

FACULTY SENATE MEETING
February 2, 2011

1. Call to Order.

CHAIR PATRICK NOLAN called the meeting to order.

2. Corrections to and Approval of Minutes.

CHAIR NOLAN asked for corrections to the minutes of the meeting of December 3, 2010. There were none and the minutes were approved as written.

3. Invited Guests.

ASSOCIATE DEAN IRMA VAN SCOY (Education and Chair of USC QEP Proposal Committee) presented an overview of USC Connect, USC's Quality Enhancement Plan.

The plan was designed to incorporate the following list of SACS criteria:

- It has to be focused on enhancing student learning, to make a difference in the learning environment at USC.
- The plan is to be embedded in the University's ongoing planning and assessment. It will be part of our ongoing planning and we will be assessing this project.
- Broad participation is a very important criteria. This plan is not just for USC Columbia but also for the Regional Campuses, as well. The Regional Campuses have been involved in the planning of the initiative and will continue to be represented throughout the process.
- The plan needs to build on current research and best practice. The University has had a lot of great expertise to draw from – some external consultants in higher education as well our own faculty, staff, and student expertise that we have here at Carolina.
- Then the potential to be transformative: The initiative is aimed at enhancing the learning environment for all of the students here at Carolina.

The initiative builds on work in revising the general education curriculum that began in 2005.

SACS will visit the USC campus the end of March and part of what they are going to be reviewing is our QEP Plan. However, the QEP Plan is not merely a SACS exercise, but a genuine initiative to enhance the learning environment for USC's students. The

University will be investing a significant amount of funding in the initiative, wants to make the University community familiar with the plan, and is continuing to seek input in the development of the plan.

The formal name of the plan is USC Connect. The initiative aims at integrating learning within and beyond the classroom.

Associate Dean Van Scoy provided the historical background on the plan. The initiative has been in development since 2005 when the University began examining the General Education requirements. Hundreds of faculty were involved in the General Education review, and with the Focus Carolina initiative that followed. The Teaching and Learning Committee and Community Engagement Committee of Focus Carolina, were particularly significant to USC Connect, which built on the work of those two committees, and the work of the previous initiatives.

The formal process for USC Connect began in the Fall of 2009. The Provost's Office called for proposals for the Quality Enhancement Plan and received over 20. A selection committee was formed involving faculty, students, and staff from throughout the USC system and selected 4 proposals to send to the newly formed Quality Enhancement Plan Proposal Committee.

Associate Dean Van Scoy began to chair that committee a year ago, and the committee began its work with input along the way from faculty, staff, and students. In August of 2010, the Committee shared the integrated plan with the University Community. Last October, the Committee held a University-wide forum on the QEP, and solicited comments on its Website, which are still accessible at <http://www.sc.edu/provost/qep/index.shtml>. The committee expanded its work on the proposal during the fall, using subcommittees that worked on various components of the proposal. The Committee has continued to refine the proposal into the current spring semester.

USC Connect focuses on two key concepts: within the classroom experiences and beyond the classroom experiences. Within the classroom experiences are not only those experiences that are face to face in a classroom. They also could be online, electronically delivered courses or they could be lab experiences.

Beyond the classroom experiences take place outside of a classroom setting. They may or may not be for credit. We think about two categories of beyond the classroom experiences: short-term experiences and long-term experiences. USC is rich in both types. Examples of short-term experiences include lectures by speakers from all over the state, the nation, and the world; service days like that which marks the MLK holiday in January; and leadership seminars. Examples of long-term experiences include living in learning communities in residence halls, undergraduate and graduate research projects, service learning courses, internship experiences, international studies and study-abroad experiences.

There are two steps involved in USC Connect. The first step is that of the student intentionally selecting his or her learning experiences. Instead of taking courses by happenstance, the program encourages students to think about what they want to do, what they are interested in, how they can best achieve their goals, and selecting courses that facilitate those goals.

Part of the initiative is to make sure that people can find the experiences that would be helpful to them. One of the ways that the proposal will facilitate this is through enhanced technology. The University has spent millions of dollars upgrading various systems and new technological components will be rolled out over the next few months to help support USC Connect and its aim of making learning experiences accessible to students.

