capital as the lead underwriter for investment banking services in connection with the University's debt offerings. Mr. Warr so moved. Mr. Lister seconded the motion. The vote was taken, and the motion was approved.

F. S.C. Department of Transportation Agreement

Mr. Parham said approval was sought to enter into a Financial Participation Agreement with the South Carolina Department of Transportation (SCDOT) regarding a project to improve South Main Street from Pendleton Street to Blossom Street.

The project will involve the design, right-of-way acquisition, and construction of roadways, ADA compliant sidewalks, ramps, bike lanes, traffic-signal upgrades, burying of power lines, street lighting and landscaping. Mr. Parham said the project would be addressed in the Buildings and Grounds Committee meeting later in the day and that Mr. Hubbard had been engaged throughout this process.

Funding for the project will be provided as follows:

- SCDOT will provide \$6,427,789.04, all but \$480,000 of which will be federal funds SCDOT can access by virtue of providing a 20% match from funds provided by it, Richland County Transportation Committee (RCTC), and the University.
- SCDOT will provide \$480,000.
- RCTC will provide \$500,000.
- USC will provide \$600,000 at the inception of the project and up to an additional \$350,000 only if all other project funds have been expended.

The University's \$950,000 is not new money; it is money the Board previously approved for the renovation of the old Law School project to be used for streetscaping and landscaping along South Main Street. Through this agreement, the University will provide this money to SCDOT for the same purpose as originally intended, and SCDOT can use the money as a match to obtain federal funds to further improve South Main Street.

The project is estimated to cost \$6,058,626. That estimate will be adjusted as project designs are finalized. The University has the right under the agreement to review and approve the final project design.

SCDOT, not the University, will be responsible for contracting and managing for the necessary project construction work.

The agreement provides that if the total cost of the project is less than the current funding amount, USC will be refunded its pro rata share of any excess amount provided to SCDOT. On the other hand, Mr. Parham said, if the total cost of the project exceeds available funding, the project will be redesigned to meet the available budget.

Finally, the agreement references that after final design of the project has been established, the parties will enter into a maintenance agreement, which will establish the obligations of each party for the maintenance of the various aspects of the project. Accordingly, University administrators will know and be able to budget its ongoing costs. The Board will be advised once the maintenance agreement has been established, Mr. Parham said.

Prior to asking for the motion, Chairman von Lehe asked Mr. Gruner to provide a quick overview of the project. Mr. Gruner summarized the issues associated with South Main between Pendleton and Blossom streets and which had not received attention in decades. This street, he said, given the campus' western growth, now finds itself in the heart of campus. The project will reduce travel lanes from five to two (one lane north and one lane south), while creating a tree-buffered bike lane, wider sidewalks and safer crosswalks.

Chairman von Lehe called for a motion to recommend full Board approval of the Financial Participation Agreement with the South Carolina Department of Transportation for improvement of South Main Street as described by Mr. Parham. Mr. Mobley so moved. Mr. Warr seconded the motion. The vote was taken, and the motion was approved.

G. Soft Drink Vending Contract

Mr. Parham said approval was sought for a new drink vending contract with Coca-Cola (Coke), which he clarified was a drink machine contract, not a pouring rights contract. The University's current contract with Coke, which was approved by the Board on June 17, 2011, will expire this summer. The new contract is the result of a competitive solicitation issued in January 2018. Mr. Parham acknowledged Helen Zeigler shepherded the matter through the state procurement process and is responsible for the contract's favorable financial terms.

The proposed contract covers the USC Columbia campus, with the exception of current and future Athletics Department facilities, and all dining and bookstore venues – all of which are covered by existing



contracts. It also covers the USC Beaufort and USC Lancaster campuses, with the exception of dining and bookstore venues unless those campuses allow Coke to be located in these areas.

The Union campus was included in the bid process, but Pepsi offered a higher commission there than did Coke, so USC Union will become a Pepsi campus this summer.

The contract grants Coke the exclusive right to provide drink vending services – that is, drink machines – for soft drinks, isotonic sports drinks, juices, and other types of beverages, including water. The University has the exclusive right to select the flavors or types of products to be vended.

Coke will provide only state-of-the-art vending machines, and will provide the same number of machines in the same locations as are currently in place. New locations must be approved by the University, he said. Upon request, all machines must be equipped with debit card readers so students can use their CarolinaCard in addition to cash or credit.

