

MINUTES
SC STATE BOARD OF TRUSTEES CALLED MEETING
LOWMAN HALL BOARD CONFERENCE ROOM
ORANGEBURG, SOUTH CAROLINA
March 10, 2014

CALL TO ORDER/OPEN SESSION

Chairman William Small called the meeting to order at 9:47AM. The public notice was read. The agenda (attachment 1) was previously circulated to the members. The invocation was extended by Dr. John Corbitt. The roll was called.

Trustees present: Dr. William Small, Mr. Robert Waldrep, Mrs. Pearl Ascue, Dr. John Corbitt, Mr. Anthony Grant, Mr. Ronald Henegan, Ms. Patricia Lott, Mr. Robert Nance, Dr. Dennis Nielsen, Mrs. Cathy Novinger, Dr. Carlotta Redish, and Dr. Gail Joyner-Fleming (*via phone*).

Trustee absent: Mr. Katon Dawson (*excused*).

Ex-Officio Member present: Dr. Thomas Cassidy.

Administrators present: *President*, Mr. Thomas Elzey; *Interim Provost*, Dr. W. Franklin Evans; *Vice President for External Affairs & Communications*, Mrs. Sonja Bennett-Bellamy; *Vice President for Institutional Advancement*, Ms. Sunya Young; *Interim Assistant Vice President of Student Affairs*, Dr. Tamara Hughes; *Interim Vice President for Admissions and Director of Institutional Research*, Mrs. Betty Boatwright; *Acting Vice President for Land Grant Services/Research, Economic Development and 1890 Programs*, Mr. Delbert Foster; *Interim Director of Institutional Effectiveness*, Dr. Rita Teal; *Associate Athletics Director*, Dr. Octavio Miro representing *Athletics Director*, Mrs. Charlene Johnson; *Internal Audit Director*, Ms. Evelyn Anderson; *Executive Assistant to the President*, Mrs. Shondra Abraham, and *Administrative Coordinator to the Board and Recorder*, Mrs. Eartha Mosley.

Media: *The Times and Democrat* Reporter, Mrs. Dale Linder-Altman.

ADOPTION OF AGENDA

The Chairman asked for adoption of the agenda with a modification to move Item 8, "Mid-Year Evaluation," to the Executive Session... *Trustee John Corbitt made a motion to adopt the agenda with modification; the motion was seconded by Trustee Waldrep. Vote: Unanimously approved.*

2014 BOARD'S RETREAT

Chairman Small asked that Trustee Joyner-Fleming lead the discussion since she led the planning for the prior year's retreat. Trustee Joyner-Fleming offered advice leading to further discussion related to budget, inviting new board members, locations and type and length of training. A question was raised concerning the training would include discussions with the SACS consulting firm, Silver and Associates. Trustee Novinger offered her office in Columbia for the location of the retreat. Concerns were raised on the costs due to the current budget constraints of the Institution. Trustee Grant raised concerns about the budget allotment for the president's inauguration stating that if we can find dollars for an inauguration we can find dollars for a Board retreat. Concerns were raised on allotting enough

time to get the business of the Board completed without a rush. Trustee Grant asked for the training to include "Whistleblower Training" and that the administration also receive the same training at some point. Additional discussion relative to dates, length of training, budget and other matters for the retreat continued. Chairman Small asked that Trustees Fleming, Lott, and Nielsen work together to develop a plan for the retreat. The Trustees agreed to develop a draft plan for the retreat and bring it back to the full board.

Trustee Grant suggested that a section for "Old Business" be added to the agenda so that previous discussion and requests could be re-addressed as needed.

SACS MONITORING REPORT

President Elzey led the discussion stating that the board members have received a copy of a draft "Monitoring Report" to be submitted to SACS by March 15th. The SACS site visit is scheduled for April 15-18th. He asked that the Board provide comments to Dr. W. F. Evans or Dr. Rita Teal. Dr. Evans stated that in order for the report to be delivered to SACS in a timely any comments or concerns are requested by the close of business, tomorrow. President Elzey stated there may be revisions to the draft report based on additional comments or other matters raised. Concerns were expressed about the responses provided relative to the citations specific to "Board governance." Trustee Corbitt asked for a summary of what was stated in the report about "Board Governance." Chairman Small asked if there is anything stated in the report that would be a matter of exceptional concern. President Elzey stated that one issue in particular related to how we characterized the Board's role and activity in providing personal financial support to the Institution. The report also addresses the role the Board has played in assisting with external fundraising. Other matters related to board training, conflicts of interest, policy oversight, fiscal accountability, distinction between board and administrative roles and other board functions are also discussed in the report. President Elzey discussed other matters outlined in the "Monitoring Report," including the management of the budget deficit. Trustee Grant raised questions about reporting on the management of the budget deficit and asked for additional discussion via the Budget Committee. He stated that the "Deficit Report" that was sent out to the Budget and Control Board in January was troubling. He stated that it was somewhat misleading and not properly vetted via the Budget Committee. Additional discussion continued on this matter.

