

University of South Carolina

BOARD OF TRUSTEES

Ad Hoc Advisory Committee on Governance

March 10, 2020

The Ad Hoc Advisory Committee on Governance of the University of South Carolina Board of Trustees met for the first time at 2:00 p.m. on Tuesday, March 10, 2020 by telephone conference, hosted from Room 107-C of the Osborne Administration Building.

Members attending in person were: Mr. William C. Hubbard and Mr. Hubert F. Mobley, Board Vice Chair. Committee members participating by telephone were Dr. C. Dorn Smith III, Chair; Ms. Leah B. Moody; Mr. Eugene P. Warr Jr.; Mr. Mack I. Whittle Jr.; and Mr. John C. von Lehe Jr., Board Chair. Absent was Mr. David Seaton, Board of Trustees Special Advisor.

Other Trustees participating by telephone were: Mr. A. King Dixon II, Ms. Rose Buyck Newton and Mr. Thad H. Westbrook.

Also participating by telephone were: USC Columbia Faculty Senate Chair Mark Cooper, USC Columbia Student Government President Luke Rankin, and Chief Audit Executive Pamela A. Dunleavy.

Others attending in person were President Robert L. Caslen Jr.; Secretary J. Cantey Heath Jr.; Interim Executive Vice President for Academic Affairs and Provost Tayloe Harding; General Counsel Walter “Terry” H. Parham; Vice President for Student Affairs and Vice Provost for Academic Support Dennis A. Pruitt; Interim Chief Communications Officer and Director of Public Relations Jeff Stensland; and Board staff members Delphine Bigony and Ina Wilson.

Mr. Stensland noted there were no members of the press on the call.

OPEN SESSION

I. Call to Order

Chair Smith called the meeting to order, welcomed everyone and invited those at the table to introduce themselves. Secretary Heath called the roll to confirm those participating by telephone and Mr. Stensland announced there were no members of the media present.

Chair Smith said notice of the meeting had been posted and the press notified as required by the Freedom of Information Act; the agenda and supporting materials had been provided to the committee; and a quorum was present to conduct business.

Board Chair von Lehe thanked the committee members for their willingness to serve.

MOTION FOR EXECUTIVE SESSION

Chair Smith called for a motion to enter Executive Session to discuss a proposed contractual matter related to the hiring of a governance consultant. Ms. Moody so moved and Mr. Whittle seconded the motion. The vote was taken, and the motion carried.

The following were invited to remain: Trustees, President Caslen, Secretary Heath, Mark Cooper, Luke Rankin, and members of the President's Cabinet.

Executive Session Removed

Return to Open Session

II. Discussion Topics

A. Governance Consultant

Chair Smith said as recommended by the Association of Governing Boards (AGB), a governance consultant should be engaged. Potential consultants would come from either AGB, a well-respected independent higher education consultant, or a law firm/CPA firm specializing in governance. Dr. Cooper expressed concern that moving from the current AGB consultants to another consultant

midstream may be viewed negatively by the University's faculty. Mr. Hubbard felt there should be no concern provided the move is made to a consultant with a good relationship with the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC). Mr. Whittle said with increased activity around addressing governance and accreditation matters, it may be helpful to have a point person on the staff to move these matters forward and address questions and concerns the consultant(s) may have. Chair Smith said he would like to have the Board's consultant located on campus and have someone designated in the Board Office to serve as coordinator.

B. Ad Hoc Advisory Committee on Governance Meeting Schedule

Chair Smith said that once a consultant is on board, he would like for the Committee to meet weekly with the consultant via conference call to receive updates and ensure the timeline is being met for the SACSCOC review in September. The Committee would provide a brief report to the Board at least at every other Board meeting.

C. Committee Review and Reorganization

Chair Smith reviewed the current Board Committees as follows:

- Academic Affairs and Faculty Liaison
- Audit and Compliance
- Buildings and Grounds
- Executive and Governance
- Health Affairs
- Intercollegiate Athletics
- Student and System Affairs
- Ad Hoc Committee on Strategic Planning

He then reviewed the list of committees recommended by the AGB as follows:

- Student Success
- Audit and Compliance

- Risk Assessment
- Finance
- Governance
- Executive

Chair Smith said that Mr. Heath and his staff compiled a list of board committees from governing boards of SEC Universities, peer and peer aspirant institutions, and Clemson University, which was made available on the portal. He feels confident that a governance committee and a finance committee will be created, and that other committees may be developed in concert with the consultant based on best practices and what is best for the University System.

