

MINUTES
SC STATE BOARD OF TRUSTEES MEETING
LOWMAN HALL BOARD CONFERENCE ROOM
ORANGEBURG, SOUTH CAROLINA
April 24, 2014

CALL TO ORDER/OPEN SESSION

Chairman William Small called the meeting to order at 9:04AM. 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, Mr. Ronald Henegan, Mrs. Pearl Ascue, Dr. John Corbitt, Mr. Katon Dawson, Mr. Anthony Grant, Dr. Gail Joyner-Fleming, Ms. Patricia Lott, Mr. Robert Nance, Dr. Dennis Nielsen, and Mrs. Cathy Novinger.

Trustee Absent: Dr. Carlotta Redish (*excused*).

Ex-Officio Members present: Mrs. Vernell Brown, Dr. Thomas Cassidy, and Mrs. Kay Snider.

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; *Executive Director of Institutional Effectiveness*, Dr. Rita Teal; *Interim Athletics Director*, Dr. Octavia Miro; *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 and *The State* Reporter, Mr. Andy Shain.

ADOPTION OF AGENDA

The Chairman asked for adoption of the agenda. *Trustee John Corbitt made a motion to adopt the agenda; the motion was seconded by Trustee Joyner-Fleming. Vote: Unanimously approved.*

APPROVAL OF MINUTES

The Chairman asked for approval of the February 12th minutes. *Trustee John Corbitt made a motion to approve the minutes; the motion was seconded by Trustee Dawson. Vote: Unanimously approved.*

CHAIRMAN REPORT

Chairman Small acknowledged contributions from the University Library of Robert Wood, publications from Dr. Barbara Hatton, "Reducing Politics of Success HBCU Leadership Paradigm," and the artwork in the boardroom from the University's I.P. Stanback Museum collection. The Chairman stated that he and the President attended the

Thurgood Marshall Conference in Atlanta, GA, April 11-13 on *Good Board Governance and the Relationship between the Board and the President*. Dr. Small shared his concerns regarding The Parent PLUS Loan Program, which ended in 2011. According to the American Government for Publication, this resulted in 35,000 students being removed from HBCU's in this country, which is roughly about 10 percent of the total population. The government is discussing ways to develop a plan to reevaluate these colleges and universities. If the one size fits all mentality continues to prevail, this process will have a disparate and disproportionate impact on HBCU's. One size cannot continue to fit all.

The University of Phoenix had an interesting presentation at the conference on a proposal to create a pilot program for HBCU's to create a distance learning initiative. As HBCU's budgets continue to be cut and resources continue to shrink, this could become a major point of interest. One size does not fit all; he encouraged the trustees to watch. The University needs to reevaluate the strategies for growth and development; this is where we will be challenged and therefore we need to create new markets.

Dr. Small cited an article from the April 18th *Chronicle on Higher Education* which suggests the HBCU is still wrestling with the lingering and continuing effects of discrimination from years ago. He stated that there is an appeal to the courts to address and remedy some of those continuing injustices. The article suggests that the courts are not the best forum for conversations between schools, boards of education, commissions, legislatures and others to better serve the efforts to eliminate those problems. He feels the need in SC right now is to talk about, not just what we have done, but about the great things that we can do, and should do. The things that we have done, according to the history, we have done better than anyone else.

We must find a way to bring the underserved, the undereducated, and the marginalized population into a greater degree of participation into life itself with the state of this economy and this nation. Therefore, this gives HBCU's an extremely critical and important role and responsibility, in the conversation that is going to be developing in the future.

The Board completed SACS training with Dr. Joseph Silver on April 17th.

Trustee Novinger stated that USC had hired a state of the art person to expand and develop their online programs. And even though the University of Phoenix has found its place in the arena, she would go to USC as a local college because of some really good online things. She suggested that maybe there could be a partnership there. The University is considering hiring someone to explore the opportunities and enhance the University's online courses.

Lastly, the Chairman said he felt the board's recent response to SACS went well. SACS will issue its findings in a final report in June. He also stated the University could possibly be getting pro bono work from an advertising firm.

