

## MINUTES

of the meeting of

### THE CLEMSON UNIVERSITY BOARD OF TRUSTEES

Planters Ballroom

Planters Inn

Charleston, South Carolina

Friday, July 11, 2003

After notification as required by the Freedom of Information Act, the Chairman called the meeting to order at 10:03 AM. with the following members present: Lawrence M. Gressette, Jr., presiding; Bill L. Amick, J. J. Britton, Leon J. Hendrix, Jr., Thomas C. Lynch, Jr., Louis B. Lynn, Patricia H. McAbee, Leslie G. McCraw, E. Smyth McKissick, III, Thomas B. McTeer, Jr., Robert L. Peeler, William C. Smith, Jr., Joseph D. Swann, Fletcher C. Derrick, Jr., W. G. DesChamps, Jr., Harold D. Kingsmore, Allen P. Wood, and J. Thornton Kirby, Executive Secretary

ADMINISTRATION PRESENT: President Barker, Dori Helms, Chris Przirembel, Almeda Jacks, Scott Ludlow, Terry Don Phillips, Neill Cameron, John Kelly, Lawrence Nichols, Debbie Jackson, Marvin Carmichael, Ben Anderson, Angie Leiding, Brett Dalton, Alan Godfrey, and Cathy Sams

OTHERS PRESENT: Stassen Thompson, Jack Dey, Janice Kleck, John Robinson, Kristin Claude, Mason Ailstock, David Dickerson, and Anna Kellehan

MEDIA PRESENT: Anna Simon, *Greenville News*, and Jean Scott, *Anderson Independent*

#### Item 1. Introductions

Statement: Chairman Gressette called on Cathy Sams to introduce any guests and members of the media in attendance. Ms. Sams introduced Anna Simon of the *Greenville News* and Jean Scott of the *Anderson Independent*.

Chairman Gressette welcomed these guests to the meeting.

#### Item 2. Approval of Minutes

Statement: The minutes of the June 12, 2003 meeting were submitted for approval.

Action: No additions or corrections were offered, and Chairman Gressette declared the minutes approved as submitted.

Item 3. Remembrance of Herman G. Green

Statement: Chairman Gressette called on Provost Dori Helms, who advised the Board of the recent and untimely death of Herman G. Green, Professor in the College of Health, Education, and Human Development and Director of the Houston Center for the Study of the Black Experience in Higher Education. Provost Helms noted that Dr. Green was widely respected and loved by the University community, and she led the Trustees and guests present in a moment of silence in honor of Dr. Green.

Item 4. Report from the Executive Secretary

Statement: Chairman Gressette called on Thornton Kirby for his report, and Mr. Kirby presented a resolution in appreciation of Trustee Allen Wood, whose term on the Board ended February 18, 2003 (Attachment 1). The Trustees and guests present expressed their appreciation for Mr. Wood's dedicated service to the Board with a hearty round of applause.

Mr. Kirby next updated the Board on audit issues, noting that an audit tracking report for the most recent quarter had been set at their places prior to the meeting (Attachment 2). Mr. Kirby also presented a tentative audit schedule for the coming year (Attachment 3), and he recommended its approval.

Action: Mr. McTeer made a motion to approve the tentative audit schedule as presented, Mr. Lynch seconded, and the vote of approval was unanimous.

Item 5. Educational Policy Committee

Statement: Chairman Gressette called on Les McCraw to convene the Educational Policy Committee to consider two action items. Mr. McCraw convened the Committee at 10:11 AM.

Following the meeting of the Educational Policy Committee, Chairman Gressette reconvened the meeting of the full Board at 10:15 AM and asked Mr. McCraw to present the Committee's report. Mr. McCraw noted that all Trustees had been present for the Committee's discussion, and he presented the following two items for approval.

A. BB&T Center for Economic Education and Policy Studies

Statement: BB&T is committing \$1 million payable over the next five years in \$200,000 installments to the Center for Policy and Legal Studies, which will be renamed the BB&T Center for Economic Education and Policy Studies (Attachment 4). Clemson will offer, in conjunction with the Philosophy Department, a new graduate course in Ethical Foundations of Markets. The University will also offer a one-week summer camp for South Carolina high school students to introduce them to Clemson, economics, and markets. Finally, the University will inaugurate and offer the BB&T High School Economics Teacher of the Year Award and will expand the BB&T Scholars program of financial support for faculty in the John Walker Department of Economics.