Ultimately, this is a 5-year project; we are hoping to utilize sophisticated technology to enable an intelligent suggestion system that provides additional recommendations to students based on courses or experiences that they select.

The second step in the USC Connect initiative is helping students to meaningfully connect their experiences to one another. There is significant research that shows that students derive more benefit from their learning experiences if they have support in reflecting on their experiences – comparing their points of view to those of other people, of having their ideas challenged, and putting the experience in the context of the theory they are learning in class. If they don't get some help in putting that all together then their learning from the experience is going to be limited. USC Connect seeks to create a lot more experiences where students have opportunities to integrate their learning.

The University wants its students to be even better prepared than they are now. We do a great job now, but we want to do an even better job so that when our students leave us and go out into the world, they are prepared to make the best use of their educational experiences. We want our students to have spent their time at college not living in a bubble, but making connections with the world, learning to interact with people, learning to solve problems together, and work with others to find solutions to common challenges.

The USC Connect initiative is a careful balance between building on our strengths, such as those of our Center for Teaching Excellence and our Academic Affairs and Student Affairs Offices, and moving our program to a new and exciting level.

SACS will be visiting the USC campus March 28-31. Associate Dean Van Scoy is getting the word out across the system about the USC Connect initiative. The Committee will be posting new information to its Website, and a forum on the initiative will be held on Tuesday, February 15, at 11:30 a.m., in the Russell House Theatre. All faculty, staff, and students are welcome to attend.

The full QEP proposal is available on the Committee's website: <http://www.sc.edu/provost/qep/index.shtml>. A copy of Associate Dean Van Scoy's PowerPoint from this meeting is posted on the Faculty Senate's Webpage: <http://www.sc.edu/faculty/>.

Associate Dean Van Scoy opened the floor for questions.

PROFESSOR ANWAR MERCHANT (Public Health-Epidemiology & Biostatistics) asked if USC Connect is limited to undergraduate students or is it open to graduate students? He also asked if there is funding for it?

ASSOCIATE DEAN VAN SCOY noted that, while she had focused on undergraduates in her presentation, the program is envisioned to include both undergraduate and graduate students. She reported that the committee had focused somewhat more on developing the program at the undergraduate level, but that graduate students also serve on the various subcommittees of USC Connect. The initiative is also aimed at graduate education.

In terms of funding, the University submits a budget for this plan that goes to SACS.

VICE PROVOST HELEN DOERPINGHAUS added that SACS requires the University to fund this initiative, and noted that the budget for the initiative is posted on the QEP website. The University will be funding about a half a million dollars per year for 5 years.

RYAN QUINN (Student – Daily Gamecock Reporter) asked whether is it necessary to have a program like this, noting that it is quite an expensive program for a time of budget crisis.

ASSOCIATE DEAN VAN SCOY explained that SACS requires that we develop an initiative such as USC Connect, and it also requires a significant financial investment by the University. She noted that while the University is allocating funding related directly to USC Connect, the program will also be able to utilize investments that the University was making already, such as investing in enhanced technology. The initiative will also capitalize on other systems that the University already has in place, such as its dynamic Student Affairs division, which is already supporting beyond the classroom experiences. To develop the USC Connect initiative, the University will take advantage of the infrastructure and resources that we have, in addition to direct funding.

CHAIR NOLAN welcomed faculty senators, University Officers, colleagues, and guests and thanked the Bookstore for providing refreshments in the hallway.

4. Report of Committees.

a. Senate Steering Committee, Professor Rebekah Maxwell, Secretary:

PROFESSOR REBEKAH MAXWELL (Law) thanked the volunteers who volunteered to be nominated for service on faculty committees in the upcoming cycle. She noted that there were fewer volunteers than the committees need and that there are still vacancies on the following committees:

- Grievance
- Honorary Degrees
- Instructional Development
- Scholastic Standards and Petitions
- Tenure Review Board

She encouraged Senators and faculty to consider committee service and to contact her to find out more about the work of the various committees.

b. Committee on Curricula and Courses, Professor Jennifer Vendemia, Chair:

PROFESSOR JENNIFER VENDEMIA (Psychology) noted that the agenda materials had omitted an item from the Department of Electrical Engineering. She directed the Senators' attention to the handout that was distributed prior to the meeting, and available at the back of the room. The item concerned the deletion of ELT 362 Electromagnetics II. The committee asked that the item be included in the day's report.

