

MINUTES

COASTAL CAROLINA UNIVERSITY

BOARD OF TRUSTEES

January 6, 1995, 9:00 a.m.

E. Craig Wall Sr. School of Business Administration
Board Room

Presiding: Mr. James J. Johnson, Chair

Members Present:

Mr. Gene Anderson
Mr. Hank Barnette
Mr. Robert Brown
Mr. H. Franklin Burroughs
Mr. Fred DuBard
Mr. Dean P. Hudson
Mr. Larry Lyles
Ms. Elaine W. Marks
Mr. Clark Parker
Ms. Juli Streater Powers
Mr. Keith S. Smith
Mr. Oran P. Smith
Dr. R. Cathcart Smith
Mr. E. Craig Wall, Jr.

Members Absent:

Ms. Cathy Harvin
Dr. James Kane

Others Present:

Dr. Ronald Ingle
Dr. John Idoux
Dr. Sally Horner
Dr. Lynne Smith
Dr. Robert Squatriglia
Mr. Cermette Clardy
Mr. Ernie Locklair
Mr. Patricia W. Sizemore
Ms. Anne Monk
Ms. Charmaine Tomczyk
Ms. Stan Godshall
Ms. Nila Hutchinson
Ms. June Brown
Ms. Tina Davis
Mr. Ron Ostberg, Stubbins Associates
Ms. Cheryl Keown, Stubbins Associates
Mr. David Graham, Stubbins Associates
Mr. Mike Ey, McNair & Sanford

(In accordance with the requirements of the South Carolina Freedom of Information Act, the news media were notified of the time, location, and agenda for this meeting.)

Chairman Johnson called the meeting to order at 9:05 a.m., expressed his appreciation to trustees, faculty and staff members in attendance and asked Mr. Anderson to deliver the invocation.

I. Roll Call

Secretary Franklin Burroughs confirmed that the attendance had been recorded, and a quorum was present.

Mr. Johnson noted there were two additions to the agenda: a report by the architectural firm working on the Humanities Building and a report by Mike Ey from McNair and Sanford regarding the upcoming legislative session.

Ms. Marks made a motion to adopt the agenda, seconded by Mr. Hudson, and the agenda was

Franklin Burroughs stated that he had been notified that Cathy Harvin and James Kane were unable to attend the meeting.

II. Architect's Report

Dr. Ingle introduced Mr. Ron Ostberg, Ms. Cheryl Keown and Mr. David Graham of Stubbins Associates to present an overview of the progress on the design of the Humanities Building.

Mr. Ostberg reported that they are about 50 percent through the first phase of work, that being the schematic design. He presented drawings which are the result of six weeks of meetings with Coastal administration, faculty and staff members. He said the goal is to design a 100,000 square foot building for a cost of approximately \$10 million.

Mr. Ostberg said that Stubbins is working to design a building that is consistent with the design of other campus buildings and which will meet functional needs as well as enable the arts to stimulate the activities within the building.

Oran Smith noted that the design seems to contain proportionally more classrooms than the Prince or Wall buildings. Dr. Ingle agreed that it probably does; however, the purpose of this building is primarily instructional; whereas the other buildings provide administrative space in addition to classrooms.

III. Approval of Minutes

Dr. Smith made a motion to approve the minutes listed below, seconded by Ms. Marks, and the motion carried unanimously.

Student Affairs Committee - September 16, 1994
Development and Alumni Affairs Committee - September 16, 1994
Academic Affairs Committee - September 29, 1994
Planning and Fiscal Affairs Committee - September 29, 1994
Development and Alumni Affairs Committee - September 30, 1994
Board of Trustees - September 30, 1994
Board of Trustees Conference Call - November 10, 1994

IV. Standing Committee Reports

Executive Committee

Mr. Johnson noted there was no report from the Executive Committee.

Academic Affairs Committee

Ms. Marks reported that the Academic Affairs Committee met on January 5, continuing their discussion on the accreditation process. Ms. Marks stated there were no recommendations from the Academic Affairs Committee at this time; however, information on promotion and tenure will be provided for review prior to the April meeting, and the matter will be voted on at the April 7 meeting of the full Board.

Chairman Johnson then asked Mr. Parker to report to the Board on the meeting he attended on December 15 in Orangeburg. Mr. Parker said the meeting was sponsored by the South Carolina Higher Education Commission and was attended by members of boards of trustees, college presidents, higher education members and private college and university representatives as well as technical institution representatives.

