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University of South Carolina
BOARD OF TRUSTEES

Called Executive and Governance Committee

July 24, 2020

The Executive and Governance Committee of the University of South Carolina Board of Trustees met in a called meet at 10:00 a.m. on Friday, July 24, 2020, by Microsoft Teams video and telephone conference, hosted from Room 206-B in the Osborne Administration Building.

Committee members participating by video and teleconference were Mr. John C. von Lehe Jr., Chairman; Mr. Hubert F. Mobley, Board Vice Chairman; Dr. C. Edward Floyd; Mr. Toney J. Lister; Mr. Miles Loadholt; and Mr. Eugene P. Warr Jr.

Other Board members participating by video and teleconference were Mr. C. Dan Adams; Mr. Chuck Allen; Mr. J. Egerton Burroughs; Mr. Alex English; Mr. Richard A. Jones Jr.; Ms. Leah B. Moody; Ms. Rose Buyck Newton; Mr. Robin D. Roberts; Ms. Molly M. Spearman; Mr. Thad H. Westbrook; and Mr. Mack I. Whittle Jr.

Also participating by video and teleconference were USC Columbia Faculty Senate Chairman Mark Cooper, USC Columbia Student Government President Izzy Rushton, and Board of Trustees Strategic Advisor David Seaton.

Others participating in person were President Robert L. Caslen Jr; Secretary J. Cantey Heath Jr; Trustee Dr. C. Dorn Smith III; Presidential Faculty Fellow and Executive Assistant to the President Susan Bon; Board of Trustees Governance Consultant Cameron Howell; and Board staff members Delphine Bigony and Terri Saxon.

Others participating by video and teleconference were Vice President for Human Resources Caroline Agardy; President's Chief of Staff Mark Bieger; President and Chief Executive Officer, USC Foundations Jason Caskey; Executive Director for Strategic Initiatives Jack Claypoole; USC Upstate Chancellor J. Derham Cole Jr.; Chief Audit Executive Pamela Dunleavy; Chancellor, Palmetto College Chancellor Susan Elkins; Interim Vice President for Development and Alumni Relations William Elliott; Associate Vice President for Finance and Budget, University Budget Office Kelly Epting; Vice

President for Information Technology and Chief Information Officer Doug Foster; University Architect, Associate Vice President of Facilities Planning, Design and Construction Derek S. Gruner, Interim Vice President for Academic Affairs and School of Music Dean Tayloe Harding; Chief Executive Officer, My Carolina Alumni Association Wes Hickman; USC Aiken Chancellor Sandra Jordan; Assistant to the President for System Affairs Eddie King; Executive Director of Economic Engagement William Kirkland; Executive Communications Director Sally McKay; Director of Government Relations Derrick Meggie; Vice President for Research Dr. Prakash Nagarkatti; USC Beaufort Chancellor Al Panu; General Counsel Walter “Terry” H. Parham; College of Education Dean Jon Pedersen; Chief Operating Officer Jeff Perkins; Vice President for Student Affairs and Vice Provost, Dean of Students Dr. Dennis Pruitt; Executive Assistant to the President, Equal Opportunity Programs Cliff Scott; Special Assistant to the President James Smith; Assistant Vice President for Administrative Operations and Chief of Staff Division of Administration and Finance Joe Sobieralski; Athletics Director Ray Tanner; Executive Vice President for Academic Affairs and Provost William “Bill” F. Tate; Vice President for Communications Larry Thomas; Executive Vice President for Administration and CFO Ed Walton; Public Relations Strategist, and Communications and Public Affairs Dana Woodward.

I. Call to Order

Chair von Lehe called the meeting to order and welcomed everyone. Secretary Heath confirmed participants by video and telephone conference. Ms. Woodward introduced members of the media participating by telephone: Mr. Lucas Daprile with *The State*, Ms. Jessica Holdman with the *Post and Courier*, Josh Kendall from *The Athletic*, and Erin Slowey with *The Daily Gamecock*.

Chair von Lehe said notice of the meeting has been posted and the press notified as required by the Freedom of Information Act. The agenda and supporting materials had been circulated to the Committee, and a quorum was present to conduct business.

II. Ad Hoc Advisory Committee on Governance

Chair von Lehe called on Dr. Smith. Chair Smith said there are four action items related to two proposed Board of Trustees Bylaws Revisions and two related Board of Trustees Policies. He called on Dr. Howell to review the revisions and policies.

Dr. Howell said the proposed Board of Trustees Bylaws revision regarding the Presidential

Candidate Search Committee strikes details from the bylaws regarding the presidential search. Those details are included and expanded in new Board of Trustee Policy BTRU 3.01 Presidential Candidate Search Committee. The policy sets forth the revised composition of the Search Committee, duties for the Chair of the Committee, the charge to the Committee from the Chair of the Board, expectations for confidentiality and preventing undue political influence, a process for removal of Search Committee members and Chair, guidance for the work of the Search Committee, guidance for employing a search firm, and expectations regarding reference checks.

