

(Approved as amended at August 12, 2016 Board of Trustees Meeting)

August 16, 2016, 10:00 a.m. (BC)

**COLLEGE OF CHARLESTON
UNIVERSITY OF CHARLESTON, SC**

**Board of Trustees Meeting
June 13, 2016
11:00 a.m.**

**Wampee Conference Center
Pinopolis, SC**

Board members present: Trustees Greg Padgett (chair), Don Belk, Demetria Clemons, Cherry Daniel, Frank Gadsden, Henrietta Golding, David Hay, Randy Lowell, Lee Mikell, Toya Pound, Renee Romberger, Jeff Schilz, Eddie Thomas, Joe Thompson, Ricci Welch, and John Wood

Board members participating by conference call: Trustees John Busch and Annaliza Moorhead

Board members absent: Trustees Renee Goldfinch and Pansy King-Reid

Newly elected Board members present: Penny Rosner, Brian Stern, and Todd Warrick

Others present: President Glenn McConnell, Mike Auerbach, Mark Berry, Divya Bhati, Alicia Caudill, Betty Craig, Jim Deavor, Mark Del Mastro, Julia Eichelberger, Mercedes Fabers, Greg Fisher, Trisha Folds-Bennett, Lynne Ford, Jimmie Foster, Godfrey Gibbison, Todd Grantham, Jon Hakkila, Jerry Hale, Debbie Hammond, Shirley Hinson, Sam Jones, Elizabeth Kassebaum, Gibbs Knotts, Edward Longe, Brian McGee, Todd McNerney, Valerie Morris, Angela Mulholland, Steve Osborne, Paul Patrick, Mike Robertson, Alan Shao, Stephenie Snow, JoAnn Throckmorton, William Veal, George Watt, and Fran Welch

Chair Padgett called the meeting to order at 11:15 a.m. after noting that the meeting notice has been posted and the press notified as required by the S. C. Freedom of Information Act.

WELCOME AND INTRODUCTIONS:

Chair Padgett welcomed everyone attending the meeting and thanked the staff and management of Santee Cooper for the opportunity to meet at the Wampee Conference Center.

He welcomed the three newly elected Board members whose terms will begin on July 1: Penny Rosner, a retired College professor who splits her time between Myrtle Beach and Charleston; Todd Warrick, a physician from Sumter; and Brian Stern who is in commercial real estate in Columbia. All three are alums of the College of Charleston.

Also, Chair Padgett noted that all Trustees are present except Trustees Renee Goldfinch and Pansy King-Reid. Trustees John Busch and Annaliza Moorhead will participate by conference call. Also, President McConnell, the Executive Vice Presidents, and a number of other staff/administrators were present as well.

APPROVAL OF MINUTES:

The motion was made by Trustee Joe Thompson, and seconded by Trustee Cherry Daniel, to approve the minutes of the April 22, 2016 Board Meeting. The Chair called for the yeas and nays, and the minutes were unanimously approved by voice vote. Motion passed.

WELCOMING REMARKS BY PRESIDENT MCCONNELL:

President McConnell welcomed everyone and noted that he will provide a more detailed report at the August Board of Trustees meeting.

Chair Padgett thanked President McConnell for his welcoming remarks and noted that Steve Osborne will review the budget later today. It is a reset budget that aligns with the Five-Year Plan.

[Trustee David Hay joined the conference call at 11:20 a.m.]

[Trustee Lee Mikell joined the meeting at 11:20 a.m.]

POWER POINT PRESENTATION BY PAUL PATRICK:

Paul Patrick presented a Power Point Presentation regarding possible paths for future growth for the College of Charleston. He noted that the College's current path is not sustainable. The reset budget alone does not fix the problem. The Board of Trustees, Academic Deans, and numerous other faculty/staff members shared their thoughts/concerns regarding the issue.

[Trustee Ricci Welch joined the meeting at 11:25 a.m.]

[Brian Stern (newly elected trustee) joined the meeting at 11:30 a.m.]

[Trustee John Wood joined the meeting at 11:50 a.m.]