The core of the discussion involved the shortfall in higher education funding. Current funding is at 64 percent of formula which is short by about \$250 million. It was proposed that a request be submitted to the legislature to make up that shortfall over a five-year period, which would amount to approximately \$51 million per year. There was considerable debate over what would be offered by the institutions in return. One suggestion was that institutions would agree to freeze tuition. There was disagreement on that issue, and it was decided to remove that from the proposal and work to collectively approach the legislature to build the case that higher education is not funded properly. Some participants were not willing to endorse the proposal unless they knew how much of the \$51 million would be distributed to each institution.

The overall effort was to bring together the various groups who had a concern with formula funding and to approach the state legislature in a unified voice to convey that the need is there, and the need is great. They proposed a team approach, with teams composed of school representatives from the six congressional districts. Each team would approach legislators from their district.

Another facet of the meeting was that ETV was present, and perhaps the intent was to communicate the message of higher education throughout the state.

Development and Alumni Affairs Committee

Mr. DuBard reported that the Development and Alumni Affairs Committee met in the fall with the Coastal Educational Foundation. The Foundation has traditionally contributed exclusively to Coastal; however its Articles of Incorporation and Bylaws do not reflect this practice. CEF is now in the process of revising its Bylaws to reflect a policy that would make Coastal Carolina University the sole recipient of private support generated through the Foundation. Since the original Foundation pre-existed the institution, the initial Articles of Incorporation and Bylaws provided for support of education in Horry County without specificity.

Dr. Smith said the thrust of the change is intended to document the fact that the Foundation's function is to raise money for the university, but it is not governed by the university.

Mr. Keith Smith clarified that once the Foundation bylaws are changed, the Foundation will continue to hire its own auditor to conduct its audit; then the auditor for the state will include those figures in the audit of the University.

Planning and Fiscal Affairs Committee

Dr. Horner noted that the first annual audit of the University shows an increase in restricted and unrestricted fund balances which means that we operated in the black. The auditor said the management letter findings contain nothing particularly serious, and Dr. Horner was very pleased with the overall findings.

Mr. Lyles asked about the athletic department loss and how that compared to previous years. Dr. Horner said the athletic audit is the result of a requirement by the NCAA that there be a financial statement prepared for the use of the chief executive officer in his governance of the athletic program. It is not intended to fold in with anything else. This one in particular does not, and Dr. Horner wrote an institutional response that called attention to the fact that we expend monies for athletics both from operational funds and from student fees designated for athletics. This is appropriate; however, the auditor did not recognize as revenue the amounts that were expended out of operational funds. These were shown by the auditor as operational

deficits, although in fact no deficit existed. The report is an accurate listing of the expenditures, but because \$300,000 in revenue is not recognized, there appears to be a deficit.

The total athletic expenditures are a little more each year; however, much of that expense is in scholarships. Coastal is in the mid-range of the Big South Conference in number of athletic scholarships awarded, which totals approximately \$900,000 including waivers of out-of-state tuition. Coastal is required to give approximately \$550,000 in scholarships, exclusive of the basketball program, to remain in Division I sports.

Dr. Ingle explained that the athletic budget sources of revenue include student fees, activities fees, the lump sum of approximately \$85,000 from the CINO Club, income received from game receipts and guarantees when we play away games. We also pay for some of the salaries out of our regular operational account. For whatever reason, only three sources of revenue were considered revenue sources by the auditor. Therefore, there is no deficit. We are spending more in the athletic program to meet NCAA scholarship requirements and gender equity standards, but we are very concerned about the increasing costs of the athletic program.

Dr. Horner added that the operational funds which are used for the athletic program are budgeted for that purpose.

Ms. Powers asked who controls the funds raised by the CINO Club. Dr. Ingle said the administration of the University has sole discretion with regard to the allocation of those funds.

Dr. Horner said the overall audit of the University includes operations of the athletic department.

Mr. Johnson asked for an update on the current year's budget. Dr. Horner reported that the revenue projections have been revised at mid-year as is customary. We met the equivalent of a 5 percent increase in tuition revenues and have expended 50.8 percent of total budgeted dollars at the end of the first six months of the fiscal year. Dr. Horner still believes the revenue estimates are conservative, and although we must be equally careful for the coming six months, we are in good shape.

Mr. Burroughs asked for enrollment figures for the spring semester. Dr. Ingle said we budgeted for 89 percent of fall enrollment for the spring semester. Dr. Horner said spring enrollment is normally approximately 91 percent of fall registration.

Dr. Smith inquired about the "Campus Friends" program. Dr. Ingle said he feels it is going well.

Keith Smith noted that Coastal began issuing its own payables checks in July, and the first payroll checks will be written on January 15, so the transition from USC to Coastal's computer system is on schedule.

