

**MINUTES OF THE MEETING OF THE
BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF GEORGIA
HELD AT
270 Washington St., S.W.
Atlanta, Georgia
August 3 and 4, 2004**

CALL TO ORDER

The Board of Regents of the University System of Georgia met on Tuesday, August 3 and Wednesday, August 4, 2004, in the Board Room, room 7007, 270 Washington St., S.W., seventh floor. The Chair of the Board, Regent Joel O. Wooten, Jr., called the meeting to order at 1:00 p.m. on Tuesday, August 3. Present on Tuesday, in addition to Chair Wooten, were Vice Chair J. Timothy Shelnut and Regents Hugh A. Carter, Jr., Connie Cater, William H. Cleveland, Joe Frank Harris, Julie Hunt, W. Mansfield Jennings, Jr., James R. Jolly, Donald M. Leebern, Jr., Elridge W. McMillan, Patrick S. Pittard, Doreen Stiles Poitevint, Wanda Yancey Rodwell, Allan Vigil, and Glenn S. White.

ATTENDANCE REPORT

The attendance report was read on Tuesday, August 3, 2004, by Secretary Gail S. Weber, who announced that Regents Michael J. Coles and Martin W. NeSmith had asked for and been given permission to be absent on that day.

APPROVAL OF MINUTES

Motion properly made and duly seconded, the minutes of the Board of Regents meeting held on June 8 and 9, 2004, and the special meeting held by conference call on July 9, 2004, were unanimously approved as distributed.

SPECIAL PRESENTATION HONORING REPRESENTATIVE LOUISE McBEE

Chair Wooten invited Representative Louise McBee to join him at the podium with Chancellor Meredith and the Senior Vice Chancellor for External Activities and Facilities, Thomas E. Daniel. He explained that he wanted to take this opportunity to recognize and thank one of the Board's and the University System's best friends and strongest supporters, State Representative Louise McBee of Athens. He noted that he had first met Representative McBee when she was Dean of Students at the University of Georgia ("UGA").

Chair Wooten said there are hundreds of people who serve in the Georgia General Assembly. Each year, the legislature wrestles with a mountain of complex issues and legislation, and it is virtually

impossible for any single representative or senator to know everything. So, the Regents are fortunate that Georgia's legislative body has evolved in a way that allows individual members to become experts in a few key areas. Their expertise is acknowledged by their peers in the House and Senate, who come to depend upon them for guidance in crafting legislation and shaping the budget. During her 13 years in the Georgia House of Representatives, Louise McBee became the expert on public higher education in that body. When members had questions, wanted information, or sought a sound opinion on public higher education issues, they knew that they could go to Representative McBee for the facts and the straight answers. They knew that she would know the latest information, and they were never disappointed. Her acknowledged expertise on the business of knowledge and education led to her selection as Chair of the Higher Education Committee, and from that post, Representative McBee was able to provide good and wise counsel not only to her elected peers, but to Chancellor Meredith and this Board. There are those who would say that Representative McBee's knowledge is based primarily upon her 25 years of service as a UGA administrator, remarked Chair Wooten. He agreed there is no question that her tenure at UGA gave her a great foundation for her expertise, but once in the Georgia House, Representative McBee did not depend upon that background alone. She never assumed that she already had all of the information she would need. When it came to the University System of Georgia, Representative McBee truly was a lifelong learner. She never stopped asking questions, reading up on the latest trends and developments nationally, and keeping up-to-date on what was happening with this Board's actions and policies, and she never lost sight of her responsibility to serve people. She understood the needs and circumstances of all Georgians and especially students. She worked diligently to represent them and to communicate their situation to her peers and to the Regents. She helped the Board make wise decisions. As a result of her professional experience and her thirst for information, Representative McBee has performed service on behalf of the citizens of Georgia and the University System that are truly beyond value. As a Board, the Regents have attempted to express their thanks and gratitude for Representative McBee's outstanding record of public service with the special professorship approved in June 2004 and established at UGA in her name. While that is a very fitting tribute to her accomplishments, the Regents also wanted to thank Representative McBee in person. Chair Wooten asked the Regents to join him in a heartfelt demonstration of their appreciation and thanks for all that Representative McBee has done and meant for public higher education in Georgia. On behalf of the Board, he thanked her and wished her all of the best.