Coke is responsible for all costs associated with installation, removal and maintenance of the machines. Coke is required to maintain the machines in a clean and sanitary condition.

Prices for products are to be the same as currently charged. Coke cannot raise prices without the prior approval of the University. Coke also is responsible for providing refunds to customers who pay for a product and do not receive it.

The term of the contract is for seven years beginning July 1, 2018, and ending June 30, 2025. Under the contract, Mr. Parham said Coke guarantees the University the following commissions:

- For USC Columbia, Coke will pay a minimum guarantee of \$515,500 per year or 65% of all revenue from sales, whichever is higher. That means USC Columbia is guaranteed not less than \$3,608,500 over the life of the contract. By way of comparison, USC Columbia received a minimum guarantee of \$465,000 under the current contract, so this contract represents an annual \$50,500 increase at a time when soft drink sales nationwide are declining.
- For USC Beaufort and USC Lancaster, Coke will pay the following commission rates: 60% of revenues from the sale of 20 oz. bottles, juice or water; 50% of revenues from the sale of 12 oz. cans or 20 oz. sports drinks; and 25% of revenues from the sale of energy drinks. In 2016-17, USC Beaufort had total sales of \$13,170 and received a commission of \$5,711.53. In 2016-17, USC Lancaster had total sales of \$13,398.86 and received a commission of \$5,732.60.

The contract also requires Coke to provide USC Columbia 800 cases of donated products each year for use in student and campus related activities, Mr. Parham said. The University can terminate the contract for cause if Coke materially breaches the contract. The University may also terminate the contract at any time for convenience upon 60 days advanced written notice.

Chairman von Lehe called for a motion to recommend full Board approval of a new drink vending contract with Coca-Cola. Mr. Lister so moved. Mr. Loadholt seconded the motion. The vote was taken, and the motion was approved.

H. USC Upstate Head Men's Basketball Coach Employment Agreement

Mr. Parham said approval of an employment agreement was sought for David Dickerson to be the new Head Men's Basketball Coach at USC Upstate.

Under the terms of the proposed five-year contract, April 20, 2018 to April 30, 2023, Mr. Parham said Coach Dickerson will be paid an annual salary of \$175,000 during the first year, increasing by the sum of \$5,000 each year so that in the fifth year of the contract, he will be paid \$195,000. USC Upstate will pay Coach Dickerson's moving expenses up to \$10,000 and will provide temporary housing for up to 30 days. Under the buy-out provisions, Mr. Parham said:

- USC Upstate can terminate the contract for cause, and the grounds constituting "for cause" are the standard provisions you have seen in our athletics employment agreements.
- If USC Upstate terminates the contract without cause prior to April 30, 2021, USC Upstate will pay \$350,000.
- If USC Upstate terminates the contract without cause during the fourth year of the contract, USC Upstate will pay \$175,000.
- If USC Upstate terminates the contract without cause during the final year of the contract, USC Upstate will not pay liquidated damages.

Coach Dickerson will have the opportunity to earn incentive compensation as follows:

- \$5,000 if the team wins outright the Big South Conference regular season
- \$10,000 if the team wins the Big South Conference Tournament Championship
- \$10,000 for each game the team wins in the NCAA Post-Season Tournament, or \$5,000 for each game the team wins in the NIT Post-Season Tournament
- \$2,500 if he is named the Big South Coach of the Year and
- \$5,000 if the team's NCAA Academic Progress Rate (APR) is 980 or higher.

The buyout obligations if Coach Dickerson terminates the contract are exactly the same. All other terms and conditions of the contract are the standard provisions found in the University's athletics employment agreements.

Chairman von Lehe called for a motion to recommend full Board approval of the employment agreement for David Dickerson as the new Head Men's Basketball Coach at USC Upstate. Mr. Loadholt so moved. Mr. Mobley seconded the motion. The vote was taken, and the motion was approved.

I. USC Columbia

1. Head Women's Basketball Coach Employment Agreement

Mr. Parham said approval was sought authorizing an amendment to Head Women's Basketball Coach Dawn Staley's employment agreement. Under the amendment, the Athletics Department would contribute \$300,000 per year for five years to fund a split-dollar insurance vehicle for Coach Staley, who would vest and be entitled to benefits from this vehicle only if she remains as USC's Head Women's basketball Coach through April 1, 2022.

