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Board of Trustees Minutes, October 16, 2009

Coastal Carolina University

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Minutes
Coastal Carolina University
Board of Trustees

E. Craig Wall Sr. School of Business Administration Building, Board Room
October 16, 2009

Presiding: Mr. William H. Alford

Board Members Present:

Mr. Larry L. Biddle
Mr. Gary W. Brown
Mr. Robert D. Brown
Mr. Joseph L. Carter (Teleconference)
Mr. Samuel H. Frink
Mr. J. Wayne George
Ms. Natasha M. Hanna
Mr. D. Wyatt Henderson
Mr. Charles J. Hodge
Mr. William L. Lyles Jr.
Mr. Daniel W. R. Moore Sr.
Dr. Oran P. Smith
Mr. Eugene C. Spivey
Mr. Robert G. Templeton

Dr. David A. DeCenzo
Mr. David Douglas
Dr. Edgar L. Dyer
Ms. Mary E. Eaddy
Mr. Bill Edmonds
Mr. Taylor Eubanks
Mr. Will Garland
Mr. Stanyarne Godshall
Ms. Haven L. Hart
Ms. Martha S. Hunn
Mr. Dan S. Jolles
Mr. Mark Kelley
Mr. Warren Koegel
Mr. Kinley Leonczyk
Dr. Timothy E. Meacham
Ms. Anne T. Monk
Mr. Mark Nesselroad
Mr. George Pugh
Mr. Caesar Ross
Dr. Michael S. Ruse
Dr. Rob Sheehan
Ms. Kelly Sloan
Dr. Judy W. Vogt
Mr. Kenneth B. Wingate
Mr. Tim Wingham
Ms. Jennifer Packard
Ms. V. Chyrel Stalvey

Board Members Not Present:

Mr. William S. Biggs
Dr. Samuel J. Swad

Others Present:

Dr. James L. Adams
Ms. Stacie A. Bowie
Mr. Mason Campney
Mr. Josh M. Chesson
Ms. Lori G. Church
Dr. Debbie Conner

(In accordance with the requirements of the South Carolina Freedom of Information Act, the news media were notified of the time, location, and agenda for the meeting. Ms. Ashley Bruno, Coastal Carolina University graduate, of the "Horry Independent" was in attendance.)

I. Call to Order

Chairman Alford brought the meeting to order at 9:00 a.m., and Mr. Frink offered the invocation.

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The following were welcomed: Ken Wingate, chairman of the South Carolina Commission on Higher Education; and, Student Government Alumni officers Dan Jolles, Taylor Eubanks and Mason Campney.

Dr. Jim Adams made a report for the Coastal Educational Foundation (CEF) on behalf of Carl Falk. The CEF is positioning for an aggressive long-range future campaign for Coastal Carolina University. A national CEF board will be recruited to help advance Coastal Carolina's mission. Every director of the CEF will be a member of the Development Committee which will be divided into sub-committees. This past quarter the investment returns were up 13% and resulted in a \$1.5 million increase in the managed funds and endowment. Although we are not quite back where we were before the downturn in the economy, we are getting closer. Six new directors have been added: Preston Brown, Henry Jobe, Charles Jordan, Wilson Lowery, Tom Pegram, and Mike Pruitt.

Mr. Godshall reported that the Student Housing Foundation continues to support the institution, and there are items for Executive Session.

Miss South Carolina Kelly Sloan is a Coastal Carolina University graduate. The Board was in agreement to present the following resolution to her:

Resolution
State of South Carolina
County of Horry
Coastal Carolina University

WHEREAS, Kelly Annette Sloan was recently crowned Miss South Carolina; and,

WHEREAS, Kelly is a magna cum laude graduate of Coastal Carolina University with a distinguished academic career and a degree in early childhood education; and

WHEREAS, she will continue to represent Coastal Carolina University, the town of Hartsville and the state of South Carolina in the Miss America Scholarship Pageant in Las Vegas, Nevada, in January of 2010; and, now

WHEREAS, Kelly has great pride in her alma mater and her community, and serves as an exemplary citizen and wonderful ambassador for the University and for South Carolina;

NOW THEREFORE, BE IT RESOLVED, that Coastal Carolina University congratulates its alumna, Kelly A. Sloan, for her many accomplishments and wishes her continued success in her quest to become Miss American.

Done this Sixteenth day of October, Two Thousand and Nine.

Roll call was taken.

Chairman Alford called attention to the display of books published by faculty.