Representative McBee thanked Chair Wooten for this special recognition and his kind words. She said that she has had two wonderful careers in the State of Georgia. First, she served for 25 years at UGA, which has become over the years one of the greatest universities in the nation. Then, she served in the Georgia General Assembly for 13 years. She remarked that the legislature works very hard but must supply additional resources for higher education. In both careers, Representative McBee worked with the Board of Regents, five Chancellors, and their staffs, who have built one of the best higher education systems in the country. She said that she values the friendships and the support of many through the years and certainly the Regents present at this meeting. She has spent much of her tenure in the legislature working for higher education. The last two years, she served as

Chair of the Higher Education Committee, which was especially rewarding. She remarked that this was the best committee in the legislature because the committee members get to work with the brightest people in the state. She knows most of the presidents in the University System of Georgia, and she has visited most of the institutions. She has taken delight in seeing the special role and strengths brought to the System by the individual institutions. Working with the Regents and the University System Office staff has been a real joy, she said. Chair Wooten was President of the Senate at UGA at the time Representative McBee was Dean of Students. He was an outstanding student and leader, and he will give the same excellent leadership to the Board of Regents as he did to the students at UGA. Representative McBee said she was very proud of him. She then expressed appreciation to Chancellor Meredith, who came to the University System at a time when the budget was tightest. He has been patient and kind and has provided stellar leadership during a difficult period. She also expressed her appreciation to the Senior Vice Chancellor for External Activities and Facilities, Thomas E. Daniel. She never called Mr. Daniel when he was not kind and gave her good information and good advice. She said that she values Mr. Daniel's friendship and will always be grateful for his assistance. In January 2005, Representative McBee will no longer serve in the legislature, but she will be in Atlanta in spirit and will continue to be a cheerleader for higher education. She said that the State of Georgia can be no better than its system of higher education. As she looks ahead and contemplates the Regents' task as leaders in the months and years ahead, she wonders what it will take to eliminate the continuing educational underdevelopment of so many segments of society. She encouraged the Board to seek ways to reduce the growing disparities between the haves and the have-nots. Reliable data show that the economically disadvantaged are adversely affected in terms of educational opportunity and achievement. The University System of Georgia has made great strides in closing the academic achievement gap, and Representative McBee commended the Regents and the University System Office staff for their efforts in this regard. She said that she expects the "Education— Go Get It" program to do great things for the state. In closing, she thanked the Regents for all they do and will continue to do for the State of Georgia and for the recognition they had given her at this meeting.

Chair Wooten noted that Representative Lee N. Howell from Griffin was also in attendance at this meeting. He thanked Representative Howell for joining the Regents in recognizing Representative McBee.

SPECIAL RECOGNITION OF REGENT EMERITA ALLENE MAGILL

Chair Wooten asked Chancellor Meredith to return to the podium and invited Regent Emerita Allene H. Magill to also join him so that the Regents could honor her for her excellent service to the Board. Regent Magill had an illustrious career in education, and the Board of Regents needs that kind of expertise. She brought to the Board a very special perspective that illuminated many Regent discussions. She was appointed by Governor Roy Barnes as a Regent from the ninth district, which in redistricting became the tenth district. Then, Regent Magill moved to Cobb County to become President of the Professional Association of Georgia Educators ("PAGE"), a truly outstanding

organization which is also the largest professional association for educators in the state. Before PAGE, Regent Magill made her mark as an extraordinary educator in several positions in several different locations around the state, first in Paulding County, then in Forsyth County, then with the Dalton public schools. She brought energy, intelligence, and the ability to bring teamwork to the Board of Regents and to each of the public school systems in which she served. Teachers, parents, students, and communities all worked together under Regent Magill. Her record of success is well documented, and she is continuing her good work today. Chair Wooten said that Regent Magill is missed on the Board. He said that her replacement, Regent Jolly, is already showing his very valuable insights in moving the Board's work along to very positive results. Chair Wooten thanked Regent Magill for her service to the University System of Georgia. On behalf of the Board of Regents, he then presented a Brumby rocking chair to Regent Emerita Magill as a token of appreciation.