A discussion about the ongoing work of the Budget and Control Board (BCB) staff's onsite visits and pending reporting on the financial position of the Institution was held. Additional discussion on the budgeting process and budget deficit ensued. Trustee Grant and Trustee Nance asked that the Budget Committee be involved in the discussions prior to reports going to outside agencies such as the BCB. It was also pointed out that the Board's Chairman should be included, as appropriate, in the ongoing critical discussions, meetings and reporting to outside agencies relative to the current critical financial issues of the Institution.

President Elzey continued his report on the SACS monitoring report, summarizing various elements included in the report draft. Discussion was held about the role of the president in approving the agenda for board meetings. Trustee Grant asked for support for the position taken on the president's authority to approve items on the agenda for board meetings. Discussion was held on protocols for flow of information from staff in supporting board member requests; this requires the consent of the president. Concerns were raised about statements in the monitoring report relative to the historic budget shortfalls. Chairman Small raised concerns about how the State may play a role in assisting the Institution financially to overcome the ongoing financial issues. Trustee Grant raised a concern about taking on new debt in the form of a loan from the State. He stated it would have to be a grant (appropriation) or a loan with convertible features allowing subordinated debt. If it is a loan it will impact the Institution negatively by putting on \$13 million in debt via a loan from the State. A loan at this level would require going back to our debt holders for a waiver. President Elzey agreed that there will have to be negotiations all around and committed time to further discuss

these matters with the Budget Committee. Trustee Waldrep expressed his confidence that the State is on board to assist the institution in overcoming its current financial crisis. Chairman Small agreed and added that he is hopeful that the end process will include a solution that moves the institution forward and not place the institution back in the same position in a short period of time.

President Elzey concluded his reporting on the SACS "Monitoring Report."

Chairman Small stated that the SACS consulting firm, Silver and Associates has delivered an advisory report to the Board. He asked the Board's willingness to formally adopt the Silver "Advisory Report" as a path for the Board to move forward in governing the Institution. He added it may be helpful for the Board to adopt the principles of the Silver report as a way of showing conformity to the recommendations and acceptance of responsibility moving forward.

Chairman Small asked for a motion to formally adopt the Silver and Associates Advisory Report for the purpose of following the principles, guidelines and recommendations presented in the report. Trustee Waldrep so moved, seconded by Trustee Novinger. Vote: unanimously approved.

President Elzey stated that the Silver "Advisory Report" would be included as part of the SACS Monitoring Report.

Trustee Grant asked for a comprehensive reporting on the President's inauguration to include all expense and revenue. He stated that the reporting previously received did not include food and other items. He added that he has personally voiced his opinion about poor judgment to hold the inauguration at this time. Chairman Small asked if a motion was in order.

The Chairman called for a motion for the administration to provide a full accounting of the president's inauguration containing all the data. Trustee Grant so moved, seconded by Trustee Nance. Vote: 8 Yes, 2 No, 1 Abstain.

Trustee Lott asked for clarity on the agenda changes. Chairman Small stated that Item #8, Mid-Year Evaluation would be handled during Executive Session. He also clarified that the request from the student group to speak with the Board would be held during Executive Session.

EXECUTIVE SESSION

The Chairman asked for a motion to go into Executive Session. *Trustee Corbitt made the motion for the Board to go into Executive Session; the motion was seconded by Trustee Henegan. Vote: Unanimously approved.*

OPEN SESSION

The Chairman stated that the Board was out of Executive Session, and there were no actions or votes taken in Executive Session.

ADJOURNMENT

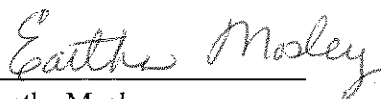
The Chairman asked for a motion to adjourn. *Trustee Corbitt made the motion to end the meeting; the motion was seconded by Trustee Nance. Vote: Unanimously approved.*

The meeting adjourned at 3:05PM.

Respectfully submitted,



Ronald Henegan
Secretary of the Board of Trustees



Eartha Mosley
Recorder

Attachment

1. Agenda