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II. Kenneth Wingate Presentation

Mr. Wingate was very complimentary of Dr. DeCenzo who represents the University at the Commission on Higher Education, the General Assembly and travels around the state. He feels that Dr. DeCenzo is one of the most active, visible, and articulate presidents of the higher education institutions.

The Executive Summary of Leveraging Higher Education for a Stronger South Carolina and the Executive Summary of Economic Return on Investment in South Carolina's Higher Education were distributed.

He said South Carolina is falling behind in the knowledge economy and one of the few states in the southeast not focused on higher education. Coastal Carolina is making the state a better place to live by producing quality graduates and the retention of the graduates within the state.

In comparing our state with the other 50 states in 2006, South Carolina's per capita personal income ranked 45th with income of \$29,729. The state is ranked 39th in the percent of population 25 and over with a bachelor's degree or higher or 22.7% of the population. These are astoundingly low numbers and improvement is necessary.

The Higher Education Study Committee completed an action plan in 2009 with three broad goals which were agreed upon by the General Assembly to be reached by the year 2030:

1. Raise education levels for adult population to 30% who have baccalaureate degrees (vs. 23%). The focus will be on areas that make a difference to the state – nursing, engineering, health technologies, management, teaching education, etc.
2. Increase research and innovation by creating a culture of discovery, optimizing process for technology transfer, and enhancing research and innovation partnerships among colleges and universities and the private sector.
3. Improve workforce training and education services. Higher education is both an individual and public benefit.

The plan identified significant steps to achieve these goals. He focused on the following:

1. The legislator's number one goal next year is to enact appropriate regulatory relief to enhance innovation. Although the state only provides less than nine percent of the budget for Coastal Carolina, the state is the driving force for procurement and human resources rules, etc.
2. Increase opportunities for relevant work experience as part of instructional programs. Universities need to find ways to integrate practical experience with the business community through internships and other student activities.
3. Some suggestions require appropriations: ensure affordability of higher education through increased state funding; fund a capital bond bill; create a "new front door" that makes the transition to higher education easier for nontraditional students.

The return on educational investments will include lifetime income of the average full-time worker in the state with a bachelor's degree to \$2.5 million. After reaching the goal in 2030, the annual gain for South Carolina will include \$6.9 billion in total personal income; \$7.8 billion in

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gross state product; and, an additional 44,514 permanent jobs. Every \$1 spent on education boosts the state's annual gross state product by \$25.

The benefits of higher education extend beyond raising income for South Carolinians. Individuals who earn bachelor's degrees are much more likely to achieve a higher socio-economic status compared with less-education citizens. Educated individuals pay substantially more taxes and place significantly lower burdens on government programs. Positive impacts consist of lower unemployment, lower poverty, better health, higher labor force participation, and less incarceration.

How are Georgia and North Carolina different from our state? In history and basic culture, they are exactly like South Carolina. The political leadership and the business community in those states came together a couple of decades ago and decided that if they were to advance the state higher education would be the leverage used to move ahead.

Building unity is the next step. Mr. Wingate feels certain that we can transform South Carolina's economy and quality of life. The CHE is working with the General Assembly, presidents of universities, and boards of trustees to develop multi-year operating budgets and bond bill planning. Our boards of trustees represent a motivated, engaged, and informed body of individuals who saturate the business and political communities with the connections they have. Trustees will be a great source to move forward. The objective is to have a plan that translates overall state investment into specific and tangible actions at our campuses. He hopes to be back to discuss this plan in detail soon.

Chairman Alford noted that Horry County voted for the penny sales tax to go directly to supporting Horry-Georgetown Technical College, Horry County Schools and Coastal Carolina. Unemployment in Marion County is 21% and it is high in Williamsburg County, too. We have just recently spent \$50 million to expand J. Rueben Long Detention Center. He asked Mr. Wingate when would it start being about we instead of me?

Mr. Wingate responded that he, too, has observed that very often when the institutions go to Columbia it is with a surface level of unity while behind the scene it is me versus we. Because of the crisis, there seems to be a different attitude in the business and higher education communities within the last few years. There is a changing culture.

Dr. DeCenzo stated that it appears to be changing, but it depends on whether everyone sticks together on the next step of regulatory relief.

Mr. Wingate sees Coastal Carolina as particularly vital to reach 30% by 2030. Many of the institutions by their particular nature or board instituted policies are not as interested in growth as Coastal Carolina is. How will we generate more graduates unless our institutions are both willing and able to increase their capacity in graduating more students over the next 20 years? Coastal Carolina is both willing and able.