Dr. Smith asked for the Committee's feedback. Mr. Rankin agreed that when analyzing best practices related to committee structure, there needs to be an understanding that every committee should be evaluated. Further, there should be no reluctance from the committees and the Board about going into Executive Session for detailed discussion. He agreed with Mr. Burroughs, Ms. Moody, and Ms. Newton about the need for depth in Board discussions to ensure the Board is moving forward on the right track. Dr. Cooper reminded the committee that AGB recommended the Board reorganize with smaller numbers of standing committees and more ad hoc committees and task forces devoted to specific projects. The ad hoc committee/task force structure would address the more critical topics the Board confronts in advancing the University, he said.

D. Board Member Orientation and Continuing Education

Chair Smith said although the Board Office has done a good job with orienting new board members, he wants to consider what our peers are doing as well as best practices. He would like to invite a consultant, at least once a year, to come in and educate the Board on hot button topics, specifically those related to fiduciary responsibilities and governance issues. Ms. Moody said typically this would be something incorporated into a board retreat. She suggested since the retreat held in January solely focused

on AGB's recommendations, another retreat should be scheduled during which the Board could outline its priorities. Ms. Newton said she would like to see a mandatory continuing education program implemented. Mr. von Lehe agreed with Ms. Moody's suggestion that a second retreat be scheduled. He felt a retreat would be conducive to kick starting the issues this Committee will be addressing. Chair Smith agreed but noted the Committee would need time to do some work in advance of a retreat. Mr. Rankin said a retreat should be based on a format which allows the Board to go into Executive Session for open, candid discussion.

Ms. Newton made Chair Smith aware the Audit and Compliance Committee is meeting March 20, and the Elliott Davis representative will be providing a five to seven-minute presentation on governance as part of its educational requirements.

E. Communication

Chair Smith said President Caslen is nearing completion of his search for a seasoned communications veteran to lead the University's efforts in improving its image and communications with the public, legislature, faculty, students, parents, and the Board. Understanding and utilizing social media platforms such as Twitter, Facebook, Instagram, and Tik Tok are imperative as these platforms are where the next generation looks for information, he said. The Board looks forward to working closely with the new communications officer to align its communications priorities and to better tell the story of the University's achievements.

Mr. Whittle agreed social media is key and said on a short-term basis, we need to find a consultant who can put a social media communications infrastructure in place and then have someone help execute that infrastructure moving forward. He said in addition to improving messaging, capturing all the stories and information that need to be messaged was key. Ms. Moody added the messages need to be properly branded and consistent across the system. Further, attention needs to be paid to duplicative messaging.

Dr. Cooper underscored the need for consistent messaging reflecting the University's image with key audiences and suggested it is possible that we are failing in the area of print media.

F. Board and Committees Meeting Schedule

Chair Smith said as reorganization of the Board is considered, the committee and board meeting schedule should be considered as well. In keeping with system governance, consideration should also be given to conducting board meetings once per semester at campuses across the state. As it relates to the AGB's recommendation that committee meetings be held concurrently, Ms. Moody said the current structure helps ensure that board members are more fully informed and prepared to address University issues. Mr. Mobley also spoke against a concurrent meeting schedule in part because the Board Secretary, General Counsel, and other crucial administrative staff would be unavailable to all committees that are meeting. Further, he believes Consent Agendas work well in moving the flow of board meetings forward. Dr. Cooper said his experience with both meeting structures is that the current committee meeting schedule does not provide depth. Mr. Burroughs also spoke in favor of a concurrent committee meeting schedule. Ms. Newton indicated that although she likes experiencing directly what each committee is doing, a concurrent meeting schedule that allows for greater depth of conversation could be more effective. She suggested exploring what other boards are doing in this area. Chair Smith said there are pros and cons to both meeting structures, and the Committee would be looking at best practices of other universities and organizations in order to make an informed recommendation to the full Board.

G. Board of Trustees' Bylaws Revisions

Chair Smith stated the bylaws revisions would be the last area addressed and proposed the bylaws and related University Board policies be reviewed from top to bottom. He said the committee reorganization, committee schedules, etc., need to be addressed to coincide with the Committee's recommendations and Board approvals. Best practices need to be identified and incorporated

to advance the agenda of the University and make it a world class organization.

Board Chair von Lehe said there needs to be an adequate number of Board members involved in the discussion to ensure that when bylaws revisions go to the full Board for approval, there is a level of confidence in the proposed revisions. He believes the Ad Hoc Advisory Committee on Governance is properly positioned for those discussions.

President Caslen said AGB recommended media training for Board members to clarify when the chairman speaks or when others speak. AGB also recommended a more robust Board self-assessment. He indicated these are areas the governance consultant can consider. Chair Smith agreed and noted it may fall under the Audit and Compliance Committee.

III. Adjournment

As there were no other matters to come before the Committee, Chair Smith declared the meeting adjourned at 2:55 p.m.

Respectfully submitted,

J. Cantey Heath, Jr.
Secretary