Student Affairs Committee

Ms. Powers reported that the Student Affairs Committee met with Dr. Squatriglia regarding progress on the residence hall project, intramurals and recreation, Greek life, the school alcohol policy and student health services. She said that by April the committee would have additional information on the health service.

Mr. Johnson stressed the importance of access to health care for students and said he is pleased action is being taken in this area.

V. Attorney's Report

Mike Ey, attorney with the McNair & Sanford firm which was hired to represent Coastal, gave an update on legislative activity relating to higher education. Mr. Ey reported on the new leadership in the various committees of the General Assembly and said overall there is potential for support of higher education issues. Legislative issues will be dominated by debate over property tax relief which will affect higher education because spending in other areas may be cut to fund the property tax cut. Hopefully, these issues will be clarified in the Governor's State of the State address.

Three issues relating to higher education which will be addressed by the General Assembly this year are Opportunity 2000, higher education restructuring, and prospects for a bond bill. In November it appeared a bond bill would be forthcoming; however, in recent weeks there has been some question whether the new Governor will wish to have a bond bill and, if so, for what purposes. Again, the State of the State address may clarify this issue.

Mr. Johnson asked Mr. Ey to list legislative leaders from areas represented by various members of the Board of Trustees. Mr. Ey said he would provide a list of members of the Ways and Means Committee. Mr. Anderson asked if McNair & Sanford could provide a quarterly newsletter on their activities.

In response to a question from Oran Smith, Mr. Ey said he feels there will be some movement toward the restructuring of higher education in 1995.

Mr. Johnson expressed concern over the effect property tax relief would have on millage received by the Horry County Higher Education Commission and asked Mr. Ey to remain cognizant of that issue.

VI. President's Report

Dr. Ingle said the Council of College Presidents, the fiscal affairs officers and the Higher Education Commission have been working on various means by which state funding is allocated. He referred Board members to a document in their notebooks which shows the distribution methodology. The formula has been placed on hiatus over the past two or three years because of the lack of state funding. The Council of Presidents had recommended that every institution receive funding equal to the previous year's amount, and any additional monies would be distributed according to some methodology. We are trying to return to full implementation of the formula.

Dr. Ingle discussed a proposed funding distribution methodology based on Governor Campbell's recommendation of an additional \$19 million for higher education, which would provide an additional \$370,000 to Coastal over what was received last year. The new Governor, the Ways and Means Committee, and property tax relief all have potential to affect this proposal.

Mr. Brown stated that although he has promoted having a football program at Coastal, he understands that is not presently feasible. He feels the issue of bringing equitable funding to Coastal is a much greater priority to be addressed at this time.

Dr. Ingle said a return to full formula funding is significant to Coastal because we have developed to a point that would qualify us for a larger allocation.

Another document provided to trustees shows the higher education budget proposal of Governor Campbell.

The Council of College Presidents last week elected Phil Prince from Clemson as their Chairman to serve out the term of Tony DiGiorgio who stepped down. The agenda for the year includes funding for higher education (Opportunity 2000); restoration of funding for the state pay raise which was mandated by the legislature and vetoed by the Governor; need-based financial aid; regulatory reform; and restructuring.

Dr. Ingle then reviewed the Opportunity 2000 document prepared by the Commission on Higher Education, with input from the University of South Carolina, which proposes that the General Assembly commit additional funding to higher education over a five-year period of time. This was adopted yesterday by CHE. There were two items which came under a lot of discussion at the Orangeburg meeting. Dr. Ingle recommended deleting these portions of the document which indicated institutions will freeze current tuition and fee levels for one year and hold increases over the remaining four years to an index "yet to be determined." Dr. Ingle said it is the authority of the boards of trustees to set tuition, and the presidents do not have authority to make such a commitment. Dr. Ingle had recommended at the Council of Presidents meeting that they endorse the Opportunity 2000 concept but work on the wording of the six items offered as compromise by the institutions. In addition, he recommended removal of the portion of the document which outlines the proposed distribution of the additional funds. He also feels the index should be determined prior to commitment.

As Chair of the state committee on quality incentives in higher education, Dr. Ingle suggested quality incentives be considered in determining allocation of funds.

There was some discussion of Coastal's admission requirements, and it was noted that although the minimum SAT score is 650 combined with a specified high school ranking, Coastal students' SAT scores average approximately 880. Dr. Ingle said it is important to consider the effect higher SAT score requirements may have on enrollment, although students meeting all of Coastal's entrance requirements generally have higher than the minimum score. Students are admitted by a formula; the lower the SAT score, the higher the required high school class rank.