CHAIR NOLAN stated that the matter could be taken up at the end of the other course changes, as long as there was no objection.

PROFESSOR VENDEMIA reported changes in courses and curricula from the College of Arts and Sciences, THE College of Engineering and Computing, the School of Music, and the Arnold School of Public Health (please see Attachment, pages 13 - 21).

The Committee recommended that the Faculty Senate accept the changes. The changes were approved as written.

The Committee presented the omitted course change from the Department of Electrical Engineering. There was no objection to this change being considered, and it was approved as written.

5. Reports of Officers.

PRESIDENT HARRIS PASTIDES greeted the Senators and his colleagues throughout the University system, and noted that we are about to begin the Year of the Rabbit. He described some of a rabbit's characteristics – they are quick, wise, cautious, and tenacious survivors – and suggested that the University will be emulating those characteristics in the coming year.

The President opened his report with good news regarding the health of one of our recent graduates, Andrew Gaeckle, who was recently involved in a shooting in Washington, DC. Andrew, our Student Government Association President from 2007-2008, is recovering well. The University is in constant contact with Andrew's family, and they expect a full recovery.

The previous Wednesday, President Pastides made the University's presentation to the Higher Education Subcommittee of the House Ways and Means Committee. He was accompanied there by several University trustees, by many of our leading administrators and by Alexandria Tracy, a current undergraduate student from Pinopolis, SC, in Berkeley County. Ms. Tracy is a Carolina Scholar and a member of the Honors College, and the President is grateful for her support during the presentation. President Pastides is confident that our delegation provided a strong message, which included the following points:

1. Accessibility – There is room at the University of South Carolina for every academically qualified South Carolinian. We are educating more South Carolinians than ever before in the history of any university or college in the State of South Carolina. We do not restrict in-state enrolment and are increasing our capacity for educating out-of-state and, indeed, international students at the University.

Our mission is to be known as the University *for* South Carolina. Nearly 34,000 of our system's enrollment of 44,500 students are South Carolinians. That is 77% of system enrollment throughout our 8 universities. We have increased the enrollment of South Carolinians by 6,000 or 22% in the last decade. Nearly 165,000 of our 258,000 alumni live, and vote, in the State of South Carolina. We have also increased the number of South Carolinians who graduate from the University; we now confer about 40% of all the baccalaureate degrees awarded by public universities to South Carolinians in the State – nearly half! Nearly half of the sons and daughters and grandchildren and nephews and nieces of South Carolina families who get a 4-year degree from any public college in this state get a Carolina degree from one or more of our campuses.

Diversity remains a primary goal. We educate more African Americans students than any other college in the State of South Carolina, including South Carolina State University - our highly respected public HBCU. USC Columbia's freshmen class had a 30% increase in African American enrollment this past year in the freshmen class. President Pastides is very proud of this increase and believes that is a result of USC trying harder, marketing, increasing the Gamecock Guarantee and in-state scholarships. He also noted that South Carolinians and students of families of limited means are staying closer to home and staying in South Carolina, which works to make USC a destination of choice.

President Pastides elaborated on the Gamecock Guarantee for the benefit of those unfamiliar with the program. The Gamecock Guarantee is a need-based financial aid program of our University assures that any family whose son or daughter qualifies for admission to USC, and is a certain proportion close to the poverty line, will receive a free ride at the University of South Carolina. The University begins with the award that a student receives from the Education Lottery and determines the difference between that and the student's tuition and fees. Then the University, through the endowment it has known as the Gamecock Guarantee, will provide the rest of the money. When President Pastides became President of the University, he asked the Athletics Department to make a renewed contribution to that program and we are now receiving somewhat in excess of \$1

million a year from Athletics that goes right into the need based scholarship program. The University distributes those funds to in-state students based on need. The program has also been used to keep students enrolled who otherwise would have had to leave school due to unexpected financial emergencies.

