

MINUTES
SC STATE UNIVERSITY INTERIM BOARD OF TRUSTEES MEETING
LOWMAN HALL BOARD CONFERENCE ROOM
ORANGEBURG, SOUTH CAROLINA
APRIL 6, 2016

CALL TO ORDER / OPEN SESSION:

Chairman Charles S. Way, Jr. called the meeting to order at 10:07AM. Chairman Way noted that proper notice was given regarding the meeting to comply with the Freedom of Information Act. The agenda was circulated to the members (Attachment 1). Chairman Way indicated Trustee Milton Irvin could not attend the meeting. President Evans gave the invocation.

Trustees Present: Mr. Charles S. Way, Jr, Dr. Doris Helms, Mr. Donnie Shell, Mr. Steve Swanson, Mr. Jeff Vinzani and Mr. James E. Clark. *Ex-Officio Members:* Mrs. Vernell Brown and Mr. Justin Brown.

Absent: Mr. Milton Irvin.

Administrators & others present: *Interim President*, Dr. W. Franklin Evans; *General Counsel*, Mr. Craig Burgess; *Acting Provost*, Dr. Learie Luke; *Vice President of Finance and Management*, Mr. Edward Patrick; *Vice President for Enrollment Management*, Mrs. Betty Boatwright; *Vice President for Student Affairs*, Dr. Tamara Jeffries-Jackson; *Associate Vice President for Institutional Advancement*, Mr. A.L. Fleming; *Executive Director for 1890 Programs and Extension*, Mr. Delbert Foster; *Executive Director for Institutional Effectiveness*, Dr. Rita Teal; *Athletics Director*, Mr. Paul Bryant; *Director of Public Relations*, Mrs. Elizabeth Mosely-Hawkins; *Special Assistant to the President for Executive Affairs*, Mrs. Shondra Abraham and *Administrative Coordinator and Recorder*, Mrs. Eartha Mosley.

Media: *The Times and Democrat* Reporter, Mrs. Dale Linder-Altman; *WIS Reporter*, Ms. Meaghan Norman.

ADOPTION OF AGENDA

Chairman Way asked for a motion to adopt the agenda. Trustee Helms made a motion that the agenda be amended to include New Business after the University's Financial Update. The motion was seconded by Trustee Vinzani. Vote: unanimously approved.

APPROVAL OF MINUTES

Chairman Way asked for a motion to approve the minutes of December 15, 2015, January 20th and March 8, 2016. Trustee Vinzani moved to approve the minutes. The motion was seconded by Trustees Helms. Vote: unanimously approved.

CHAIRMAN'S UPDATE

Chairman Way shared that he met with the Orangeburg City Council back in March to request financial assistance with the University's roads and sidewalks and there was good news to report. He asked Mr. Fleming to convey what happened since he attended the City Council meeting on Tuesday evening. Mr. Fleming stated that the City Council approved a resolution to provide the institution with \$1M for repairs of roads and sidewalks project on the campus. The resolution originally called for the city to donate \$200K but Councilman Charlie Jernigan amended the motion to increase the donation to \$1M for the project. However, the resolution is subject to an opinion from the SC Attorney General's office stating the donation could be allowed. Chairman Way stated he had received a legal opinion and he would contact the appropriate individuals to have the funds released to the University.

Chairman Way and Trustee Clark appeared before the Senate Finance Committee concerning the Joint Resolution for forgiveness of \$18M debt in exchange for paying \$355K per year which is presently being paid on the original \$6M loan from the Budget and Control Board. The Resolution will equate to the University paying \$3M over a 15-year period to extinguish \$18M in debt. There are stipulations such as maintaining a balanced budget going forward and student enrollment. The Resolution will proceed to the entire floor of the Senate.

PRESIDENT'S REPORT (ATTACHEMENT 2)

SACSCOC

President Evans stated the monitoring report addendum addressing ongoing compliance issues with Comprehensive Standard 3.4.5 Academic Policies, was submitted on March 25th to SACSCOC concerning a compliant. The SACSCOC Team Visit will take place April 12-14, 2016. The Chairman for the SACSCOC On-Site Visit requested to meet with the following: Chairman of the Board of Trustees, Mr. Way; Chairman of the Finance Committee, Mr. Clark; and the Chairman of the Audit Committee, Mr. Irvin.

The A133 Audit report was submitted and received by the Federal Audit Clearinghouse on March 31st. The report was submitted to the SACSCOC Special Committee on April 1st. Trustee Irvin communicated to President Evans that there were no material weaknesses and modified opinions, which is a major accomplishment. There were some findings issued in Financial Aid for filing documents late in previous year-2014. Trustee Clark asked if an audit was conducted at the moment, how many likely recurring findings would there be and what is being done to prevent findings? Mrs. Brewington stated for the year 2014-2015 maybe 4-5 due to significant changes in leadership in Grant/Contracts and Financial Aid which causes adjustments to policies and procedures being implemented. She continued by stating the findings for 2016-2017 will possibly be 1 or 2. For certain units such as Financial Aid, when samples are tested, it only requires one incident to result in a finding.