#### B. Center for Optical Materials Science and Engineering Technology

Statement: The Administration recommends the establishment of the Clemson University Center for Optical Materials Science and Engineering Technologies (COMSET). The COMSET mission is twofold: (1) knowledge creation and student education through cutting-edge research, and (2) economic development by providing area industry with new technologies and a trained workforce in order to impart a competitive advantage. The history and accomplishments of COMSET, along with plans for its future growth, were shared with the Committee (Attachment 5).

Action: On behalf of the Educational Policy Committee, Mr. McCraw made a motion to approve the BB&T Center for Economic Education and Policy Studies and the Center for Optical Materials Science and Engineering Technology. Dr. Lynn pointed out that BB&T has made significant commitments to Clemson above and beyond the \$1,000,000 gift, noting that several senior BB&T executives have agreed to serve on University advisory Boards. Following discussion, the vote of approval was unanimous.

#### Item 6. Budget and Finance Committee

Statement: Chairman Gressette called on Bill Hendrix to convene the Budget and Finance Committee to consider three action items. Mr. Hendrix convened the Committee at 10:16 AM.

Following the meeting of the Budget and Finance Committee, Chairman Gressette reconvened the meeting of the full Board at 11:46 AM and asked Mr. Hendrix to present the Committee's report. Mr. Hendrix noted that all Trustees had been present for the Committee's discussion, and he presented the following two items for approval.

#### A. Approval of University Budget for FY 2003-2004

Statement: Alan Godfrey presented the University's proposed budget for Fiscal Year 2003-2004 (Attachment 6), and he offered to answer questions of the Committee. The Trustees and President Barker discussed the budget in detail, and President Barker pointed out the University's investments in furtherance of the economic development of South Carolina. President Barker and the Committee members also discussed the significant challenges facing the University in light of the state's drastic budget cuts.

#### B. Graduate Student Activity Fee

Statement: Mason Ailstock, President of Graduate Student Government, asked the Committee to approve a Graduate Student Activity Fee of \$10 per Fall and Spring semester for full-time graduate students and \$1 per credit hour per semester for part-time graduate students (Attachment 7). The activity fee will be administered by elected representatives of Graduate Student Government and will be used to fund student activities and travel awards.

Action: On behalf of the Budget and Finance Committee, Mr. Hendrix made a motion to approve the University Budget for 2003-2004 and the Graduate Student Activity Fee. There was no discussion, and the vote of approval was unanimous.

Item 7. Executive Session

Statement: The Chairman stated that the Board of Trustees needed to go into executive session to discuss a contractual matter and an employment matter, and he asked for a motion to go into executive session.

Action: Dr. Lynn made a motion to go in to executive session, Mr. Amick seconded, and the vote of approval was unanimous. The Chairman noted that no decisions would be made and no votes would be taken while the Board was in executive session, and he invited guests to wait outside the room. The Board went into executive session at 11:50 AM.

Item 8. Open Session

Statement: Mr. Amick made a motion to go out of executive session, Mr. McTeer seconded, and the vote of approval was unanimous. The meeting was reconvened in open session at 2:37 PM. Chairman Gressette reported that no decisions were made and no votes were taken while the Board was in executive session.

Item 9. Institutional Advancement Committee

Statement: Chairman Gressette called on Smyth McKissick to convene the Institutional Advancement Committee to consider one action item. Mr. McKissick convened the Committee at 2:38 PM.

Following the meeting of the Institutional Advancement Committee, Chairman Gressette reconvened the meeting of the full Board at 2:40 PM and asked Mr. McKissick to present the Committee's report. Mr. McKissick noted that all Trustees had been present for the Committee's discussion, and he presented the following item for approval.