President Pastides pointed out to the subcommittee that Kiplinger's Personal Finance Magazine recognized USC as one of the top 100 best values in public education and put us in a category that said "Despite shrinking budgets they deliver a stellar education at an affordable price." The President notes that is a very strong statement in a national forum.

2. Affordability - President Pastides told the subcommittee that we are and will remain affordable. The sticker price for an education at USC is high, but that is a function of the way in which our state funds higher education – through a lottery program. Lottery funds go directly to the student, who can take them to any institution within the state. This system is a departure from that used in many other states where lottery funds are apportioned among the public colleges and universities to fund their financial aid programs.

Our sticker price has to be high because the State doesn't give us enough money to automatically offset the price of the quality education. Our sticker price is \$9,786.00 for tuition and fees for an undergraduate at the University of South. The President reported that the University of Vermont has the highest in-state tuition and that we are also in the higher tier regarding sticker price. However, the average out-of-pocket expense for in-state freshmen at USC Columbia is \$2,680.00 per year.

Families considering the cost of a college education can be misled by our sticker price, but factoring in the lottery funding and the grant programs (largely need-based but also merit-based) provided by the University, the average cost is reduced \$2,680.00. This is a significant value for the high quality education we provide, whether it is in the Honors College or in the Capstone Program or anywhere at USC Columbia or anywhere throughout the system, and President Pastides suggested that it is for this reason that Kiplinger's put USC in the best-value category.

3. Out-of-State Enrollment – This will be an issue for debate this year for state government. Legislators will be considering a resolution to cap out-of-state enrollment, as well as to cap tuition or the increase in tuition. President Pastides reported to the subcommittee that less than a quarter of our students in the University of South Carolina are from out-of-state, which is a reasonable figure. Out-of-state students bring a richness, a diversity – diversity of geography, a diversity of thought perhaps, a diversity of background – that is important not only to our students but to our state. The opportunity to interact with people from other regions is enriching for our in-state students. Many of our out-of-state students fall in love with the Palmetto State and remain here for graduate school or to begin their careers. Additionally, they and their families support our local economy while they are here.

The President reported to the subcommittee that the aggregate tuition that we receive from out-of-state students at USC Columbia provides about \$112 million of net revenue per year to Carolina, more than the State of South Carolina provides to us. The University receives more from out-of-state tuition than we do from our State Appropriation. The average out-of-state student pays between 2-1/2 to 3 times as much net tuition as an in-state student does. Our applicant pools are at record levels. We have had more in-state and more out-of-state applications for USC Columbia than at any time in our history. The President asked the subcommittee to allow us to regulate ourselves.

4. Increased Efficiency – President Pastides reported to the subcommittee that we have tightened our belts, held our breath, increased our teaching loads, decreased our travel, frozen hiring and taken many other measures. The University’s State Appropriation currently amounts to about 10% of our budget. We have held spending constant while dramatically increasing our enrollment. We have closed institutes and centers and certificate programs and associates degree programs. We have discontinued 9 bachelors programs, 25 masters programs, and 4 doctoral programs. The President attempted to convey to the subcommittee his deep sadness and regret that these measures had to be taken. There is no joy in closing programs. Very difficult decisions are being made at the department level and the deans’ level. President Pastides wanted to communicate to the legislature the very real pain associated with these decisions, and that they have resulted in very real losses for the people of South Carolina.

5. Transparency - President Pastides assured the subcommittee that the University will be completely transparent in its stewardship of all appropriations funds. The University fully supports the legislature’s transparency initiative. All expenditures of appropriations funding will be posted on our website, and legislative feedback is invited.

The President reported to the subcommittee that the University is partnering more and more with the private sector. Regarding the new medical program in Greenville, President Pastides assured the subcommittee that is no state funding going to that program and that any medical school in America that would receive \$80 or \$90 million over a 10-year period from a healthcare system partner would be expanding its medical program, as well.

6. Respect – The President ended his report to the subcommittee with a request for respect for the University in a time when there is no new money. The legislature is grappling with an \$830 million deficit in a total state budget of \$4 to \$5 billion. The legislature tells us that revenues are up a little bit this year but that there is a huge gaping hole in Medicaid, there is a huge hole in K-12, and other agencies have been cut, so it will not be a good year for us.