Enrollment

The President elaborated on the spring headcount, which was 2,610, and which was reported to CHE with the FTE being almost 2,400. Moving forward, the University's focus will be placed on FTEs, which is a better indicator as to funds. The applications received are greater for fall 2016 at 5,220 compared to fall 2015 at 4,070. The realistic number for fall 2016 semester enrollment is 2,850 but we will aim for 3,000 students. The President stated that the institution is being proactive concerning housing for returning students, Earle Hall will be back on-line. Conversations with Orangeburg realtors are also taking place.

Charter School Sponsorship

The South Carolina Public Charter School District has agreed to transfer sponsorship of Felton Laboratory School and Oceanside Collegiate Academy to itself.

Dr. Jae Dong Hong and students Shadae Taylor and Radcliffe Narinesingh was acknowledged for winning the best paper award for Application Theory at the Northeast Decision Sciences Institute 2016 Annual Conference in Alexandria, VA. More than 270 authors from 20 countries and 127 different universities and other organizations submitted papers.

Fee Increase

The administration is considering tuition increase and will make some recommendations to the Trustees soon. Trustee Clark mentioned the latitude the Board has. Trustee Justin Brown ask what additional benefits would the students receive from the tuition increase. Dr. Tamara Jackson shared that the living arrangements will be enhance by purchasing new furniture for housing.

Senate Hearings

The President, Mr. Delbert Foster and Trustee Clark attended the Senate Finance Subcommittee on March 24th concerning Public Service Activities (PSA) Hearing to request the additional State's matching funds of \$800K for 1890 Research. The SCSU Alumni Day in the Legislature is Thursday, April 28th. Ms. Heather Smith and Ms. Elizabeth Mosely-Hawkins are working on talking points for everyone. The President and Trustee Clark mentioned that there were two major items from the Senate Hearing: 1) forgiveness of the loan, and 2) continued authorization of the option for furlough, if necessary should the administration chose to implement a furlough.

Institutional Advancement

The University Relations & Marketing Office is engaged in promoting the University with commercials airing on WIS-TV. The institution is included in a Washington Post series and the Home Depot Retool Your School Campaign continues. The Fundraising goal for the Annual Campaign was \$2M. Mr. Fleming stated 2015-2016 is the most successful fundraising year in the last five years and the third most successful fundraising year in the last 12 years.

Transportation Center

President Evans have been in discussion with Congressman Clyburn's office concerning money that was allocated for SC State, that is still available and some do not require matching funds. However, if the funds are not spent by September 30th, they will be repurposed back into the federal budget. The institution is currently working on a plan to request \$2.8M, which does not require matching funds from the State. In the original plan of the Transportation Center, one of the phases in the proposal was to use \$2.8M to re-surface the campus roads from Russell Street, with the intent to relocate the main street entrance onto the campus from Magnolia Street to Russell Street. Regarding the remaining \$13M, the administration have met with US Department of Transportation and Federal Highway Administration to discuss how to obtain the funds. Work to revise the initial proposal have begun. The revisions will incorporate how funds will be used and will require matching funds from the State. Trustee Helms expressed that this is an interesting opportunity with civil engineering and industrial engineering to develop a unique curriculum for infrastructure. Considering the problems the State and country have with infrastructure and it is tied to the transportation of roads, bridges and railroads. The University's pedestrian bridge construction work have started. The bridge will provided protection for students walking to and from campus who live in University Village and Campus Corner.

The President announced upcoming events. The commencement speaker is Ms. Sheryl Underwood. Chairman Way asked Mrs. Mosely-Hawkins, Director of Public Relations, to try and obtain more good press and more news coverage with all the positive news here at SC State. Trustee Swanson concurred, in reviewing reports from where the institution was compared to now, the University is flourishing everywhere and it needs to be reported.

UNIVERSITY'S FINANCIAL UPDATE (ATTACHEMENT 3)

An overview was given by Mr. Patrick, he added the sideway and street repair project is estimated at \$2.1M and \$1.8 will be provided in in-kind contributions, of which \$800K will be provided by the Orangeburg County Council for labor and equipment. Orangeburg City Council will be asked for \$1M. There was some discussion in regards to the penny sale tax or maybe a homecoming sales tax which would provide revenue to the University.

A voter registration will be held on the campus on April 20th to encourage students to get registered. He stressed the importance of everyone being aware of which elected officials support the University and which elected officials do not support.