Regent Emerita Magill said that serving on the Board of Regents was a wonderful experience that was also a learning experience at every meeting. At every meeting, there were worthwhile discussions to improve Georgia as a state and to make things better for postsecondary students in the state. She said that she has a passion for ensuring that the Board is cognizant of the P-12 system. She noted that Representative Louise McBee supported P-12 system as well. Regent Magill said that it was a pleasure to work with the Regents and that she missed them. She said that she has always respected Governor Harris, and serving under his leadership as Chair of the Board of Regents was a tremendous experience for her. She said that the Board currently has two very fine leaders in Chair Wooten and Vice Chair Shelnut. Regent Emerita Magill said that if she could help the Regents in any way, she would be glad to do so. In closing, she said that she was very pleased that the Governor made the decision to appoint Regent Jolly in her place because it is a compliment to both him and North Georgia. She thanked the Regents for the rocking chair and said that she would always remember the Board of Regents with great fondness.

REPORT ON HEALTH PROFESSIONALS INITIATIVE

Chancellor Meredith said that he next wanted to take a few moments to celebrate an accomplishment of the University System of Georgia. The System's structure enables it to respond quickly to state needs. It is this ability that has made the Intellectual Capital Partnership Program ("ICAPP[®]") so effective in the economic development arena. The current ICAPP[®] success story is the ICAPP[®] Health Professionals Initiative (the "Initiative"). As it has been reported in the news media and through the System's own research, the nation and Georgia are looking at two sets of numbers going in opposite directions. Increasing numbers of baby boomers are about to hit retirement, but the numbers of people employed in the health professions is not keeping up with the increasing healthcare needs of older Americans. That growing gap presents a healthcare shortage and problem. So in 2002, the University System responded to a request from the Georgia Hospital Association to create new programs to address this shortage. The System used its ICAPP[®] model of "just-in-time needs for business" to develop the ICAPP[®] Health Professionals Initiative. The System promised to add an additional 500 healthcare professionals through this Initiative; those are numbers over and

above what the System's existing degree programs already were turning out, which averages 1,300 graduates per year. The System created and implemented this initiative through a strong network of good partners. In addition to the Georgia Hospital Association, the partners included the Georgia Department of Economic Development, the Georgia Student Finance Commission, and the Department of Community Health ("DCH"). The University System's Office of Economic Development worked with the Office of Academic Affairs and participating System institutions to ensure the project's curricula was appropriate. The System has also enjoyed the strong support of the Governor and the General Assembly.

Over the past two fiscal years, the Initiative has become a \$6.75 million public-private partnership between 36 Georgia healthcare providers and 13 System institutions, reported Chancellor Meredith. The result is not 500 additional healthcare professionals, but actually 632 graduates in the critical fields of nursing, medical technology, and pharmacy. These 632 graduates are guaranteed jobs by the private partners in 19 communities that cover both rural and metropolitan areas. It is estimated that these jobs will generate a total additional annual payroll of \$16.7 million. This Initiative was carefully structured with clear accountability measures, and the results from this Initiative meet the System's accountability goals. The Initiative is proof positive of what can be achieved when the Board mobilizes strong public-private partnerships to tackle a problem. The System responded quickly and efficiently, and the result will mean better healthcare for Georgians.

The first phase of this Initiative was so successful that it is now moving into the second phase. The Chancellor was pleased to announce at this meeting phase two of the ICAPP® Healthcare Professionals Initiative. Phase two will be structured along the same lines as phase one. It will involve 12 University System institutions and 26 employer partners. There will be a state commitment of \$3.8 million, matched by \$3.2 million in cash and in-kind support from the private sector. The institutions and private sector partners will identify potential candidates for the program. Phase two will have a two-year cycle, and its goal is to graduate an additional 721 healthcare professionals for Georgia. As they did in phase one, the private sector partners will guarantee these graduates jobs. The System is launching phase two because the shortage of healthcare professionals continues to grow. For example, in the field of nursing, DCH released its annual report from the Health Care Workforce Policy Advisory Committee in September 2003. While Georgia currently has 90,000 registered nurses, by the year 2010, nearly 30,000 more will be needed. The fact is that just as the general population is aging, the average age of nurses is increasing as well; 50% of the nursing population is over the age of 45.