[Trustee David Hay joined the meeting at 12:15 p.m.]

Following discussion, the meeting recessed for lunch.

[Break for lunch at 1:10 p.m.] [Trustee John Busch left the conference call.]

[Meeting reconvened at 2:30 p.m.] [Trustee John Busch hasn't rejoined the conference call yet.]

POWER POINT PRESENTATION BY TRUSTEE JEFF SCHILZ:

Following lunch, Jeff Schilz presented a Power Point Presentation regarding "College of Charleston 2020 – The Road Beyond the Brink." His presentation included a comparison of the College's growth from 2001-2015, focusing on 2001-2008. The budget is only one problem – there's not much room to grow. The Board of Trustees, Academic Deans, and numerous other faculty/staff members shared their thoughts/concerns regarding the issue. [Copy of presentation is included at end of minutes.]

[Trustee Annaliza Moorhead joined the conference call at 3:05 p.m.]

Chair Padgett requested the Deans' input before the Board begins looking at the Five-Year Plan. The Deans shared their input regarding the issue, followed by a break.

[Break at 3:40 p.m.; meeting reconvened at 3:55 p.m.]

BUDGET AND FINANCE COMMITTEE REPORT:

Committee Chair Mikell thanked those who participated in the Budget and Finance Committee Workshop on May 19, and/or the Budget and Finance Committee Meeting on June 3, which helped the Committee prepare for the meeting today.

At its meeting on June 3, the Budget and Finance Committee approved the 2016-2017 Tuition and Fees and Budget (based on 3.25% tuition increase and estimated 3% state employee salary increase) to be presented to the full Board for approval today. Today's proposed budget reflects two adjustments based on the 3.25% state mandated employee salary increase and 3.5% tuition increase for both in-state and out-of-state students.

Committee Chair Lee Mikell called for a motion to approve the budget as presented.

Trustees Henrietta Golding and Renee Romberger expressed concern regarding an item in the budget – the hiring of a permanent position to assist with SACS accreditation during and after the process has been updated.

Following discussion regarding the hiring of a permanent position to assist with the SACS accreditation, **a motion was made by Chair Padgett, and seconded by Trustee Golding, to create a temporary position in place of the existing permanent position to assist with the SACS accreditation and revisit the issue once the accreditation process has been completed to determine whether or not a permanent position is warranted. The motion was unanimously approved by a show of hands by those present and by voice vote by those on conference call.**

[Trustee John Busch rejoined the conference call at 4:45 p.m.]

Trustee Jeff Schilz asked why the Collegiate Recovery Program was not included in the budget. They raised \$233,000, and the Board should be given the opportunity to consider additional funding for the program. Steve Osborne responded that there were no programmatic requests for the budget. Alicia Caudill answered additional questions regarding the program. Trustee Ricci Welch noted that such a program helps retention.

Trustee Schilz stated that raising tuition continues to be a problem. He doesn't feel comfortable supporting an out-of-state tuition increase given the trends that are outlined in the presentation he made to the Board surrounding acceptance rate, yield rate and SAT scores. He applauded the Administration for their efforts to reduce out-of-state enrollment target that is used to create this proposed budget, but stated his belief that while reducing this target will prevent mid-year reductions next year, it does not fix the underlying problem.

Steve Osborne reiterated that this is a reset of the budget, revenue, and reductions.

Trustee Renee Romberger recommended, and Trustee Henrietta Golding seconded, that the Administration create a dashboard tied to the Five-Year Plan with goals for sustainability by the end of 2016.

Chair Padgett noted that the Board supports President McConnell and the budget with the understanding that the Five-Year Plan is not as it should be. In order for the Board members to stay informed regarding the Five-Year Plan, Chair Padgett recommended that the budget and dashboard be discussed at every Board meeting, not just on an annual basis.