The refinancing of Hugine Suite Bonds is at \$35M with 22 years remaining on the bond. There are two options available to the institution: 1) refinancing through the HBCU loan, which the University currently has, and 2) private issues. Trustee Clark inquired about what the interest rate change could be. Mr. Patrick mentioned the current market rate is 2.9% – 3% compared to 5.83%.

Due to the changes in personnel of the director and executive director of Bank of America, the bank transition is moving forward to South State Bank. Trustee Justin Brown asked will the Bank of America ATM machine remain on the campus and also remarked that individuals from the community also use it for transactions. Mr. Patrick indicated that Bank of America has agreed to keep the ATM on the campus. It is also the only Bank of America ATM machine in Orangeburg County.

The Blue Ribbon third quarter \$1M installment was transferred to the University's account on Tuesday, April 5, 2016. Trustee Clark had a conversation with Ms. Marsha Adams and Ms. Brenda Hart regarding the fourth quarter funds, with a view to receiving the remaining \$2M before the SACSCOC Team arrives in April. He was assured that once they received the requested information from the University, they would work diligently to see if that could happen.

Financial Statements and Audit

Mrs. Teare Brewington gave an overview. She stated the total current assets as of February 29, 2016 was \$33M compared to February 28, 2015 at \$30M. After years of negative audit reports and rising deficits, the University is paying off its debts and will end the budget year with a surplus. The institution will pay all past debts to its largest vendors by June 30, 2016. In May 2015, the school owed Sodexo and DTZ more than \$10M. But a payment plan was agreed upon and prior debt to Sodexo will be paid off by April 2016, and DTZ's prior debt will be paid off by June 2016. Trustee Clark inquired about the small vendors being paid. Ms. Brewington shared all small vendors that provided documentation have been paid; however, some still remain unpaid due to proper paperwork not being submitted. Chairman Way asked for an estimation of all unpaid small vendors, she stated around \$300K of small vendors have not been paid. All small vendors under 60 days with proper documentation have been paid. Ms. Brewington reported the institution should finish the fiscal year with a positive net balance for the first time in three years. In June 2014, the debt was a negative \$10M and the balance was cut in half in 2015 and a positive balance is anticipated. The positive financial outcome is based on a combination of things such as changes in the University's budgeting, cost containment efforts and budgeting monitoring, stated Ms. Brewington. In addition, the current ratio is 1.93 compared to last year's 1.20.

Financial Budget vs Actual

Mrs. Donna Hanson gave an overview, she indicated all departments are operating within their budgets except for athletics, which has a deficit stemming from scholarships. The scholarships are over budget due to a NCAA ruling; however, an anonymous donor has promised funds to make up for the deficit. The University is still operating on a balanced budget because of the financial health of different areas, for example education and general budget currently has \$1.6 in revenue.

The surplus in other departments will offset the debt in athletics. FY 2017 is under construction, the process is more detailed than before. Dr. Luke interjected the student athletes are doing well with GPAs and graduation rate and he supports whatever can be done to support athletics. The Chairman stated athletics is a huge asset for SC State and a plan must be developed to increase the revenue stream for athletics.

NEW BUSINESS

The University presented a resolution for approval from the Division of Academic Affairs regarding 600 graduates projected for May 2016. *Trustee Doris Helms moved the motion, which was seconded by Trustee Steve Swanson. Vote: unanimously approved.*

The University presented a resolution for approval from the Division of Academic Affairs whereas the University is desirous of relinquishing its status as a Charter School Authorizer (sponsor) effective July 1, 2016; there are only two schools remaining under its jurisdiction (Felton Charter School and Oceanside Collegiate Academy). *Trustee Doris Helms so moved the motion, which was seconded by Trustee James Clark. Vote: unanimously approved.*

Trustee Helms informed the Trustees that Architecture Graduate student at Clemson University will be presenting 15 different options for a new Student Center at SC State on April 25 and 26, 2016 at Clemson. This is their final exam. The students are hoping to present the top designs at SC State on Friday, April 29th.

EXECUTIVE SESSION

Trustee Vinzani made a motion for the Trustees to enter into Executive Session to discuss contractual and to receive legal advice. The motion was seconded by Trustee Helms. Vote: unanimously approved.

OPEN SESSION

Chairman Way asked for a motion to come out of Executive Session. *Trustee Helms moved, and Trustee Swanson seconded the motion. Vote: unanimously approved.*

ADJOURNMENT

The Chairman entertained a motion to adjourn the meeting. *Trustee Shell moved, and Trustee Swanson seconded the motion. Vote: unanimously approved.*

The meeting adjourned at 2:15PM.

Submitted by,



Eartha Mosley
Recorder

Attachments

- 1 – Agenda
- 2 – President's Evans Handouts
- 3 – University Financial Statements