There is another issue that phase two of the Initiative will help address, said Chancellor Meredith. That's the increasing age of our nursing faculty. According to the Southern Regional Education Board, out of 444 faculty positions in 24 Georgia nursing programs in the 2002-2003 academic year, 65 will probably be vacant by the end of the 2004 academic year due to retirements and resignations. In fall 2003, Georgia College & State University ("GCSU") had 58 qualified nursing applicants who could not be admitted because of nursing faculty shortages. So one of the new programs that will be

rolled out in phase two will be an ICAPP[®] Nurse Educator Program at GCSU. This project will target registered nurses (“RNs”) who are interested in becoming nurse educators. RNs with an associate degree in nursing or a bachelor of science in nursing will be able to enter this expedited program and complete the coursework necessary to earn a master of science in nursing with a teacher certificate. “What’s different in this program from our other nurse educator offerings?,” asked the Chancellor. He explained that the ICAPP[®] program will offer more flexibility for students and will reduce their preparation to teach nursing at the college level from the current 14 semesters to 8. Exceptional students could finish the program in six semesters.

Chancellor Meredith said that the ICAPP[®] Initiative is the right model to meet the need for more healthcare professionals in Georgia. It is a proven winner, and he said that phase two will be even better. That is because the System has the right programs, the right partners, the right support, and clear accountability for its efforts. The Chancellor said he looks forward to bringing the Regents more great results from phase two in two years. He then called upon the Executive Director of the Office of Economic Development, Joy Hymel. She would be introducing to the Board three of the 632 graduates who have been educated through the ICAPP[®] Healthcare Professionals Initiative.

Ms. Hymel thanked the Chancellor and the Board for giving her the opportunity to introduce three of the ICAPP[®] Health Professional Initiative graduates and Mr. Joseph A. Parker, President and Chief Executive Officer of the Georgia Hospital Association (“GHA”). First, the graduates would give the Regents an up-close and personal view of the life-changing power of the ICAPP[®] Initiative. Ms. Hymel first introduced Ms. Adoness Almon from Clayton State University (“CSU”).

Ms. Almon greeted the Chancellor and the Regents. She said that she is a student in the ICAPP[®] Initiative program at CSU. Her dream in the fourth grade was to work in the medical field, particularly in baby delivery. She graduated from Tennessee State University with a bachelor of science degree in biology and also attended Georgia Medical Institute so that she could work as a medical assistant. For two years, she worked in a doctor’s OBGYN practice. That experience helped reinforce her goal of someday delivering babies. She considered going to medical school but decided instead to become a nurse. She had plans to eventually earn a master of science in nursing to become a midwife. Her experience in the ICAPP[®] Initiative program at CSU has been incredible, said Ms. Almon. The program has great faculty who really care about helping students succeed. Students have faculty mentors who meet with them once a week. Ms. Almon’s faculty mentor is Instructor Angela Guidry, RN and Certified Pediatric Nurse Practitioner. She gives her students assignments each week, and the following week, they review the assignments and the students’ progress in their classes. The students’ mentors are always available should students run into any difficulties at school or in their lives that threaten their progress in the program. This fall, Ms. Almon will take a class called Role Transitions, which will guide her as she transitions from being a student to being a nurse. Part of this transition is preparation for the nursing licensure exam. She is on track to graduate this December, and she is currently doing her externship at Piedmont Medical Center in labor and delivery. She stated that she loves it and hopes to continue to work there after graduation.

In closing, Ms. Almon said that the ICAPP® Initiative nursing program at CSU is making it possible for her to fulfill her dreams.

Ms. Hymel said that the next student she would like to highlight was Mr. Charles Wilson from Abraham Baldwin Agricultural College (“ABAC”). Mr. Wilson had an unexpected conflict that prevented him from being in attendance at this meeting, but his story is so powerful that Ms. Hymel asked Ms. Wanda Golden, Assistant Professor and Chair of the Division of Nursing and Health Services ABAC, to share it with the Board.