The President asked the legislature for a pact of mutual respect. We have great respect for the state and for government and we hope that the legislature would respect what we have been doing, especially at a time when there is no new money. It is the hope of President Pastides that we can have a respectful dialogue with the representatives of our state government. University administrators have met with Governor Haley who, as a

graduate of Clemson University, is a proponent of higher education. She is interested in efficiency and transparency, but President Pastides felt refreshed by the dialog that he was able to have with the Governor. He is optimistic regarding the potential for respectful dialog between the University and the Governor's Office.

President Pastides then announced that Vice President for Finance and Planning, Ted Moore, has accepted the office of Provost and Vice President for Academic Affairs at Georgia Southern University in Statesboro, Georgia. The President recognized Vice President Moore for his exemplary service during his career at USC, calling him a professor, a gentleman, and a great administrator. The Senators gave Vice President Moore a standing ovation in appreciation for his expert leadership and his many contributions to the University.

PROVOST MICHAEL AMIRIDIS was ill and unable to attend the Senate meeting. SENIOR VICE PROVOST CHRISTINE CURTIS conveyed his regrets and delivered his report, which included the following topics:

1. Dean Searches: The University has four dean searches that are currently underway. The searches for the Law School dean and the Honor's College dean are moving forward. We expect to have finalists announced within the next couple of weeks and to start the interview process. Senior Vice Provost Curtis advised that those who are interested in meeting the candidates should watch the Provost's website for information on the candidates' visits to USC and when opportunities to interact with them are scheduled.

The other two dean searches, those for Education and Social Work, are not quite as far along. Applications are still being accepted, and the search committees are conducting preliminary reviews of the early candidates.

2. Faculty Replenishment Initiative: The Provost's Office has received overwhelming response to Provost Amiridis' initiative to replenish our faculty with a focus on senior hiring. The initiative has received 91 proposals for over 170 positions. We have funds for 15 senior hires and for 4 clusters and the four clusters include in each one – one senior hire and two junior positions. The Provost's Office has received far more cluster proposals than for senior hires alone. Senior Vice Provost Curtis attributes this phenomenon to the fact that we are all thinking in an interdisciplinary manner and that our faculty has interesting and exciting viewpoints.

The Provost's Office has begun reviewing the proposals for faculty replenishment. The deadline for review was originally February 15, but the volume of proposals, and the necessity for complete and thorough review, will require an extension of the deadline. The Provost's Office hopes to be able to announce the senior hires during the first part of March and the clusters later

3. Faculty Retention Initiative: The faculty retention initiative is basically complete and Senior Vice Provost Curtis thanked all the deans for their rapid response to the initiative. The paperwork has gone forward. As the Provost might say, "It wasn't what

we would have liked to have had to provide for retention for our faculty but it was best that we could do at this time.” Provost Amiridis is glad that he was able to do that much.

There are also four other initiatives that are ongoing: the grants initiative, the arts - the creative and performing arts, the humanities, social sciences and the clinical initiatives are being reviewed by committees of the faculty. The Provost’s Office has communicated with the faculty members who are chairing those review committees and expects that those will be announced on schedule in March.

Senior Vice Provost Curtis noted that the University also has an initiative in the STEM disciplines - science, technology, engineering and mathematics. It has an open end date. The Provost’s Office has one proposal and is looking for others.

The Provost has re-initiated his visits to the units and has completed six visits. He is looking forward to seeing each department and the faculty of the department to talk about quality of the academic programs. Senior Vice Provost Curtis noted that academic quality was the key topic at the Provost Retreat at the beginning of the semester. The Provost met with the deans, the associate deans, the chairs and the endowed chairs – about 200 people strong – at the retreat to discuss the undergraduate program, graduate education, and how the Provost’s Office can work with and assist faculty to achieve each of our goals.

Senior Vice Provost Curtis conveyed news from the Classroom Enhancement and Scheduling Committee. Because of funds that were available from previous years, as well as this year, we are able this year to put in \$2.1 million into our classrooms for renovations of some classrooms and enhancing technology in various parts of the campus. The committee is working with Facilities and with UTS to develop a rolling three-year plan to upgrade the classrooms. The Office of the Registrar will soon distribute a survey seeking faculty input on classrooms and final exams. On behalf of Vice Provost Doupnik, who chairs the committee, Senior Vice Provost Curtis encouraged Senators and faculty to answer the survey.