Resolution on Tuition and Fees and Budget for Fiscal Year 2016-2017

The Budget and Finance Committee moves for the full Board to adopt the Resolution on Tuition and Fees and Budget for Fiscal Year 2016-2017 as presented (all Board members were provided with a copy prior to the meeting.) The Chair called for the yeas and nays, and the Resolution was approved by voice vote. Motion passed. For the record, Trustee Jeff Schilz voted not in favor of the Resolution.

**COLLEGE OF CHARLESTON
RESOLUTION OF THE BOARD OF TRUSTEES
on
TUITION AND FEES
And
BUDGET
FOR FISCAL YEAR 2016-2017**

June 13, 2016

WHEREAS, College management has presented the Board separate documents, entitled the College of Charleston 2016-2017 Proposed Budget and the College of Charleston 2016-2017 Fees (collectively referred to in this Resolution as the “Proposed Budget and Fees”) that are included herein by this reference;

WHEREAS, the Proposed Budget and Fees contains recommendations regarding adjustments to student tuition and fees as well as a College budget for the 2016-2017 Fiscal Year;

WHEREAS, College management is of the opinion that the proposed budget and its tuition and fee recommendations for the 2016-2017 Fiscal Year are reasonable given the impact of current enrollments and legislatively initiated salary increases, and fully consistent with the need to maintain elements of the College’s Strategic Plan and to meet the operational and deferred capital needs of the College, while taking into account the effect on its students and families, and the College’s tuition level relative to other public institutions of higher education in the State; and

WHEREAS, the Board of Trustees instructs the Administration to continue efforts to review program costs and strive for improved efficiencies.

NOW THEREFORE, BE IT ---

RESOLVED, that for the 2016-2017 Fiscal Year, College management is hereby authorized and directed to set undergraduate and graduate tuition and fees for each semester in the following amounts:

- \$5,693, for in-state undergraduate students;
- \$6,262, for in-state graduate students;
- \$14,772, for out-of-state undergraduate students; and
- \$16,249, for out-of-state graduate students;

RESOLVED, that for the 2016-2017 Fiscal Year, College management is hereby authorized to assess student fees in the amounts presented to the Board in the Proposed Budget and Fees and to implement the proposed budget contained therein; and

RESOLVED, that the College continue its review of program costs and efficiencies.

RESOLVED, that the College provide timely notice to students and student applicants of the tuition and fees for the 2016-2017 Fiscal Year.

Trustee Frank Gadsden thanked the academic deans and staff for their input today.

Resolution on School Fees for School of Business and School of Sciences and Mathematics

Chair Mikell reported that at its meeting on June 3, the Budget and Finance Committee passed a motion to support the concept of school fees for the School of Business and the School of Sciences and Mathematics and urged the Board of Trustees to take action on this matter at today’s meeting.

The Administration had concerns with the Resolution as presented at the Budget and Finance Committee meeting on June 3. The College will determine how the fees will be utilized. Trustee Golding noted that there needs to be more discussion regarding the issue in order to determine how it will affect the students.

Trustee Henrietta Golding would like to see a listing of other schools’ fees by the August Board meeting.

Following discussion with the Academic Deans, the Resolution was approved. All were in favor except Trustee Jeff Schilz. For the record, Trustee Schilz voted against the School Fees Resolution. He is opposed to the school fees, as proposed, because he believes all revenue generated from the school fees should go to the Schools, not the Administration. Administrative functions of the College are already funded through tuition, while the stated purpose of these fees are to allow the schools to make strategic investments in their programs.

The fees will be implemented in August 2017 and phased in over two years.

**COLLEGE OF CHARLESTON
RESOLUTION OF THE BOARD OF TRUSTEES
SCHOOL FEES FOR THE
SCHOOL OF BUSINESS
AND THE
SCHOOL OF SCIENCES AND MATHEMATICS**

June 13, 2016

WHEREAS, school fees would allow the College of Charleston (“College”) to provide critical support that could not otherwise be provided for the high-cost undergraduate academic programs in the School of Business and the School of Sciences and Mathematics;

WHEREAS, such school fees do not presently exist at the College and the College recognizes the need to respond to the higher cost of offering academic programs in the School of Business and the School of Sciences and Mathematics;