Dr. Howell said the revision to the Board of Trustees Bylaws Re: Fiduciary Duties involves the insertion of language into the bylaws regarding every Trustee's duty to obey his or her fiduciary duties. New Board of Trustees Policy BTRU 3.02 Fiduciary Duties of Trustees broadly defines fiduciary duties, addresses more thoroughly the fiduciary duties of the USC Board of Trustees, and describes the process for and potential consequences of a Trustee's alleged violation of fiduciary duties.

Dr. Howell brought the Committee's attention to background documents and resource materials on the Board portal from the Association of Governing Boards of Universities and Colleges (AGB) and scholars of higher education regarding fiduciary duties. He said these documents and resource materials assisted the Ad Hoc Advisory Committee on Governance members to better understand issues related to presidential candidate searches and fiduciary duties as they formulated the proposed Bylaws revisions and policies.

Dr. Smith said these two proposed Bylaws revisions and policies comply with recommendations from AGB and positions the University for successful compliance with The Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) monitoring report that is due September 8. He said several groups have expressed concern about constituency representation related to the presidential search. He would ask those groups for the opportunity once the new Governance Committee is formed in August, to review and address each of the items of concern and bring back such to the Board.

Dr. Cooper thanked Dr. Smith and Dr. Howell for hearing the concerns of the faculty regarding representation and said he looks forward to continuing conversations about the presidential search policy. He said the steering committee of the Faculty Senate feels the same way and they, too,

are looking forward to continued discussions.

Chair von Lehe asked for any further questions of Dr. Smith and Dr. Howell. There were none and Chair von Lehe presented each item individually for action as follows:

A. Board of Trustees Bylaws Revision Re: Presidential Candidate Search Committee

Chair von Lehe called for a motion and second to recommend approval by the full Board of Board of Trustees Bylaws Revision re: Presidential Candidate Search Committee. Ms. Mobley made the motion and Mr. Loadholt seconded. The vote was taken, and the motion carried.

B. Board of Trustees Policy BTRU 3.01 (Presidential Candidate Search Committee)

Chair von Lehe called for a motion and second to recommend approval by the full Board of Board of Trustees Policy BTRU 3.01 (Presidential Candidate Search Committee). Mr. Lister made the motion and Dr. Floyd seconded. The vote was taken, and the motion carried.

C. Board of Trustees Bylaws Revision Re: Fiduciary Duties

Chair von Lehe called for a motion and second to recommend approval by the full Board of Board of Trustees Bylaws Revision re: Fiduciary Duties. Mr. Warr made the motion and Mr. Mobley seconded. The vote was taken, and the motion carried.

D. Board of Trustees Policy BTRU 3.02 (Fiduciary Duties of Trustees)

Chair von Lehe called for a motion and second to recommend approval by the full Board of Board of Trustees Policy BTRU 3.02 (Fiduciary Duties of Trustees). Mr. Loadholt made the motion and Mr. Lister seconded. The vote was taken, and the motion carried.

III. Affiliation Agreements – USC Support Foundations

Mr. Parham advised that as part of the University's SACSCOC reaccreditation report that will be submitted in September, the University needs to confirm the University meets SACSCOC Standard 5.3, which is a standard that requires the University to have affiliation agreements with each of our Support Foundations. Those affiliation agreements must address three issues in particular: 1) that the legal authority and operating control of the University and the Foundation are clearly defined,

2) that the legal liability of the University arising from its relationship with the Foundation is clearly defined, and 3) that the fundraising activities of the Foundation are defined to ensure that the Foundation's activities are primarily for furthering the mission of the University of South Carolina. To ensure there is no doubt that we meet SACSCOC Standard 5.3, language that expressly addresses these three issues is being added to the affiliation agreements of each of the USC Support Foundations. He said the affiliation agreements presented today are with the Business Partnership Foundation, the Educational Foundation, and the Development Foundation. Mr. Parham said affiliation agreements for the three remaining Foundations will be presented for Board approval in August.

Chair von Lehe called for a motion and second to recommend approval by the full Board of the USC Business Partnership Foundation Affiliation Agreement, the USC Educational Foundation Affiliation Agreement, and the USC Development Foundation Affiliation Agreement. Mr. Warr made the motion and Mr. Lister seconded. The vote was taken, and the motion carried.

IV. Adjournment

There being no other matters on the called meeting agenda, Chair von Lehe adjourned the meeting at 10:18 a.m.

Respectfully submitted,

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

J. Cantey Heath, Jr.
Secretary