Ms. Golden greeted the Regents. She said that Mr. Wilson was the first graduate of the ICAPP® Initiative nursing program at ABAC and that she would be sharing Mr. Wilson’s prepared remarks. He has been a paramedic for 17 years, and he is the Assistant Chief of Clinical and Educational Services for South Georgia Medical Center. His office trains the paramedics for emergency medical services based at South Georgia Medical Center, and now, thanks to the ICAPP® Initiative, he is an RN. The ICAPP® Initiative allowed him to work full-time while earning his associate’s degree in nursing at ABAC. There was no way he could have managed his schedule to take nursing courses the traditional way. The ICAPP® Initiative nursing students meet one day a week for three semesters in order to complete the program. The ICAPP® Initiative accelerated program at ABAC offers classes on Wednesdays. Mr. Wilson’s employer allowed him to work a flexible schedule so that he was able to be off on those days. He cited four examples of what becoming an RN has meant for him and for South Georgia Medical Center. First, the paramedics work with the nurses and the physicians as a team to provide medical care to patients. Because of his nursing education, Mr. Wilson can better train the paramedics to merge their care with what the nurses and physicians provide for better patient care. Second, many times, doctors require that an RN travel in the ambulance with patients while they are being transferred from one hospital to another, particularly if they are on critical care medications and drips. Now, Mr. Wilson can fill that role so that the hospital does not have to pull a nurse from his or her regular duties, and he can provide better care, since he is more familiar with ambulances than other nurses are. Third, since he earned his instructor credentials in neonatal resuscitation, the hospital can now provide that training in-house rather than sending the nurses out for that training. Fourth, in his off hours, Mr. Wilson also works as a RN in the emergency rooms of South Georgia Medical Center and Smith Northview Hospital. He has also completed all of his testing to become a flight nurse for the South Georgia area where he will fly on fixed-wing aircraft and helicopters to support critically ill trauma patients. The ICAPP® Initiative program at ABAC is improving patient care at South Georgia Medical Center as well as increasing the pool of nurses in the area. Another three paramedics have just graduated from the program. Ms. Golden thanked the Regents for their support of this program, which has made a tremendous difference in this rural community.

Next, Ms. Hymel introduced Ms. Pamela Honeycutt-Mott from Kennesaw State University (“KSU”).

Ms. Honeycutt- Mott said that she is a graduate of the ICAPP® Initiative program at KSU and that she is very proud to be a nurse. She said that she comes from a family of nurses and always aspired to be a nurse, but somehow along the way, she got a bit sidetracked. After earning a bachelor of arts in psychology from the University of Georgia, she wanted to go back to school for a nursing degree but the curriculum would take two and one-half years and most of the classes were taught during the day. Unfortunately, at the time, she could not accommodate daytime classes into her schedule. Instead, looking to advance herself professionally, Ms. Honeycutt-Mott earned a master of business administration degree from KSU and became a training and performance director for Wachovia Bank. She realized she was moving further away from her dream of being a nurse. In 2000, she learned that her job was moving to South Carolina, but she could not move with the job. After thinking hard about her options, she knew that she needed to follow her heart. So, she called KSU's School of Nursing and talked to Dr. David N. Bennett, Chair, and Dr. Marie Bremner, Professor of Nursing, and started reviewing her options. When they told her about the possibility of the ICAPP® Initiative accelerated program, she was so eager that she drove to the campus immediately to apply. She graduated in December 2003. Now, she is an RN on the medical surgical floor at Cartersville Medical Center and works some in the intensive care unit. She noted that Cartersville is a rapidly growing suburb of Atlanta with a growing need for nurses. Ms. Honeycutt-Mott said that she loves her work and that she plans to earn a master's degree in nursing in order to obtain a faculty position in the future. She said that she would not be an RN today if it were not for this ICAPP® Initiative. She did not qualify for the HOPE Scholarship or any other scholarship programs because she had already earned a bachelor's degree. The ICAPP® Initiative program allowed her to earn her bachelor of science in nursing degree in 15 months rather than two and one-half years. The bottom line is that she could not have fulfilled her lifelong dream of becoming a nurse without the ICAPP® Initiative. She expressed her appreciation to the Board of Regents for creating and funding this program and for inviting her to speak at this meeting.