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He encouraged trustees to approach all legislators and ask for regulatory relief, to plan ahead for a capital bond bill and to look at multi-year operating budget planning for higher education and create an environment of cooperation and collaboration.

III. Approval of Minutes

Mr. Frink moved to approve the minutes of July 17, 2009. Mr. Lyles seconded, and the motion passed.

IV. Executive Session

A motion was made by Mr. Spivey to change the agenda and to go into Executive Session to discuss contractual and personnel issues. Mr. Frink seconded. The motion passed.

After reconvening, Chairman Alford stated that no action was taken during Executive Session.

Messrs. Brown, Carter, Lyles, and Spivey were no longer in attendance at this point.

Mr. Gary Brown moved to authorize the signing of the support agreement to provide freshman and sophomore housing. Mr. Moore seconded. Ms. Hanna and Mr. Henderson did not vote. The motion carried. (Motion 09-42)

Mr. Frink made a motion to approve the resolution for the issuance of bonds by CCU Student Housing Foundation to finance the acquisition of Campus Edge Apartments. Ms. Hanna and Mr. Henderson did not vote. Mr. Lyles seconded. The motion carried. (Motion 09-43)

V. President's Report

Dr. Vogt distributed an Enrollment Services report and stated that we are ahead of projected growth enrollment for the fall with 3.9% increase in state and 3.8% out of state. The primary areas of growth were 133 new freshmen and 206 continuing student as compared to the last year. There were 147 students in the new Bridge Program. The economy is having an impact and students are staying in their home states. Freshman retention dropped three percent in-state and eight percent out-of-state.

VI. Standing Committee Reports

Academic & Student Affairs Committee

Dr. Smith reported that the Department of Computer Science has received renewal of accreditation. The process for the University's reaccreditation with Southern Association of Colleges and Schools (SACS) has started.

At the recommendation of the Academic and Student Affairs Committee, Dr. Smith moved to present an Honorary Degree of Fine Arts to Jonathan Green who will also be the

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December commencement speaker. Mr. Biddle seconded, and the motion passed. (Motion 09-35)

At the recommendation of the Academic and Student Affairs Committee, Dr. Smith moved to accept the changes to the Faculty Manual as distributed and reviewed in committee. Mr. Hodge seconded. The motion carried. (Motion 09-37)

Advancement, Marketing & Alumni Affairs Committee

Mr. Moore asked Dr. Adams to present the Giving Report. Giving for the first quarter of the fiscal year included \$380,904 in cash gifts and \$235,282 in pledge payments collected. We are slightly behind last year. Advancement is working on two major six figure gifts.

Ms. Rebecca R. Bryan generously bequeathed an extraordinary gift through her estate that is supporting and will support students, faculty, staff and programs at Coastal Carolina.

Mr. Frink made a motion to accept the resolution for the naming of the Information Commons at Kimbel Library in honor of the Rebecca R. Bryan Family. Mr. Templeton seconded, and the motion passed. (Motion 09-36)

Marketing highlights were distributed to everyone. Ms. Eaddy reported that a Coastal Carolina alumnus, Dan Boorn, has developed the technology for virtual tours. He has created a virtual tour of the University which is a contribution of about \$20,000. The CEF and the Student Housing Foundation also helped finance the rent equipment to develop the virtual tour. We may be the first university in the nation to have a virtual tour on its website. We are receiving about a thousand hits a day from unique visitors.

The third quarter incomes from royalties from the sale of Coastal Carolina gear increased 375% over this time last year. We continue to have a high profile in Walmart, and we don't want that to be the only store.

Since April 2009, more than 412 media inquiries have been received and more than 900 news releases have been distributed, an average of about six per day. More than 5,100 news stories have been documented during that time.

Dr. DeCenzo expressed appreciation for the Marketing efforts to get Coastal Carolina's name out in the public.

Athletics Committee

Mr. Hodge reported that the academic progress report, NCAA measuring tool, has been submitted. All seventeen of our sports will have scores above the required 925. Our graduation success rate report will be received next month. Last year women's track and men's golf both finished in the top 25 academic teams in the country.

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At this year's Athletics Hall of Fame induction, Amber Campbell, Steven Carter, Joseph Ngwenya, and Dick Ward were recognized for their outstanding contributions to Coastal Carolina University and Chanticleer athletics.