Dr. Ingle referred to articles concerning enrollment in state institutions. As clarification, Coastal's institutional research office prepared a report on FTE enrollment at state institutions. He agreed that enrollments are down in South Carolina and nationwide. He did note that Coastal's head count enrollment is up over 2 percent at 4,542.

Dr. Ingle said the Board should be very proud of the employees at Coastal in that we have exceeded every expectation with regard to transition activities. There was concern expressed over how quickly we should expect to transfer computer operations; however, employees have worked long hours to make this happen. We will issue our own payroll checks on January 15. Student records will be on line in March.

Founders' Day will take place on February 27, at 3:00 p.m., to honor individuals from the local area who have made significant contributions to this institution in the same way that the original founders came together to create the institution. The State Treasurer has been invited to speak on that day. A committee, made up of faculty, Foundation and Commission members, and Juli Powers representing the Board of Trustees, will accept recommendations, and individuals selected will be honored on Founders' Day.

Dr. Ingle will go to the national NCAA meeting this weekend, and the agenda includes admission requirements for athletes. There is a proposal under consideration to delay changes in existing SAT score requirements, and Dr. Ingle feels this is appropriate since the Educational

Testing Service is in the process of re-centering the SAT test. Since this could affect test scores, it would be appropriate to delay actions which include changing minimum SAT score requirements.

Dr. Ingle will be attending a hearing to appeal the four-year probation for the basketball program and will keep members apprised on this issue. He is proposing that the probation run concurrently with the sanctions. Dr. Idoux reported that Coastal has been accepted into candidacy to acquire national accreditation for the Business School, and the process has begun for the teacher education program.

Dr. Idoux announced the implementation of various restructuring changes taking place at Coastal. It is a priority of Coastal to look at the whole process of recruitment, enrollment, retention and graduation rates. In an effort to make improvements in these areas, the Provost's office has been reorganized to include a vice president for enrollment management which will include admissions, registration and records, financial aid, advisement, undeclared majors, interdisciplinary studies and academic services. All of these areas relate to the issue of recruitment, enrollment, retention and graduation. Pat Sizemore has accepted that role in addition to continuing special assignments for the President.

In addition, Dr. Idoux's office will be looking at policies, procedures, evaluation of programs, etc. Charmaine Tomczyk has accepted the position of assistant vice president to work with Dr. Idoux in these areas.

Dr. Ingle noted that these new initiatives, along with the computer system, will enable us to streamline operations and will get information to the level of the decision makers; therefore, when we give people certain responsibilities, we will also empower them with the tools to get the job done.

Dr. Ingle announced that Dr. Horner has been appointed by SACS to the Commission on Colleges, which is the group that is involved with the establishment of policies and all aspects of accreditation of higher education in the Southeastern United States.

Mr. Johnson noted that a Council of Higher Education Board Chairs has been formed, and he attended the first meeting. He said he was received very well and will be attending these meetings to represent Coastal.

Mr. Johnson recently received a communication from the Association of Governing Boards regarding the problems of binge drinking on campuses throughout America. This information will help institutions develop sound alcohol policies. He feels it is something we need to take a look at and asked Dr. Squatriglia to comment on Coastal's policy.

Dr. Squatriglia stated that Coastal's alcohol policy was developed by a campus committee which will reconvene in January to review the existing policy. A survey conducted last May indicates 40 percent of the students have participated in binge drinking. Dr. Squatriglia said alcohol is not permitted at the residence halls and is only permitted elsewhere on campus with certain requirements, such as presence of food, proper identification confirming age, etc.

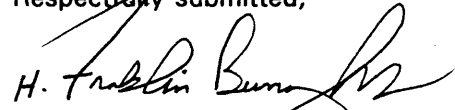
Mr. Anderson asked if campus discipline takes priority over public law enforcement and the judicial system when an incident of a criminal nature occurs involving alcohol. Dr. Squatriglia said the first concern is for the student and his or her future. However, in criminal circumstances, we allow the criminal justice system to make a determination before addressing any disciplinary actions which would be taken by the University in accordance with the Code of Student Conduct.

Mr. Anderson asked if there would be a special meeting of the Board to discuss the budget. Mr. Keith Smith said the meeting may take place in conjunction with the April meeting of the Board. Dr. Ingle said it may be advisable to delay setting a date, pending legislative actions which may affect budget decisions.

Adjournment

Ms. Powers made a motion to adjourn, seconded by Mr. Hudson, and the meeting was adjourned at 12:10 p.m.

Respectfully submitted,



H. Franklin Burroughs
Secretary