Ms. Hymel thanked the speakers for coming to the meeting and telling the Regents how this ICAPP® Initiative has changed their lives. She reminded the Regents that there are 629 more stories like theirs across Georgia, and that number does not include the number of lives that these healthcare professionals will touch during their careers. The University System and ICAPP® make wonderful things happen by "creating a more educated Georgia." Next, Ms. Hymel introduced one of the Initiative's key supporters, Mr. Parker of the GHA, who said a few words and then introduced some of the ICAPP® Health Professionals Initiative's 43 private partners. She remarked that if it were not for Mr. Parker, the System might not even have this Initiative. Mr. Parker was instrumental in making the Board of Regents aware of the critical shortage of healthcare providers across Georgia.

Mr. Parker thanked Ms. Hymel and greeted the Regents. He said that he was pleased to be here to celebrate this partnership between the University System of Georgia and GHA. Hospitals are facing many difficult challenges in this day and time. One of the most difficult challenges is the workforce shortage. According to the DCH, Georgia's hospitals are facing a vacancy rate for nurses of 12%, and nursing homes are even higher at 16%. In the year 2010, it is projected that there will be a 23%

vacancy rate, and in 2020, it is projected to be 40%. The national projection for 2020 is 29%. Mr. Parker said Georgia cannot meet the needs of its citizens at that rate. In 2001, Mr. Parker and others from GHA visited Chancellor Emeritus Stephen R. Portch and presented these numbers to him. He challenged his staff to come up with a proposal to begin to address these issues, and they responded quite well to his charge. The Board approved the ICAPP® Health Professionals Initiative, and the legislature funded it. Mr. Parker said that he was very pleased that Chancellor Meredith continues to work with the GHA to address this very real need. He said that the beneficiaries of this Initiative are not only its graduates, but also the citizens of the State of Georgia. Hospitals and other medical care facilities are experiencing very serious shortages in all health professions, not just in nursing. This Initiative is a very good way to address the shortages in the state. GHA is very pleased with the University of Georgia's partnership with Albany State University in bringing pharmacists to part of the state that desperately needs them. GHA applauds this effort and encourages the System to do even more to graduate pharmacists. Mr. Parker recognized others from GHA who were also in attendance at this meeting: Mr. Ken B. Beverly, President and Chief Executive Officer of Archibold Medical Center in Thomasville and past Chair of GHA; Mr. Robert Via, Administrator at Emanuel Medical Center in Swainsboro; Cary Marton, representing Taylor Health Care Group; Gaynell Miller, Assistant Vice President of Patient Care at Grady Health System in Atlanta; Cassandra Johnson, Vice President of Human Resources at Memorial Health University Medical Center in Savannah; and Kim Scroggins, Clinical Recruiter at Redmond Regional Medical Center in Rome. Mr. Parker thanked them for being in attendance, then he thanked the Regents and the Chancellor for their partnership in meeting Georgia's health professionals needs. He said this is a true private-public partnership that is working. He encouraged the Regents to build on the Initiative, so that he could come back in two years to celebrate its further success.

Ms. Hymel thanked all of the presenters and asked whether the Regents had any questions or comments. Seeing that they did not, she thanked them for their continued support of ICAPP® and its economic development efforts for the State of Georgia.

Chair Wooten thanked Ms. Hymel for this excellent report, and he thanked the ICAPP® graduates for their very compelling personal stories. He asked Mr. Parker to extend the Board's appreciation to each of the 43 partners that help make this Initiative possible. In closing, he thanked Mr. Parker for his presentation and said that this effort is just beginning here in Georgia.

JOINT COMMITTEE MEETING: EXECUTIVE AND COMPENSATION COMMITTEE AND COMMITTEE ON FINANCE AND BUSINESS OPERATIONS, "COMMITTEE OF THE WHOLE"