PRESIDENT'S REPORT

The following items were highlighted in the President's Report:

The President reported that his priorities are to achieve financial stability and increase enrollment. He has been meeting with the State Controller, the Treasurer, and the Budget and Control Board to outline concerns on the cash position and the inability to pay the University's bills. He recognizes that borrowing money from PSA to pay last year's bills that must be paid back this year, helped to create a cash deficit at the University. He stated that he would work extremely hard and make as a priority this year to increase fund raising. Enrollment is the key to bringing the University back, and therefore, he is embarking on a very strong and major enrollment management program. He also work to approve the overall reputation and image of the University, to improve the support with National Alumni Association, and he will work with the Advancement Foundation. He stated that after being in place a couple of days,

he knew the University was facing a major financial problem, and he recognized that financial stability has to be the number one priority for the University.

In January, the President met with Budget and Control Board's staff and the House Ways and Means Committee to discuss the difficult situation the University was facing. As a result of a public discussion, a Deficit Recovery Plan was developed immediately and submitted to the Budget and Control Board and the House Ways and Means Committee. The Plan outlined what the issues are for the University and made clear the urgency to pay vendors. The University had been running a deficit for the past five years, and was using PSA funds to pay its vendors. In December, it was discovered there was not enough money for payroll, and the University could no longer use PSA funds. A \$13.6M deficit was outlined in the Deficit Recovery Plan and the University worked extremely hard to make sure all questions were answered and all requested information was supplied to the state.

In March, 2014, the President and Mr. Openshaw met or had conversations with the following: Budget and Control Board, individual members of the House and Senate, House and Senate staffers, the Governor's staff, Ministerial Alliance, various constituents, various business owners of Orangeburg, Orangeburg County Development, local officials, and various members of Congress. The President reported that the University has been receiving calls from vendors on a daily basis inquiring as to when the bills will be paid.

The University's cash balance as of April 15th is around \$7M, must take out the PSA funds \$6.3M. The PSA funds are for 1890 Research only. The University expects to receive the following: fringe benefits of about \$1M, drawing down from the state of 300K, lottery draw of \$1M, from one vendor \$1.3M, payroll reimbursement from the federal government of \$370K. We anticipate overall payroll for April to be \$2.26M which would leave \$1.15M available for future payrolls. The President is poised to go before the Budget and Control Board again to focus on the sense of urgency of the situation. He asked the Board to continue to provide support and any contacts they have.

Trustee Grant commented that when the board passed the budget they were aware there was a deficit with this budget. The budget chair came to the Board asking the Trustees to approve the budget with full expectation that the President would come back to the Board with a plan. Yet, the Board has not received this plan to date. The Board has waited six months for a plan so they can engage with the President regarding a solution. That did not happen. There was a deficit plan that was put together, and it was after the fact when the Board got engaged. There should be some acceptance of responsibility for not engaging the board. He stated, "When the governor asked you where your trustees are, we weren't engaged. It is the President's responsibility to run the Institution but it's the Board's responsibility, as Trustees, to provide policy and to provide oversight. If the two are going to work together on a going forward basis, there should be a respect for that for the entire Board, which we haven't had".

Trustee Novinger asked the President to speak to his planning strategic, President Elzey mentioned that it is a work in progress right now. It has not been business as usual because of SACS, IG, Budget and Control Board, the shooting on campus, the ice storms and other areas. It has not allowed the University to work continuously as he had hoped to do. There will be details and plans in regards to marketing, recruitment, retention and online programs that will be shared with the board.

There were discussions on the University's vision. President Elzey stated from a pragmatic perspective that all the energy have been displaced in two areas, in making sure to achieve a global financing volume diversity and enrollment management has had 100% support. The University has received over 5,500 applicants and of them 1,151 have been admitted.

Trustee Henegan wanted an update on the State Law Enforcement Division's investigation of the fatal shooting that happened on the campus in January. Interim Chief Mernard Clarkson reported that all suspects from the shooting have been indicted and are awaiting trial. Trustee Waldrep, asked if there were ways to prevent a future shooting on campus. President Elzey stated the University plans to educate students and parents. There will be workshops on conflict resolutions. A session has been scheduled for April 29th for faculty. Students' sessions will follow. Incoming freshmen and parents will have an opportunity to be educated as well.