WHEREAS, increasing growth in student enrollment in these two schools has added to the total cost for operating high-quality academic programs for these schools;

WHEREAS, College management has recommended such school fees should apply to undergraduate upper-division courses in such schools and be announced a full year before their implementation, with those fees to take effect beginning with the 2017-2018 academic year;

WHEREAS, a credit-hour fee model charges each student equally for use of the resources she or he is consuming and offers superior transparency, a mechanism for matching additional charges to actual resource consumption, and fewer administrative expenses in the collection of such fees;

WHEREAS, school fees would recognize the higher expenses already incurred by the College in offering the high-cost programs in these schools and would generate revenue to address multiple strategic and critical needs in the schools to better serve and improve the academic experience of their students; and

WHEREAS, school fees would be used for such purposes as purchasing critical software and technology access, hiring new faculty, supporting minority student recruitment and retention, and enhancing student research and travel opportunities;

NOW THEREFORE, be it --

RESOLVED, that the Board hereby approves fees to be charged for the School of Business and the School of Sciences and Mathematics as follows:

A. A school fee shall be set at \$75.00 per credit hour for each undergraduate course taken within the School of Business at the 300 and above level (*i.e.*, upper level courses) for the academic year of 2017-18 and for each academic year thereafter, unless subsequently adjusted by the Board of Trustees, including Maymester and summer sessions;

B. A school fee shall be set at \$50.00 per credit hour for each undergraduate course taken within the School of Sciences and Mathematics at the 300 and above level (*i.e.*, upper level courses) for the academic year of 2017-18 and for each academic year thereafter, unless subsequently adjusted by the Board of Trustees, including Maymester and summer sessions;

C. No student shall be assessed more than \$3,600 in school fees for all coursework undertaken prior to earning a first bachelor's degree at the College, unless this maximum limitation on school fee assessments is subsequently adjusted by the Board of Trustees;

RESOLVED, that College management shall annually provide to the Board and to the campus community a report on the collection and allocation of school fees; and,

RESOLVED, that all such fees shall not become effective prior to August 1, 2017.

[Retreat/Meeting recessed at 5:50 p.m. and will reconvene tomorrow morning. Supper will be served at 7:00 p.m.]

The meeting reconvened on Tuesday, June 14, at 8:50 a.m. at the Wampee Conference Center.

Board members present: Trustees Greg Padgett (chair), Don Belk, Demetria Clemons, Cherry Daniel, Frank Gadsden, Henrietta Golding, David Hay, Randy Lowell, Lee Mikell, Toya Pound, Renee Romberger, Jeff Schilz, Eddie Thomas, Joe Thompson, Ricci Welch, and John Wood

Newly elected Board members present: Penny Rosner, Brian Stern, and Todd Warrick

Board member participating by conference call: Trustee John Busch

Board members absent: Trustees Renee Goldfinch, Pansy King-Reid, and Annaliza Moorhead

Others present: President Glenn McConnell, Mark Berry, Divya Bhati, Alicia Caudill, Betty Craig, Mercedes Fabers, Greg Fisher, Debbie Hammond, Shirley Hinson, Elizabeth Kassebaum, Brian McGee, Todd Mc Nerney, Valerie Morris, Angela Mulholland, Steve Osborne, Paul Patrick, Mike Robertson, Alan Shao, Stephenie Snow, JoAnn Throckmorton, George Watt, and Fran Welch

NEW BUSINESS:

Cougar Club Memorandum of Understanding with the Foundation

President McConnell presented an update on the Cougar Club Memorandum of Understanding with the Foundation and noted that some liability language was added.

He notified the Board that Michele Wolfert left her position as Executive Director of the Cougar Club. Jerry Baker will return to the College as the new Executive Director of the Cougar Club.

Also, the Athletics Director's contract expires in December, and the contract will not be renewed. A Search Committee will be established to select a new Athletics Director.

The motion was made by Trustee Henrietta Golding, and seconded by Trustee Cherry Daniel, to approve the Cougar Club Memorandum of Understanding with the Foundation as presented. The Chair called for the yeas and nays, and the motion was unanimously adopted. [MOU is attached.]