Chair Wooten next convened the meeting of the Executive and Compensation Committee and the Committee on Finance and Business Operations as a Committee of the Whole to discuss the topic of presidential and Chancellor compensation. As a result of several events over the past year, the Board of Regents reached a conclusion at its June 2004 meeting and implemented an addition to

policy 208 Compensation of Presidents in The Policy Manual to move all salaries and benefits being paid by private foundations to state funds. The Board did this to eliminate any doubt as to where the presidents report and to whom the presidents are responsible. The Regents forged new ground with this decision, and this is the first system in the country to do exactly what they would be discussing at this meeting. The purpose of this new direction is to change the source of funding from private foundations to state funds. This is not to be a wholesale change in amounts of compensation, with perhaps only one or two exceptions. In order not to increase the financial burden of each institution, the Chancellor and Chair Wooten will ask each foundation to send voluntarily an amount equal to what it has been providing as presidential compensation to the respective institution's general fund. Because this is a complicated matter involving deferred compensation, annuities, and so forth, the Board of Regents decided that the issue is simply too important and the task too great to be undertaken without the assistance of extraordinary expertise and counsel. As a result, Chancellor Meredith contacted consultant Raymond D. Cotton, who is a specialist in higher education and executive compensation. Mr. Cotton is Vice President for Health and Higher Education for ML Strategies, LLC ("ML Strategies") of Washington, D.C. He is a graduate of Harvard Law School. He has represented many university boards of trustees and presidents over a span of 25 years on issues similar to these. He is also a frequent speaker on programs of higher education associations, and he has written for *The Chronicle of Higher Education*. This project has been underway since the June meeting, and Mr. Cotton was in attendance at this meeting to give his report in two phases. First, he presented to the Board of Regents an overview of national trends in presidential compensation, market considerations of which the Board needs to be aware, various components of executive compensation, and limitations in the use of private foundations to supplement presidential pay. Second, he provided guidance on how to best structure the current presidential compensation and how to implement policy 208.

Mr. Cotton greeted the Regents and the Chancellor. He said that he had been asked to present an overview of what is happening nationally with presidential compensation and that he hoped this would be of assistance to the Regents as they make the transition from foundation funding to state funding. In addition to that, the Regents are in a transition period when the national data are showing that approximately 45% of presidents throughout the country will be retiring in the next six years. The average age of a sitting president is 56 to 58. They are generally white males; about 5% of presidents are African-American, and about 20% are female. The nation is facing a supply and demand problem with presidents in that there is an imbalance today of supply of qualified people who can do these jobs well and the increasing demand, which will continue to accelerate over the next decade or so. The rate of increase of compensation for presidents averages approximately 5.7% a year and is also accelerating. Compensation levels of presidents are in the six figures, and some are moving into the seven figures. While these numbers may sound high, the fact of the matter is that there is still plenty of room for growth. At least two of the presidents in Mr. Cotton's study currently take home over \$1 million. There was a study done by the University of California, Los Angeles, Anderson School of Management that compared the total compensation of presidents of elite universities to that of the Standard and Poor's ("S&P") 500 chief executive officers ("CEOs").

The study determined that as of 2000, the presidents of universities made about 5% of what the S&P 500 CEOs made. Mr. Cotton noted that there has never been a one-for-one evaluation system for presidents of not-for-profit and for-profit organizations, but when the system is so out of balance as it is today, it could result and has resulted in the for-profit world siphoning off many talented 35-year-olds who just leave higher education for the for-profit world. Most boards today when they recruit presidents of research universities are looking for sitting presidents at other universities. Anytime they hire a person who is not a sitting president, they take a gamble. Sometimes these gambles work out, and sometimes they do not. Mr. Cotton said that he would be presenting a lot of information based upon his research of what presidents are earning throughout the country and within the University System of Georgia, but at the end of the day, the Board of Regents must exercise its own best judgment as to where it wants its own presidents to be. The ultimate determining factors will include things that are not subject to being put down in specific numbers, and that is what makes the decision-making process more of an art than a science.