The Strategic Plan Committee is currently working to revise the Strategic plan. This discussion will require input from multiple constituents from campus including, faculty, students, trustees, administration, alumni. The following trustees serve on the committee: Mrs. Pearl Ascue, Mr. Ronald Henegan and Dr. Carlotta Redish.

STANDING COMMITTEES

Academic Affairs and Faculty-Liaison Committee:

Trustee Joyner-Fleming stated that the Academic Affairs and Faculty-Liaison Committee is recommending the approval of the BS Industrial Engineering Program. *Trustee Lott motioned to approve; the motion was seconded by Trustee Nielsen. Vote: Unanimously approved.*

Trustee Joyner-Fleming stated that the Committee is recommending the approval of the New Concentration in History entitled African-American Studies. *Trustee Lott motioned to approve; the motion was seconded by Trustee Grant. Vote: Unanimously approved.*

Trustee Joyner-Fleming stated the Committee is recommending the approval of the New Concentration in History titled International Studies. *Trustee Lott motioned to approve; the motion was seconded by Trustee Nielsen. Vote: Unanimously approved.*

Trustee Joyner-Fleming stated the Committee is recommending the approval of the spring 2014 Graduates pending faculty approval. *Trustee Corbitt motioned to approve; the motion was seconded by Trustee Henegan. Vote: Unanimously approved.*

Budget, Facilities and Grounds Committee:

Trustee Dawson made a motion to approve the Policies and Procedures on Related Party Transaction; the motion was seconded by Trustee Novinger. Vote: Unanimously approved.

Trustee Dawson made a motion to approve the Property Inventory Control Policies and Procedures; the motion was seconded by Trustee Grant. Vote: Unanimously approved.

OLD BUSINESS

Contract with the City of Orangeburg

Trustee Corbitt raised questions pertaining to the agreement of SC State with the City of Orangeburg for the Hillcrest property. President Elzey indicated the contract is for 50 years, 1972-2022. He plans to notify the city that the University wants the property back with full intent to explore all possible options with regard to where there will be monetary value that could be used to provide support for the University. Trustee Grant said this was a sensitive issue recognizing that it is a legal document. The contract does not mature for another seven years. The University has a one

year window prior to the maturity. Chairman Small expressed that general counsel will be mindful of the issue and appropriate actions will be taken at the appropriate time.

Academic Affairs

Trustee Lott mentioned that Academic Affairs requested additional information concerning the status on tenure and promotion recommendations and the timeline. Dr. Evans stated the committee still has the applications. Twenty people applied for either tenure or promotion; a larger number than before. The process was delayed because there were individuals on the committee who decided they wanted to be promoted; therefore, the individuals were removed and new persons added to the committee. On April 28th five presentations will be made, voting and assessments will conduct on May 2 and the results will be submitted to the Office of the Provost on May 12. Submission will be provided to President Elzey on May 19 and the timeline is that on May 23, the recommendations will be presented to the Academic Affairs and Faculty Liaison Committee.

Trustee Joyner-Fleming noted that some changes in the administration had been made and was wondering did all interim deans and chairpersons that examined the tenure and promotion packages have tenure. This is a requirement to be on the Tenure and Promotion Committee, one must have tenure. Dr. Evans stated that some interim deans and chairpersons do not but their role is only to review the materials and to make a recommendation. Trustee Nielsen suggested that the procedure be reviewed. He stated that only tenured persons should review the packages. Dr. Evans shared that to require all deans and chairs to have tenure would be restrictive. Trustee Lott asked what did the *Tenure and Promotion Policy Manual* state as to who can review and the documents. Dr. Evans said that the packages went first to the department chair, deans and to the University committee.

Dr. Thomas Cassidy shared that this is one policy recommendation his committee had discussed as well, they also agreed the deans and chairs should be tenured; however it would restrict the pool of candidates for the positions.

Trustee Lott asked the status of the faculty handbook. Dr. Evans said the faculty handbook is completed. The Education Policy meeting will be held on April 29, which he will be attending and will inform the committee to extract promotion policy from the handbook. The plan was to have the handbook approved, finished and approved at the Educational Leadership Committee meeting on May 14. The document will be sent to the Faculty Senate on May 21 for approval. The plan is to send the document from the Faculty Senate to the Interim Provost on May 28 and on to the President by June 2nd. General Counsel and Human Resource Office would review them and send to AA and the Faculty Liaison Committee by June 9th.