Chairman von Lehe called for a motion to recommend full Board approval of the amendment to Head Women's Basketball Coach Dawn Staley's employment agreement creating a split-dollar insurance vehicle. Mr. Mobley so moved. Mr. Loadholt seconded the motion. The vote was taken, and the motion was approved.

2. Assistant Football Coach Employment Agreements, Amendment

Mr. Parham said approval was sought to amend employment agreements for five assistant football coaches to provide that the coaches shall not be obligated to pay the buyout amount if they terminate the contract in order to immediately accept a position as head coach for a professional, college or university football team. The five assistant football coaches are Travaris J. Robinson who has a three-year contract, and Bryan E. McClendon, J. Lance Thompson, Eric Wolford and Dan Werner, who have two-year contracts.

Chairman von Lehe called for a motion to approve the amendment to the employment agreements of the five assistant football coaches, as described by Mr. Parham. Mr. Warr so moved. Mr. Lister seconded the motion. The vote was taken, and the motion was approved.

3. Associate/Assistant Basketball Coach Employment Agreements, Extension

Mr. Parham said approval was sought for a one-year extension of the employment agreement for Assistant Women's Basketball Coach Lisa Boyer, beginning July 1, 2018 and ending June 30, 2019. She will be paid an annual salary of \$300,000, effective April 16, 2018, with all other terms and conditions remaining the same.

Chairman von Lehe called for a motion to approve a one-year extension for Associate Women's Basketball Coach Lisa Boyer. Mr. Loadholt so moved. Mr. Mobley seconded the motion. The vote was taken, and the motion was approved.

Mr. Parham said approval also was sought for one-year extensions of the employment agreements for Assistant Men's Basketball Coaches Perry Clark and Jose Martin, beginning April 1, 2018 and ending March 31, 2019. Their annual salary will remain at \$300,000 and \$265,000, respectively.

Chairman von Lehe called for a motion to approve one-year extensions for Assistant Men's Basketball Coaches Perry Clark and Jose Martin. Mr. Mobley so moved. Mr. Lister seconded the motion. The vote was taken, and the motion was approved.

V. PeopleSoft Update: HR/Payroll Implementation

Chairman von Lehe called on Mr. Foster who said "go-live" for Phase I of the HR/Payroll project, formerly known as OneCarolina, was on target for January 2019. Spending levels are currently under budget and expected to stay within the set budget, he said.

Phase I of the project includes core human resources functionality, payroll, benefits and some associated self-service functions. System configuration is underway after having gathered 1,400 requirements for these functions, as well as identifying requirements for data conversion from the mainframe system that will eventually be decommissioned after Phase II of the project.

Mr. Foster said plans were being finalized for the "conference room pilot," which is a site where constituents can come together and see how the system will work. An advisory committee has been established to help generate support for the project and insure all constituents are involved in the process and can provide input and feedback. He also referenced creation of a comprehensive website, which keeps constituents updated. One known risk is training will fall in November and December, which is a time when many employees are out of the office and not readily available. Various options will be used to mitigate this risk, including extending training beyond the go-live date.

In response to questions from Chairman von Lehe, Mr. Foster said the purpose of project originally named OneCarolina was to bring administrative systems together in one platform. However, the University, like many other institutions, discovered it was necessary to use multiple platforms. Banner serves the student system and PeopleSoft is used for finance systems and will be used for human resources.

Responding to Trustee questions about schedule and cost, Mr. Foster said the HR/Payroll Phase is on schedule for completion as projected since his arrival. He said he had no knowledge of the original timing for completion of this phase of the project, which was prior to his joining the University. The one-time costs for the HR/Payroll project is \$24 to \$24.5 million for Phase I and Phase II, with an additional \$3.5 million in recurring costs.

Mr. Foster confirmed the process was similar to what he implemented at Purdue. Once HR/Payroll is completed, all foundation systems (Student, Finance, HR/Payroll) will have been addressed. Then there are other systems which can be selectively addressed such as Advancement. And still other peripheral systems, he said, require integration with the central system and can be identified based on efficiencies to be obtained from upgrading them.

Chairman von Lehe accepted Mr. Foster's report as information.

VI. Adjournment

With no other matters to come before the committee, Chairman von Lehe declared the meeting adjourned at noon.

Respectfully submitted,

J. Cantey Heath, Jr.  
Secretary