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University of South Carolina

BOARD OF TRUSTEES

Executive Committee

June 26, 2009

The Executive Committee of the University of South Carolina Board of Trustees met on Friday, June 26, 2009, at 10:45 a.m.

Members present were: Mr. Miles Loadholt, Chairman; Mr. Herbert C. Adams; Mr. James Bradley; Dr. C. Edward Floyd; Mr. Samuel R. Foster II; and Mr. Michael J. Mungo. Other Trustees present were: Mr. Arthur S. Bahnmuller; Mr. Mark W. Buyck, Jr.; Mr. William C. Hubbard; Mr. William W. Jones, Jr.; Mr. Toney J. Lister; Mrs. Amy E. Stone; Mr. John C. von Lehe, Jr.; Mr. Eugene P. Warr, Jr.; Mr. Mack I. Whittle, Jr.; and Mr. Othniel H. Wienges, Jr.

Others present were: President Harris Pastides; Secretary Thomas L. Stepp; Vice President for Planning and Interim Executive Vice President for Academic Affairs and Provost and William T. Moore; Vice President for Student Affairs and Vice Provost for Academic Support Dennis Pruitt; Vice President for Information Technology and Chief Information Officer William F. Hogue; Vice President for Human Resources Jane M. Jameson; Vice Provost and Executive Dean for System Affairs and Extended University Chris P. Plyler; Chancellor of USC Beaufort Jane T. Upshaw; General Counsel Walter (Terry) H. Parham; Interim Vice President for University Advancement Michelle D. Dodenhoff; Treasurer Susan D. Hanna; Special Assistant to the President J. Cantey Heath; Associate Vice President for Finance and Budget Director, Division of Business and Finance, Leslie Brunelli; Dean of the College of Nursing Peggy O. Hewlett; Dean of the College of Social Work Dennis Poole; Dean of USC Sumter C. Leslie Carpenter; Dean of USC Union Hugh C. Rowland; Chancellor of USC Upstate John C. Stockwell; Executive Vice Chancellor of Academic Affairs, USC Aiken, Suzanne Ozment; Vice Provost for Academic Affairs and the Dean of Undergraduate Studies Helen I. Doerpinghaus; Assistant Provost for Academic Programs Kristia H. Finnigan; Director of Athletics Eric C. Hyman; Executive Director of the Alumni Association Marsha D. Cole; Director of Revenue Development, Athletics Department, Jeff Crane; Executive Associate Athletics Director for External Affairs Kevin O'Connell; Chief Financial Officer, Department of Athletics, Jeff Tallant; Special Assistant to the President and Athletics Director John D. Gregory; Associate Vice Provost for Academic Resources Edward L. Walton; Vice Provost for Faculty Development Christine W. Curtis; Chair-Elect of the Faculty Senate Patrick D. Nolan; Dean of the College of Arts and Sciences Mary Ann Fitzpatrick; Executive Assistant to the President for Equal

Opportunity Programs Bobby Gist; Director of Governmental and Community Relations and Legislative Liaison Shirley D. Mills; Associate Director of Governmental Affairs and Legislative Liaison Casey Martin; Student Government Association President Meredith Ross; Professor of Physical Education and Athletic Trainer Murray Mitchell; Director of Media Relations, Division of University Advancement, Margaret Lamb; University Technology Services Production Manager Justin Johnson; Board staff members Terri Saxon, Vera Stone, and Karen Tweedy; and members of the media.

Chairman Loadholt called the meeting to order and asked Ms. Lamb to introduce members of the media who were in attendance. Chairman Loadholt stated that 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 circulated to members of the Committee; and a quorum was present to conduct business.

Chairman Loadholt stated that there were contractual matters relative to employment contracts which were appropriate for discussion in Executive Session, and called for a motion to enter Executive Session. Mr. Foster so moved. Mr. Adams seconded the motion. The vote was taken, and the motion carried.

Chairman Loadholt invited the following persons to remain: President Pastides, Secretary Stepp, Dr. Moore, Mrs. Jameson, Dr. Pruitt, Dr. Hogue, Dr. Plyler, Ms. Dodenhoff, Mr. Parham, Mr. Heath, Mr. Walton, Ms. Brunelli, Mrs. Hanna, Mrs. Martin, Ms. Mills, Ms. Lamb, Mrs. Saxon, Ms. Stone and Ms. Tweedy.

Return to Open Session

Employment Agreements:

A. Edward G. Payne - Head Basketball Coach - USC Upstate:

Chairman Loadholt called on Mr. Parham, who at the request of Chancellor John Stockwell, presented for the Board's consideration the following three proposed modifications to the current employment agreement for USC Upstate Head Men's Basketball Coach Edward (Eddie) Payne:

1. To extend the Employment Agreement for a two year period beginning May 1, 2011, and ending on April 30, 2013.

2. To clarify the understanding that the 10 percent salary increases that Coach Payne was guaranteed under his current agreement would not apply to the two year extension for board consideration today. Coach Payne's current five year contract provided that on July 1 of each year he would receive a 10 percent increase inclusive of whatever the state awarded.

3. To amend the termination provision of the employment agreement. If Coach Payne accepted a Division I intercollegiate head coaching position, paid or unpaid, at any time during the period beginning on the effective date of termination and continuing through the conclusion of the term of his employment agreement, he would not be obligated to pay liquidated damages from and beginning on the effective date of termination.

Coach Payne could terminate his employment agreement and accept the following coaching position without being obligated to pay liquidated damages: (1) any coaching position in the NBA (National Basketball Association); (2) any intercollegiate head coaching position at the Division II, Division III, or NAIA level; or (3) any intercollegiate assistant coaching position.

Mr. Mungo moved to approve the amendment to the employment agreement as presented and Mr. Adams seconded the motion. The vote was taken and the motion carried.

B. Stephen O. Spurrier - Modification of Amendment #4 to Head Football

Coach Employment Agreement: Chairman Loadholt called on Mr. Parham, who reported on behalf of the Athletics Director, Eric Hyman, who requested several proposed modifications to Amendment #4 of Coach Steve Spurrier's employment agreement.

First, the modification would include an additional incentive based supplemental compensation provision in Coach Spurrier's contract which would deal with the APR (Academic Progress Rate).

Mr. Parham reported that several years ago, the NCAA adopted a significant academic reform package which included the APR centerpiece. Each year, every Division I sports team calculated its APR based on eligibility, retention, and graduation of all the scholarship athletes on that team. The NCAA had set a benchmark and expected schools to reach at least a minimum 925 APR; if a school failed to reach that minimum level, they

would be subject to penalties. The APR was calculated in accordance with the method prescribed by the NCAA using a "rolling 4-year cohort."

Mr. Parham explained that Coach Spurrier could earn anywhere from \$50,000 to \$100,000 based on the team's multi-year APR. Secondly, the modification would provide that Coach Spurrier could recommend to the Athletics Director incentive-based supplemental compensations for assistant football coaches. However, the total amount of the incentive based supplemental compensation recommended by the Coach in any year would not exceed \$50,000; and the award to assistant football coaches would be subject to the approval of the Athletics Director.

Mr. Foster moved approval of the modification of Amendment #4 of the employment contract as presented. Dr. Floyd seconded the motion. The vote was taken and the motion carried.

Since there were no other matters to come before the Executive Committee, Chairman Loadholt declared the meeting adjourned at 11:45 a.m.

Respectfully submitted,

Thomas L. Stepp
Secretary