College of Charleston Foundation Memorandum of Understanding with the College of Charleston

President McConnell presented an update on the College of Charleston Foundation Memorandum of Understanding with the College of Charleston. Liability language was added – the Foundation is responsible and the College is responsible

The motion was made by Trustee Cherry Daniel, and seconded by Trustee Henrietta Golding, to approve the College of Charleston Foundation Memorandum of Understanding with the College of Charleston as presented. The Chair called for the yeas and nays, and the motion was unanimously adopted. [MOU is attached.]

Diversity Update

Committee Chair John Busch provided a brief update regarding the Diversity Committee's work to date. He delivered the first set of 30 recommendations to President McConnell. Before the document is made public, he would like to give President McConnell time to develop an action plan. Additional information will be provided at the August Board of Trustees meeting.

Board Member Contributions to Foundation

Trustee Renee Romberger encouraged all Board members to contribute to the Foundation because they lead the way. She noted that 100% participation by Board members is vital.

Chronicle of Higher Education Survey

Brian McGee informed the Board about the Chronicle of Higher Education's Satisfactory Survey. Results are made available to participating universities. The College participated in 2013 and 2015, but didn't participate in 2014 and 2016.

Results of the 2015 Survey

- There were 200 respondents.
- Strengths identified – pride in working for the College
- Weaknesses – pay is not competitive, senior leadership trust, and direction of institution
- Overall more staff are satisfied than faculty

Trustee David Hay spoke regarding the fact that some employee morale is low and noted the importance of looking at the survey in an effort to try to improve the employees' morale.

Impact of Labor Law Change

Steve Osborne spoke regarding the impact of the new Department of Labor regulations on the College's overtime/compensatory time. Raising the salary test from \$23,000 to \$47,000 for exempt status will cause over 200 employees to be affected by the change and eligible for overtime. Cost control measurements must be taken. All employees must adhere to 40-hour work week to avoid overtime pay. Compensatory time will be granted. Ed Pope, VP for Human Resources, will provide more information to supervisors and departments to assist in compliance.

Teacher Load Analysis

At last year's Retreat, roster faculty was a topic of discussion. Are faculty teaching the number of sections they should be teaching? Are courses the right size?

On March 7, Provost Brian McGee sent a memo to the Academic Deans advising them to end research releases with the Fall 2016 semester. The emphasis was if faculty aren't doing research, they need to be in the classroom.

Minor foreign language classes are quite small. There are no tenure track professors in this area.

The need for additional roster faculty was discussed. Trustee David Hay indicated the need to look further at the number of faculty – it could be part of the College's budget problems.

Five-Year Plan – Next Steps

Paul Patrick's presentation regarding the future of the College of Charleston continued.

The Administration is beginning to move toward a transformational plan. Part of the plan has not yet been identified. They discussed growth strategy and how to minimize liabilities associated with it. By Fall 2016, President McConnell will lay out methods for creating dashboards. The Board will have a monitoring role in that process. They will create working groups to identify strategies.

Chair Padgett noted that a dashboard is how we will measure results. Trustee Renee Romberger stressed the importance of a dashboard. Paul Patrick noted that dashboards will not be published every month – by semester is probably best. Renee Romberger mentioned the need for a Diversity Dashboard and feedback from the Board of Trustees as well as the Deans' visions.

Chair Padgett asked Board members to forward him their thoughts and ideas for dashboards.

Trustee Jeff Schilz recommended that town halls with the College community be held in the fall. Also, he recommended that the Administration continue to develop plans over the summer and have real goals completed in the fall. The Board will be provided with an update by the August Board meeting, and the plan will be ready by the October Board meeting. The Board will be informed of any problems that arise.

Chair Padgett asked that the Board of Trustees be kept informed regarding any issues with the Five-Year Plan.

Board Officer Elections

Chair Padgett noted that Board Officer elections will be held at the October Board of Trustees meeting. Committee assignments must be the prerogative of the new chair.