Senior Vice Provost Curtis echoed the announcement of Associate Dean Van Scoy regarding the QEP forum. The forum will be held on February 15 at 11:30 am in the Russell House.

Senior Vice Provost Curtis closed her report with an announcement regarding the upcoming Active Shooter Seminar. Recent incidents in Tuscon and at Virginia Tech highlight the importance of being prepared to respond to similar situations. Chris Wuchenich, our new Director of Public Safety, and TJ Geary, Captain of Field Services and a trainer, will present a seminar at 3:30 pm on Thursday, February 17, in the Center for Teaching Excellence about how we can prepare to carry out our responsibilities in situations like this. The seminar will also be videotaped and posted on the CTE website.

VICE PRESIDENT TED MOORE greeted his faculty colleagues and acknowledged Helen Zeigler, Associate Vice President of Business Affairs, and Andy Shafer, manager of the University Bookstore, who were in attendance to support the work of the Bookstore Committee of the Faculty Senate.

Vice President Moore noted that his report would consist of three topics: a budget and financial outlook, the transparency initiative, and unrestricted net assets.

1. Budget and Financial Outlook: Our University System, as well as all public higher education in the State, lost 21% of its then-remaining state budget going into this fiscal year. That brings a cumulative loss to USC system to 47%. That is \$105 million a year and in our analysis and projections we do not assume that we will ever see that money again. We are now funded at the same level that we were in nominal dollars in 1984. Taking into account inflation and the erosion in purchasing power, our funding level is similar to what it was in the early 1970s.

As the President mentioned, the State Budget deficit is substantial. The official number is about \$829 million in a state budget of between \$4 and \$5 billion. Tax collections/revenues were up some, but not anywhere near enough to reduce an \$829 million deficit. Consequently, we are facing another difficult year. We do not yet know what the upcoming budget cut will be. It could be 25%, it could be 20%, it could even be 15%. The University usually hears from the House Ways and Means Committee by mid-February a good indication of what our budget will be. Since a new administration is beginning in the state government offices, there is a lot of fluidity in the process, but University Administration will communicate about the budget as soon as the committee releases the information.

The President asked House Ways and Means Subcommittee to resist the notion of imposing tuition caps, but there is a very good likelihood that will happen. It could be legislative or it could be essentially by administrative fiat, as it was done last year by the Budget and Control Board. They did not explicitly impose a cap but prohibited capital spending by colleges and universities whose tuition had risen above a certain percent. We are working very hard with the legislature to try to keep them from imposing that cap.

Any tuition increase is probably the most carefully examined number in any of the budgeting processes at the University of South Carolina. If there is a tuition cap, how would that be imposed? There is a price index in higher education called the Higher Education Price Index, or HEPI for short, which is similar to the Consumer Price Index and it is a measure of relative costs of goods and services that are consumed by universities. The HEPI index last year was 0.9%, so if there is a tuition cap this year and if it is capped at the HEPI index that is a very, very low number and is a very serious constraint for us. We are in discussions with the legislature to try and get them to consider not capping it at all.

Vice President Moore had some good news, as well. Thanks to our faculty throughout the University system, we've experienced substantial increases in grant awards. Even subtracting the effect of stimulus funding last year and the year before, we are trending upward substantially. We are setting records every year and that is good news. We are on course to set another record this year.

Thanks to the generosity of the many friends and alumni of the University of South Carolina system, private giving is up - and that is against the trend nationwide. At most institutions private giving is down. Vice President Moore attributed this trend to the excellent work of our development staff, the President, and all of us at the University of South Carolina. Our credit rating is rated by Moody's as Aa2 and that is a very, very good rating. A good rating keeps our interest costs low. We have about \$480 million in funded debt at the University System and, therefore, the interest on that is substantial every year, but by having that Aa2 rating that minimizes interest expense for us.