Audit Committee

Mr. George reported that the committee had met Wednesday afternoon with external auditor Steve Blake. He has completed the June 30, 2009 fiscal year and reported that there were no material findings. An official report will be forthcoming. Congratulations and appreciation were extended to Stacie Bowie, Lori Church and Will Garland on this superb accomplishment.

Executive Committee

In updating the Board bylaws, it was noted that the August 25, 2008 revision of the BOT bylaws changed the Chairman's terms but did not change the Vice Chairman's terms to be the same.

Dr. Smith made a motion to amend the bylaws: "The Vice Chairman's term shall be limited to two (2) terms of two (2) years or until a successor is appointed in the event of resignation or removal." Mr. Moore seconded, and the motion passed. (Motion 09-34)

Finance, Planning & Facilities Committee

The committee discussed developing a more attractive tuition based package that enables us to attract more degree-seeking Chinese students to Coastal Carolina through the AASCU/CCIEE program, to building stronger relationships with Chinese partners, and capitalize more effectively on the infrastructure, relationships, and support provided through the AASCU/CCIEE partnership.

At the recommendation of the Finance, Planning & Facilities Committee:

1) Mr. Gary Brown made a motion to adopt a contracted experience tuition rate that is equal to seven percent of the out-of-state tuition rate for students transferring here as part of the AASCU/CCIEE 1+2+1 Sino-American Dual/Double Degree Program. Mr. Henderson seconded. The motion passed. (Motion 09-32)

2) Mr. Gary Brown moved to approve the academic office building project estimated at 46,000 sq. ft. for \$11 million to be funded by the penny sales tax revenue. Mr. Hodge seconded, and the motion passed. (Motion 09-33)

Ms. Bowie reported that at the end of the June 30, 2009 fiscal year, the total revenues and transfers came within 1.2% of the last projections. Operating expenses were about \$2M under. We were able to fund some additional renovations and planned expansion and carry forward an additional \$800,000 into the current fiscal year. The current fiscal year appropriations are down \$511,000 due to a four percent cut from the state.

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Government Affairs Committee

Mr. George reported for Mr. Lyles. Mr. Kelley reported that the Bureau of Economic Analysis met yesterday and the state's projected revenues are 6.5% below the estimate and 4% funds are still in reserve. At this point, there was not a move for an additional budget cut. The October and November numbers will be closely watched to see if there will be an additional budget cut above the 4.4% already enforced.

The universities' legislative liaisons will meet in Columbia on October 21 to develop a strategic plan of action for the regulatory relief bill. The university presidents and legislative liaisons will then meet together on October 27.

Mark Kelley will be retiring on November 1 which will require the hiring of a new legislative liaison.

Mr. George moved to proceed with a request for proposal (RFP) to secure a federal and state legislation liaison. Mr. Frink seconded, and the motion passed. (Motion 09-38)

Mr. George moved to insure continuity of legislation liaison activities by obtaining temporary contractual relations with Nelson Mullins Law Firm for federal legislative representation. Mr. Moore seconded. The motion passed. (Motion 09-39)

Mr. George moved to contract with Kelley, McCain and Smith Owens LLC (KMSO) on an interim basis for state legislative representation to February 1, 2010 or until a legislative liaison is contracted. Mr. Hodge seconded, and the motion passed. (Motion 09-40)

Dr. DeCenzo noted that the KMSO may have to be extended for the duration of the General Assembly until May.

After discussion, Mr. Gary Brown made a motion for the President to move forward with seeking funds for an RFP for an architect to develop a campus master plan not to exceed \$300,000. Mr. Biddle seconded. The motion passed. (Motion 09-41)

The President was encouraged to start with the Student Housing Foundation. The Board will be notified of the funding as it progresses

VI. Chairman's Report

Dr. DeCenzo reported that seven trustees attended the informative trustee conference on September 30. The topics included legal issues, accountability and student services. Steve Blake and former trustee Representative Tommy Stringer presented the accountability presentation. In the future, Mr. Frink requested we should consider car pooling. Mr. Frink stated that Coastal Carolina was highlighted when talking about collaboration for we are sharing security and the Quail Creek Golf Course. Mr. Biddle stated that were also ahead on the retention component.

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VII. Unfinished Business

There was nothing to report.

VIII. New Business

As there was no further business, Mr. Moore moved to adjourn and Mr. Frink seconded. The meeting adjourned.

Respectfully submitted,

Samuel H. Frink
Secretary/Treasurer