Trustee Lott questioned what was the actual formula that was being used to determine the retention rate. Dr. Evans stated when discussing retention rates and how to calculate it, the University looks very specifically at students who are persistent from fall to the next fall. So for students who enrolled in the fall 2013, the University looks at 2014 to see which students are still enrolled minus those who graduated, and this is how the retention rate is determined.

Budget

Trustee Dawson thanked the President and Mr. Openshaw for their hard work in negotiations in dealing with vendors. At every board meeting the board should have a report on cash on hand balance, per SACS. He continued by giving a brief summary of what he learned from Dr. Joseph Silver's training and others. He pointed out the University's history of being warned regarding finances. There has been a drastic change this time, the president, the board members, the administration all have changed. Trustee Dawson stated he received the "Accounts Aging Report," which goes back to 2013.

Trustee Grant asked why he has not received information on the "Aging Accounts Report," which he requested at the last meeting. Trustee Dawson answered that he was not comfortable in forwarding due to his computer being hacked several times. Trustee Grant asked why Mr. Openshaw did not forward him the information. Mr. Openshaw replied he was advised not to send it to Trustee Grant. Trustee Grant stated when he asked for information as a board member, he expects to receive the information directly and hope this does not happen again. President Elzey stated that he would forward the information to Trustee Grant going forward.

Trustee Dawson indicated that the outstanding open invoices totaled \$6,132,625.84 due to vendors. The cash flow is \$7,759,000 cash flow. Trustee Grant asked if the total includes all aging accounts. Trustee Dawson replied "Yes". He also continued that the cash on hand, which is required by SACS, is \$7,750,000.20. The University's commission check of 1.3M from Sodexo was issued to the University, regardless of the fact that the University owes Sodexo 2.3M. Trustee Grant wanted to make clear that the money is built into the University's contract. The University would have still received the commission from Sodexo with a 0 balance.

Trustee Grant asked if parking revenue and the ticketing process was affected by releasing some of the staff. Trustee Dawson shared that he has not received an answer on the parking, but noted that the police chief staff had stepped up the enforcement. President Elzey stated a report will be given; he also informed the board in that the staff has stepped up enforcement along with ticket writing. A report of where the University was last year versus where it is today will be provided.

Trustee Dawson noted that there are 41 working days left in the General Assembly and 33 legislative days left. He encouraged everyone with influence in Columbia to call their legislators or have their family and friends to call to encourage support for SCSU. He continued by sharing if the University is not successful, the state of South Carolina and the taxpayers would be looking at a 95-100M dollars in liability. With lawsuits, bonds and what is owed are the issues being discussed in Columbia. The taxpayers will get asked to pay one way or the other. He suspects that the University hasn't seen the last of the Inspector General. Some of the decisions are going to flow in and out of the University's control as we move forward the next 60 days. The next 60 days, in his opinion, are probably the most crucial days of the last seven or eight years. He suspects the University will also receive questions regarding its Foundation's practices and procurements problems. But the amazing part is that the University has a wonderful pool of applications, students deciding where they will attend college.

Trustee Nielsen asked whether the IG report of 1890 Research was available. President Elzey said he would get copies to the Board.

Blue Ribbon Panel Advisory

Chairman Small indicated his uncertainty as to the meeting for the Blue Ribbon Panel. He stated he was called to a meeting by Senator Hugh Leatherman to provide four names from the Board of Trustees to serve on the Blue Ribbon Panel. He made the argument for parity as to panel participation and was not successful. His concerns are: What will the University be at the end of the process? What will be the degree of variability to characterize this institution?" "What kind of erode effect on public confidence will this healing process have on SC State University?" He stated that he did not come to SCSU to dismantle it. The following questions were asked in the meeting with Senate Leatherman: "Whether or not this issue would be managed in a way which did not erode the public confidence in South Carolina." He was given the assurance that they would not. Another question was, "Whether or not the plan that the panel talked about would be a plan not just to deal with the fiscal crisis of the moment but whether or not it would be a plan that went forward and had the University as an institution going forward and taking our rightful place in the panoply of

educational institutions in this state?" He was told the University would be. The chairman shared that he does not know where the panel is or what the help is; the help has got to be painful but shouldn't be disruptive. Trustee Waldrep asked about prerequisites; the chairman, answered he did not know because no discussions were held on that nor information from the Budget and Control Board and IG. Trustee Dawson conveyed that he believes there will be a request for information from the panel which consists of former and current college presidents. Trustee Novinger stated that maybe the panel is not aware of the urgency of the situation. The Chairman said he could not believe that persons approached about serving on a panel to help this institution to develop a plan and timeframe would not have a full sense of the urgency. President Elzey stated that at a Budget and Control meeting a college president publicly expressed his support of SC State so he assumes that people know the urgency.