As the President mentioned, Governor Haley has met with all the university presidents and the board chairs and will be doing so again in a few weeks. She wants a performance funding formula and will move towards performance funding. That means that there will be some measurable factors that would be used to adjust state appropriations for universities. While the General Assembly makes the direct appropriations, the Governor will be making recommendations to the legislature based on that model and based on those factors. Those factors have been indicated to her to include 4 categories:

1. Graduation rates
2. Placement of our students
3. Contribution that the institution makes to economic development in the state and in the respective regions
4. In-state enrollment

Questions arising concerning such factors include:

- How will they be measured?
- How do we define them carefully?
- Does one size fit all?

That is very important for the University of South Carolina system because we represent a research institution and three comprehensive universities: Aiken, Beaufort, and Upstate, as well as four regional campuses. Consequently, a six-year graduation rate doesn't have relevance at USC Lancaster or USC Union – two-year campuses. The University has been working very carefully with the Commission on Higher Education and the Governor's Office to make sure that USC is seated at the table as we go through the development of this performance funding model and the definition of all the factors. It is very important that we be there. We have been assured by the Commission on Higher Education that we will definitely be involved in the full planning of this.

2. Transparency Initiative: Vice President Moore discussed the various transparency initiatives that are getting media attention recently. He stated that, as a matter of principle, the President, the Board, and the entire University administration absolutely

support transparency in financial reporting 100%. Our institution strives very hard to be a responsible, careful steward of our state funds and we are fine with anybody looking at our books and finding out what we are spending money on. We answer any question, any time and always have. We currently provide the full system budget on the website. All financial statements such as cash flows, statements, balance sheets, income statement are also on the internet every year.

The transparency discussions have been ongoing in the legislature and other parts of government for the last couple of years and we have been preparing for this initiative. We have a prototype website that we will be prepared to launch very shortly and will go live with a full website on July 1. Vice President Moore invited those who would like to see what type of things that are reported in other state agency websites to visit the Comptroller General's website for the state at <http://www.state.sc.us/cg/news.htm>. Higher Education is not there yet because we have been exempt so far but starting this year we will be included. In addition the Comptroller General reports all purchasing card expenditures of all state agencies, including universities.

Under the new initiative, in addition to our budgets, our financial reports, and purchasing card transactions, we've been asked to provide data on the web pertaining to all University expenditures. We are a billion dollar plus institution, so this amounts to a great many transactions. In order to aid the user when we put this information on our website, we will make it searchable, will make it navigable, and will make it organized.

Employee salary and fringe information is excluded by the current version of the law. Scholarship and fellowship payments to students are provided but the names will be redacted. All travel information will be provided and at present names may be required. We will follow the law and if this information is required, University administration will communicate that. Any information that is prohibited from being released by any federal or state law or regulation will not be on our website. If the site is ready to launch before July 1, the University community will be informed.

Vice President Moore noted that, while the University supports the transparency initiative, some of the media coverage has left the impression that this is a costless process, which is not the case. It is not costless; it requires programming, maintenance, and staffing. Currently, the University is budgeted for about \$58,000 to spend for the transparency initiative. This figure is not certain, as we do not know yet what the volume and the type of questions will be. Clemson has launched their site and the first and the only question they got for the first couple weeks was "How often are you going to update the website?" However, Clemson is experiencing a lot of hits on the website.

The University will develop a policy on transparency and financial reporting and, like all such policies, it will be vetted throughout the whole University administrative system. We will continue to watch and also to participate, to the extent possible, in development of the legislation that will ultimately be in force, probably with the beginning of the next fiscal year.

3. Reserves: We don't actually have reserves at the University of South Carolina; we have "Unrestricted Net Assets". Vice President Moore mentioned a recent article in *The State* newspaper on the complex topic of unrestricted net assets. The Vice President provided some context that was missing from the article. The University holds fund balances for the same reasons that businesses and households do:

1. We accumulate one time funds to cover anticipated outlays.
2. We also hold some, not much but some, funding in strategic reserve to manage shocks - unexpected things such as massive budget cuts, for example.