A. Memorandum of Understanding between Clemson University and the Clemson University Foundation

Statement: Smyth McKissick reported that the Administration and the Foundation seek the Board's approval of an amendment to the agreement by which the University loaned its endowment funds to the Foundation for investment (Attachment 8). The existing agreement requires the Foundation to be prepared to return the loaned funds at any time, even if the investment return is negative. This causes problems for the Foundation, which must cover all contingent liabilities. When the loaned funds are performing poorly and the current return is less than zero, the Foundation must freeze and pledge its unrestricted funds to address the contingent liability. The intent of the original agreement was to ensure the University earns a positive return on the funds loaned to the Foundation. The existing language accomplishes that by requiring the Foundation to pay back at least as much money as was originally loaned. The proposed language accomplishes the same result by prohibiting the University from requesting a return of the loaned funds at any time the return is less than zero. The benefit of the new language is that the Foundation will not have any risk of paying back the money when returns are negative, so Foundation assets will not have to be tied up as insurance against this contingent liability.

Action: On behalf of the Institutional Advancement Committee, Mr. McKissick made a motion to approve the proposed revision to the Memorandum of Understanding between Clemson University and the Clemson University Foundation. There was no discussion, and the vote of approval was unanimous.

Item 10. President's Report

Statement: President Barker opened his report by commenting that the title, "Mister Chairman" has great meaning for him. Lawrence Gressette is the only Chairman of the Board with whom President Barker has worked, but he cannot imagine how any university president could have a finer chairman. President Barker complimented Chairman Gressette on the insight, wisdom, and dedication he has demonstrated through his service to Clemson, and he thanked Chairman Gressette for giving a rookie president the perfect balance of critique and encouragement.

President Barker reported on Reunion 2003 and the endowed chairs legislation. He also recapped the Atlantic Coast Conference expansion process for the Board, noting that expansion has enabled Clemson to be part of a stronger, much more competitive conference with the addition of the University of Miami and Virginia Tech.

President Barker reviewed the latest version of his report card with the Trustees (Attachment 9), and he closed by reflecting on his recent positive experience attending orientation as the parent of a Clemson freshman. Chairman Gressette thanked President Barker for his report.

Item 11. Clarification of Budget and Finance Committee Concern

Statement: Chairman Gressette called on Bill Hendrix to clarify the concerns expressed during the Budget and Finance Committee's earlier deliberations. Mr. Hendrix thanked the Chairman for the opportunity to reiterate that the Budget and Finance Committee was quite impressed with the evidence of significant academic improvement resulting from first-year programs. He noted that the Committee members endorse the programs presented as well as the concept of a fee to support them, but the members would like more analysis of options before taking a final action. Specifically, Mr. Hendrix requested an analysis of whether the programs and accompanying fee could be voluntary instead of mandatory; whether the fee would ensure sufficient capacity to guarantee the programs to all new students; and whether options exist for making the fee more affordable to new students and their families. President Barker thanked Mr. Hendrix for clarifying the issues of concern to the Committee, and he promised to address them at the Committee's next meeting.

Item 12. Election of Chairman of the Board

Statement: Chairman Gressette noted that he would like to share a few thoughts with the Board before proceeding with the election of a new Chairman, and he expressed his appreciation for the honor and privilege of serving as Chairman for the past eight years. He noted that it has been an honor and a privilege to serve this great institution that we all love. Chairman Gressette reflected that serving as Chairman has been at times challenging and at times rewarding, but it has been the highlight of a lifetime. He

concluded by thanking the Trustees for allowing him to serve. The Trustees and guests acknowledged Chairman Gressette's outstanding service to Clemson University with a standing ovation.

Chairman Gressette next called on Smyth McKissick for the report of the Nominating Committee.

Action: On behalf of the Nominating Committee, Mr. McKissick offered the name of Leon J. "Bill" Hendrix for the position of Chairman. Chairman Gressette thanked the Nominating Committee for their work and asked if there were additional nominations from the floor. There were no nominations from the floor, and Mr. Gressette announced that Bill Hendrix was elected Chairman by acclamation. The Trustees and guests present congratulated Mr. Hendrix with a hearty round of applause. Mr. Hendrix thanked the Board for its confidence in him and noted that he would have trouble filling Lawrence Gressette's shoes. He asked for the Board's patience and support, and he apologized in advance if he turns to look for Lawrence Gressette whenever anyone addresses him as "Mister Chairman."

Item 13. Retreat

Statement: Chairman Gressette noted that the business session of the Board meeting was concluded. Beginning after lunch and for the next day and a half during its Annual Retreat, the Board would be hearing various reports concerning the University.

Respectfully submitted,

J. Thornton Kirby  
Executive Secretary to the  
Board of Trustees