Other Concerns

Trustee Grant mentioned that his issues are a matter of follow-up: 1) The University had an audit conducted in 2010 of 1890, whereas the IG report stated the issues have been ongoing for the past eight years. He is concerned with the audit of 2010 because there were no shortcomings identified or no issues cited. He believes this is a legal issue and the University should pursue; 2) concerns about music and graduation rate, does it take six and seven years for music majors to graduate; 3) student government association is having some challenges regarding budget dollars. The President was to meet with the SGA members, what was the outcome from the meeting; 4) he made request for reports and is told that the internal auditor has challenges in gathering information to complete reports. Trustee Grant stated going forward he hoped that a date is given as to when to expect expectation the information. He stated that the Board does not ask questions or for information for busy work but to uphold and fulfill fiduciary responsibilities. Chairman Small stated the requested information should be responded to and if not immediately a correspondence should be sent informing the anticipation on receiving the requested information; 5) a request for a report regarding funds on the president's inauguration; the report the trustees received was incomplete. No dining or food cost was included. The chair agreed to follow-up.

Legal Counsel for the Board

Trustee Corbitt indicated the Board needed to follow-up on the discussion on an attorney for the Board. Chairman Small stated a name was submitted for approval to the Attorney General's Office. He stated that the University's General Counsel explained at this point it is not a retainer, but for approval. The attorneys are paid a flat fee through state funds. Trustee Nielsen asked if someone named. Chairman Small stated a firm was submitted. Trustee Nielsen stated why wasn't the Board aware, and the Board should have some say so. Chairman Small said the Board still does have a say. The Board is not locked into using one firm. Chairman Small explained that the firms are placed on a list of approved counsels and selection can be made from the list. Trustee Nielsen stated he felt the Board needed to know the name of the lawyers, not necessarily the person who made the recommendation. Chairman Small stated that in the prior meeting, the discussion of attorneys "fell flat." No one had a suggestion or was even convinced if the Board needed counsel. Trustee Nielsen stated that he always felt the Board needed counsel and stated so. He suggested using a firm that has been used in the past. Some trustees may not want to retain that person, but he has been approved. Chairman Small stated that maybe he exceeded his authority and may get impeached, but he felt the Board needed someone right away to advise on a special situation. He asked if anyone had a name to submit. Trustee Novinger stated she had a name to submit for approval. She asked the chair whether the firm was submitted at his personal request or on behalf of the Board. Chairman Small stated that the name was submitted on behalf of Board, and he felt he was operating in an urgency capacity and does not apologize.

Other

Trustee Grant asked that the Board receive materials in a timely matter for review. The Bylaws state five working days and it is exceeded continually. The Board should consider whether or not to review information when received a day before the meetings. The chair noted his request.

EX-OFFICIO MEMBERS CONCERNS

Mrs. Vernell Brown mentioned the alumni is working on the following: 1) a "Happy" video because we are excited and know good things are happening at SC State, 2) sending letters asking each alumni to give \$100 for recruitment and scholarship. The goal is to raise \$2M. Chapters are asked to make a one-time donation to the same fund. 3) Encouraging everyone to contact their local legislators, Governor Haley, members of the Budget and Control Board and others. 4) They are prepared to meet with Budget and Control Board next week. The board is invited to the national convention held in Savannah, GA, July 24-27. The chair shared that he will be speaking to the Savannah chapter on June 21st.

EXECUTIVE SESSION

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

ADJOURNMENT

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

The meeting adjourned at 4:30PM.

Respectfully submitted,



Ronald Henegan
Secretary to the Board of Trustees



Eartha Mosley
Recorder

Attachment

1. Agenda