Most of these assets are unrestricted in the technical accounting sense but not uncommitted, not undesignated. Vice President Moore provided the following examples: USC Columbia has, and this was correctly reported, \$190.2 million in unrestricted net assets as of June 30 last year. *The State* newspaper reported erroneously that USC Lancaster has \$9.4 million in unrestricted net assets. The number is actually \$1.2 million. The other numbers reported in the article were correct. USC Columbia's \$190 million are called unrestricted but the funds are, in fact, committed and designated. \$49 million of that unrestricted net assets is for One Carolina. The University has been saving for years, and is still saving up to about \$83 million in one-time funding to completely replacement the information management and data processing system at the University of South Carolina system. We have a 30-year old legacy system. Our system has been band-aided for many years and it can crash and it does crash from time to time. It needs to be replaced.

Part of our unrestricted net assets is designated for capital projects. In December 2010 the Budget and Control Board approved a slate of capital projects for USC, of which \$36.5 million has been saved. These funds are designated is for up-fit of Horizon, up-fit of Discovery, improving the tunnel that goes beneath Assembly Street and connects the Law School area and what is the Innovista area now. Ultimately it will be the Moore School of Business and now the Coliseum.

Part of our unrestricted net assets is designated for cash management. At any given time the University must utilize cash from our unrestricted net assets to handle current obligations. We keep about \$36 million on hand to handle the next payroll and current liabilities. If we didn't do that we would be irresponsible. Another part of unrestricted net assets is accounts receivable that is about ¼ of that number. Accounts receivable are assets but they are not money.

Vice President Moore invited questions or comments on our unrestricted net assets. His point is that, in spite of what media coverage might lead the reader to assume, the University of South Carolina is not sitting on large amounts of cash or surplus.

Vice President Moore noted that, as the President mentioned, he is going to Georgia Southern University and February 28 will be his last day at the University of South Carolina. He thanked the Senators and the entire Carolina family for their support, for

their efforts on behalf of the University, and for their friendship. He expressed confidence in the new Chief Financial Officer, whose appointment will be announced soon.

CHAIR NOLAN echoed the sentiments expressed by President Pastides, noting that it has been a joy to work with Vice President Moore. He enumerated some of the accomplishments of Vice President Moore, including the fact that he was awarded two Purple Hearts while serving as an infantry officer in the United States Army. In honor of the “baseball bat” financial projection model used by Vice President Moore in his budgetary analyses, Chair Nolan presented the Vice President with an actual baseball bat signed by USC Coach Ray Tanner. The Carolina Family extends its heartfelt thanks and good wishes to Vice President Moore as he begins the next phase of an extremely distinguished career.

6. Report of Secretary.

PROFESSOR REBEKAH MAXWELL (Law Library) announced that the full slate of nominees for faculty committees will be presented at the March meeting, and encouraged Faculty and Senators to consider volunteering for one of the vacancies remaining for the upcoming committee cycle.

7. Report of Chair.

CHAIR NOLAN reported that he has been working on ways to make the Faculty Senate more of a deliberative body and more integral to the decision-making of the University. He recalled a time in the Senate’s history when a call was made during the meeting for input from the body “for the good of the order.” Chair Nolan would like to re-establish this component as a part of the agenda and a regular feature of our meetings, where any type of question or concern could be brought forward. In this way, we could generate dialog about issues of general interest and, perhaps, address resolution earlier.

8. Unfinished Business.

There was no unfinished business.

9. New Business

There was no new business.

10. Announcements.

CHAIR NOLAN followed up on Senior Vice Provost Curtis’s announcement of the Active Shooter Seminar. As a firearm safety instructor and a concealed weapons permit instructor, he has seen our active shooter training evolve in a positive direction, and encouraged Senators and faculty to attend the seminar and/or watch the video.

VICE PROVOST HELEN DOERPINGHAUS, on behalf of Marilee Birchfield, reported on the work of the Bookstore Committee. The committee has continued to work on issues involving the University Bookstore, as has bookstore manager Andy Shaffer and Vice Provost Lacy Ford. The committee takes very seriously the concerns of Senators and Faculty and appreciates the Bookstore's response.

11. Adjournment.

A motion to adjourn was seconded and passed. The next meeting of the Faculty Senate will be held on Wednesday, March 3, at 3:00 p.m. in the Law School Auditorium.