In the meantime, Joe Thompson will serve as Acting Chair of the Budget and Finance Committee meeting at the August and October Board meetings since today will be Lee Mikell's last Board meeting. Also, there will be temporary committee assignments for the three new Board members until election of the new chair.

Penny Rosner – Academic Affairs, Information Technology, and Student Affairs

Brian Stern – Budget & Finance, Facilities, and Governmental Affairs & External Relations

Todd Warrick – Alumni Relations, Audit and Governance, and Student Affairs .

Chair Padgett thanked Lee Mikell for his service on the Board of Trustees, and he received a standing ovation by all in the room. Lee has been incredibly supportive, and the Vice Chair of the Board has an important role.

Chair Padgett thanked everyone for their support, i.e., budget, etc. and thanked Shirley Hinson for her efforts in Columbia.

[Break at 10:50 a.m.]

The motion was made by Trustee Cherry Daniel, and seconded by Trustee Frank Gadsden, to go into Executive Session at 11:20 a.m. for the following purposes: (1) Discussion of negotiations incident to proposed contractual arrangements and proposed purchase/lease of property; and Employment records – legal matters and contract negotiations – personnel matters. All in favor.

[Only President McConnell and the Board of Trustees remained for Executive Session. Everyone not requested to attend Executive Session left the meeting.]

The motion was made by Trustee Lee Mikell, and seconded by Trustee Frank Gadsden, to leave Executive Session at 12:10 p.m. All in favor.

[Regular session resumed at 12:10 p.m.]

Chair Padgett noted for the record that no action was taken during Executive Session.

The motion was made by Trustee Lee Mikell, and seconded by Trustee Cherry Daniel, to adjourn the meeting at 12:10 p.m. All in favor.

