

University of South Carolina

BOARD OF TRUSTEES

Ad Hoc Advisory Committee on Governance

April 28, 2020

The Ad Hoc Advisory Committee on Governance of the University of South Carolina Board of Trustees met at 2:00 p.m. on Tuesday, April 28, 2020, by telephone conference, hosted from Room 206-B of the Osborne Administration Building.

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

Other Trustees participating by telephone were: Mr. C. Dan Adams; Mr. J. Edgerton Burroughs; Dr. C. Edward Floyd; Mr. Toney J. Lister; Mr. Miles Loadholt; Ms. Rose Buyck Newton; Ms. Molly Spearman; and Mr. Thad H. Westbrook.

Attending in person were: President Robert L. Caslen Jr.; Secretary J. Cantey Heath Jr.; Interim Chief Communications Officer and Director of Public Relations Jeff Stensland; and Board staff member Delphine Bigony.

Others participating by telephone were: General Counsel Walter “Terry” H. Parham; Interim Executive Vice President for Academic Affairs and Provost Tayloe Harding; Chief Financial Officer Ed Walton; Vice President for Student Affairs and Vice Provost for Academic Support Dennis A. Pruitt; President’s Chief of Staff Mark Bieger; Athletics Director Ray Tanner; Presidential Fellow Dr. Susan Bon; Special Assistant to the President James Smith; USC Columbia Faculty Senate Chair Mark Cooper, Chief

Audit Executive Pamela Dunleavy; USC Columbia Student Government President Issy Rushton; and Board of Trustees Governance Consultant Cameron Howell.

OPEN SESSION

I. Call to Order

Chair Smith welcomed those in attendance and participating by telephone. Secretary Heath confirmed those participating by telephone and 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. Mr. Stensland introduced Mr. Tyler Fedor with *The Daily Gamecock*.

MOTION FOR EXECUTIVE SESSION

Chair Smith called for a motion to enter Executive Session to discuss a contractual matter related to the Scope-of-Work documents for the Governance Consultant. He noted there would be no action taken. 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, Ms. Dunleavy; Mr. Seaton; Dr. Howell; Dr. Cooper; Ms. Rushton; and members of the President's Cabinet.

Return to Open Session

Chair Smith called on Dr. Howell for an overview of the discussion topics.

II. Discussion Topics

A. Reviewing Purpose and Goals

Dr. Howell reiterated the Committee's purpose and goals are to assess and revise, as appropriate, governance policies and practices of the University's Board of Trustees. Specifically, to document in the September 8 Monitoring Report to Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) the University's adherence to SACSCOC compliance criteria and Trustees' engagement in active self-assessment and continual improvement.

B. Review of Work Plan: Priorities for Assessment and Revisions

Dr. Howell said in assessing the priorities, the Committee should determine top priorities based on an operational order and should identify items that need to be addressed before moving on to other items; items that are complicated and might require investigation before reaching a solution stage; and items that are straightforward. He suggested the two top priorities should be focused on addressing the SACSCOC standards outlined in their January 2020 letter to President Caslen regarding CEO evaluation/selection and external influence as well as the Board's committee structure.

The September 8, 2020 Monitoring Report should address the work already completed, i.e., engaged the Association of Governing Boards (AGB) for expert assessment, developed and approved a Creed/Code of Conduct for Trustees, developed and approved a Board policy regarding external influence, established an Ad Hoc Advisory Committee on Governance and an Ad Hoc Advisory Committee on Finance, engaged a consultant to assist the Governance Committee, and initiated a study of the USC System structures and policies.

Dr. Howell proposed decisions regarding the number and purposes of board committees should be made before other decisions can be made with respect to bylaws, charters, committee composition, including outside advisors as appropriate, and frequency and duration of committee meetings.

Chair Smith invited the Committee to provide feedback. Mr. Hubbard said it would be useful to have a broad conversation as to what the key aspects of University life are and what the critical areas are for which the Board would provide guidance and oversight. In general, the mission of the Board should drive the committee structure.

Ms. Moody agreed and added the Board's mission should be clarified. Mr. Seaton said stepping back and assessing how the Board can best serve the University would be a good exercise. With respect to bylaws changes, Mr. von Lehe said the setting up of a Finance Committee and a Governance Committee would require a bylaws change, which can be accomplished quickly since ad hoc committees for finance and governance have already been established.

President Caslen said in addition to the priorities, another way to look at how to restructure would be identifying functions the Board needs to address, i.e., how the scope and limitations of its fiduciary responsibilities are demonstrated, how committees move from oversight to action; how committees look more into the future and at strategic risk, how decision making authority is delegated down to committees, how shared governance is achieved, and how board education and accountability is handled. In other words, what are the board functions and how do the committees address those functions?

Chair Smith said assessing communication, onboarding, continuing board education, and strategic planning all need to be considered.

Mr. von Lehe noted board education has been addressed to some extent through board orientation and retreats. That can be formalized with more clarity in the bylaws without requiring restructuring.

C. Future Committee Meetings

Chair Smith said he would like the Committee to meet at least bi-weekly and will confer with Dr. Howell regarding timelines, etc. As the work of the Committee picks up momentum, it will move to weekly meetings. There was no objection. Topics for the next Committee meeting are a more detailed review of SACSCOC items and timeline, a review of questions to address with regard to committee structures, and the Board's purpose and functions.

Mr. Burroughs noted there are three board members who have not yet interviewed with Dr. Howell. To ensure all Board Trustees are engaged, he asked Chair Smith to facilitate the scheduling of those interviews.

Before closing, Mr. Allen asked President Caslen for a brief update on the April 24 incident whereby a virtual meeting of the African-American Association of Students was hacked. President Caslen shared a brief overview of the incident and reported efforts are underway to identify the hackers. Ms. Moody asked that a proactive communication be sent to all members of the University faculty, staff, and students on how to set security features to restrict and remove people from their social media virtual meetings. President Caslen said he would direct such a communication be sent system wide.

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