College of Charleston 2020

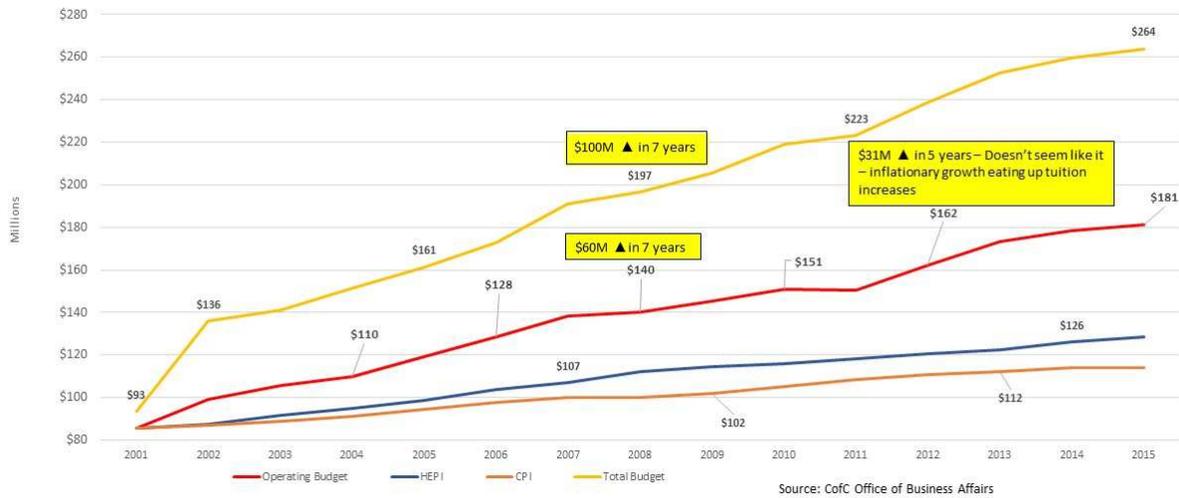
The Road Beyond the Brink

Presented by Jeff Schilz to Board of Trustees

June 13, 2016

In the Beginning...2001

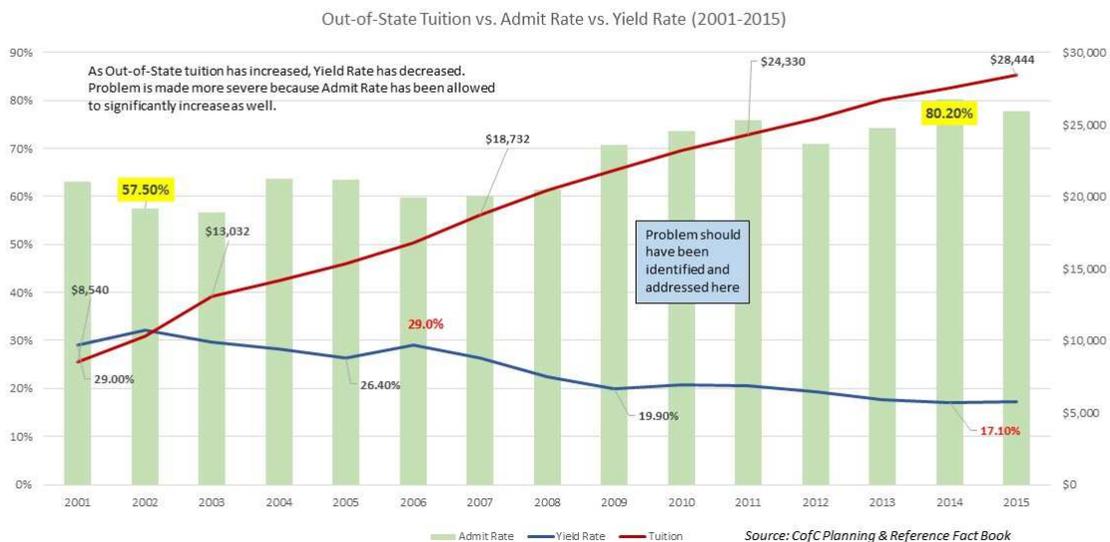
CofC Operating Budget Growth: 2001-2015



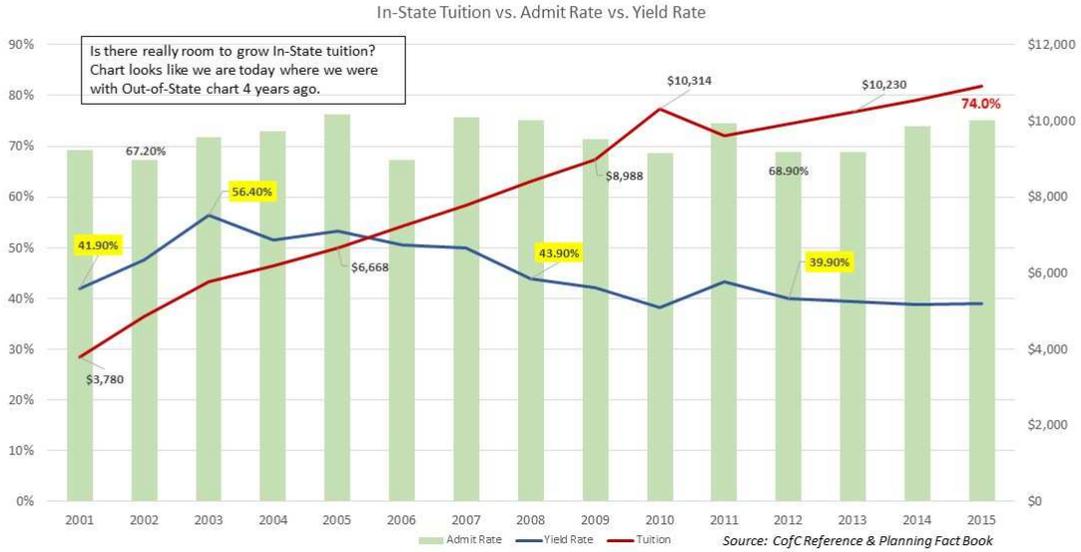
Show me the \$\$\$\$...Where did it go?

- Number of Students
 - 2001: 11,617
 - 2009: 11,772
 - 2015: 11,531
- Number of Faculty
 - 2001: 462
 - 2009: 532
 - 2015: 574
- Average Faculty Salary
 - 2001: \$50,535
 - 2009: \$64,679
 - 2015: \$74,565

Budget is only 1 problem...there's more...



Budget is only 1 problem...there's more...



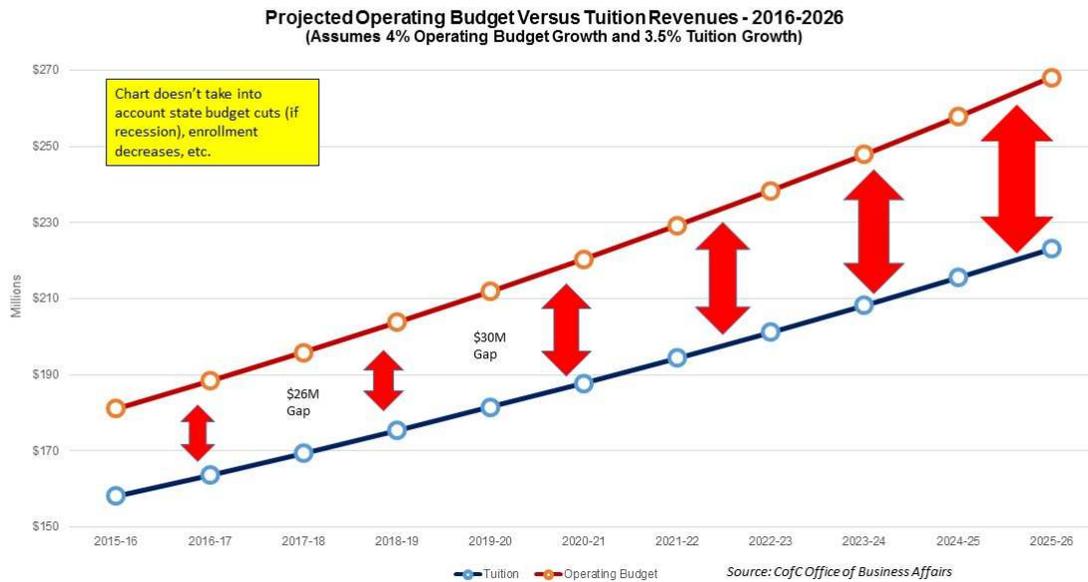
Budget is only 1 problem...there's more – Avg SAT Score

Year	Out-of-State	In-State	Total
2000	1173	1144	1157
2005	1224	1180	1202
2006	1212	1169	1191
2007	1233	1173	1199
2008	1231	1176	1200
2009	1205	1176	1189
2010	1209	1179	1193
2011	1194	1157	1175
2012	1197	1171	1185
2013	1183	1154	1168
2104	1165	1140	1153
2015	1148	1118	1132

*Rescored 2000-2012 data using 2013 methodology

SAT scores of entering freshmen are **LOWER** than in 2000.

Conservative assumptions still work against us...



Back to the Future...The Current Path

- Proceeds of tuition growth eaten up by inflationary growth
- Continued erosion of out-of-state enrollment
- Quality of entering freshman continues current trend
- Current trend of increasing acceptance rate continues
- More across-the-board cuts
- Constant “crisis”
- Little new investment in quality academic programs
- Motivation of employees
- Subject to factors we don't control

A New Path Forward...Transform and Control our Destiny

- Recognize the current business model is not sustainable
- Any tuition/fee increase must be predicated on the framework of a multi-year transition to a new operating model
- Continued review of organizational effectiveness and efficiency
- Development of new revenue streams (North Campus, School of Professional Studies, Graduate School, Distance Learning, etc.) that can fund traditional campus
- Define areas of academic focus for investment
- Identify areas of programmatic reduction
- Identify/develop areas to attract and retain students

Focus: Back to Basics

- Quality Education at Affordable Price – “Best Buy”
- Student-Teaching Faculty Ratio
- Focus on Academic Advising (Rethink Retention)

Why do this? The answer is in these pictures.