Mr. Cotton said that on the national scene, boards are looking for longer-term commitments from presidents. Today, the average tenure of a president at a large research university is five years. So, boards are looking for more institutional stability and want their presidents to serve longer. On the other hand, individuals who seek these jobs are looking for job security. These positions are very difficult. They call for hard work and long hours, and people burn out very easily. The question is whether both sides can be satisfied, and Mr. Cotton said they could. Many boards around the country are looking for longer-term appointments for presidents. National data show the most popular first-term contract for a president is three years, and if the president works out, the most popular second-term contract is five years. In the University System of Georgia, the powers and duties of a president are set by the Chancellor, who carries out the goals of the Board of Regents. There are accepted ways of evaluation in higher education that are supported by all of the larger higher education associations. They encourage that the evaluator, in this case, the Chancellor, sit down with the president at the beginning of a 12-month period and they agree on a set of goals. At the end of the 12-month period, the president should submit a self-evaluation explaining how he fared during the period and which goals he accomplished and why he did not achieve others. Based on those discussions, the Chancellor can make a recommendation to the Board regarding salary increases and bonuses. Universities routinely grant tenure to presidents upon recruitment, especially if the president already has tenure at another institution. Mr. Cotton noted that Board policy prohibits presidents and the Chancellor from having tenure and suggested that the Board may want to reconsider this policy.

As higher education increasingly attracts business leaders to presidential positions, bonuses have become an integral part of presidential compensation. There are performance bonuses and signing bonuses, as well as longevity bonuses, where presidents are rewarded for staying extra years in the presidency. Unlike the for-profit world, higher education does not offer stock options. Therefore, boards often accommodate the financial interests of the president by offering deferred compensation packages. The University System of Georgia has deferred compensation plans in place for some

presidents, and they seem to be working well at retaining presidents at the research universities in particular. Nonqualified plans are in place to provide a substantial risk of forfeiture. In essence, it is a requirement of the Internal Revenue Service that a person achieve a specified goal established by the board in order to be eligible for deferred compensation. Usually, the goal is serving satisfactorily for a certain number of years.

There are certain benefits that Mr. Cotton said are “tools of the trade.” For example, vehicles provided to presidents are generally regarded as mobile offices because a president is often working even while driving to and from campus. Therefore, a vehicle should be considered one of the tools of the trade. Presidential homes are another such tool of the trade. Many presidents either live in a university-owned home or are given an annual housing allowance. In compensation studies performed by ML Strategies, housing allowances are always considered part of presidential compensation because they relieve a president of having to pay a mortgage and they allow the president to accrue the appreciation on the house during his/her presidency. A house that is provided by the institution, however, is not included in compensation because it is difficult to put a dollar value on that benefit. Instead, a university-provided house is considered a tool of the trade because it is often used for fund raising, recruiting, and other official functions. Vacations are considered a benefit, and most presidents do not take their full vacations and some do not take any vacation for years at a time, which is certainly not good for them. Sabbaticals are commonplace in higher education but not in other industries. They are something that presidents may look for in a job, and many systems provide them. He suggested that in order to be competitive, the Board consider providing sabbaticals to its presidents as well. He noted that in general, for every year a president serves satisfactorily, he/she earns two months of sabbatical. So, at the end of a six-year term of office, a president will have accumulated a year of sabbatical to conduct research, write a book, etc. Many presidents return to their presidential posts or as a tenured professor of the institution. This is another benefit that is not provided by the University System of Georgia, but Mr. Cotton strongly urged the Regents to consider it very carefully. Tuition assistance for children and spouses of presidents is another benefit offered to many presidents as a recruiting tool. Travel and entertainment are likewise added benefits. Mr. Cotton noted that presidents generally travel extensively for their jobs, and for that reason, travel should also be considered a tool of the trade.

Mr. Cotton stated that there is a full range of assistance offered to presidents’ spouses. Some universities, such as Indiana University, provide a salary for the president’s spouse. Most universities at least provide the spouse with staff support, office space, and his/her own travel budget. Spouses are the unheralded heroes and heroines for universities, remarked Mr. Cotton. They often do a lot of fund raising and community service on behalf of the university when the president does not have the time to do so, and spouses receive relatively little recognition for all that they do.

Standard life insurance is generally offered at 2.5 times a president’s base salary. Mr. Cotton noted that in the University System of Georgia, presidents are given only \$25,000 in life insurance. Anything above that amount, the president has to buy him/herself. Disability insurance is generally

offered at a level of 60% of base salary. Boards are increasingly considering offering long-term care insurance to presidents who agree to stay until their retirement. Such policies are tax-advantaged and can be bought with a five- or ten-year fixed premium such that the president retires with a fully paid long-term care policy.

Club memberships are also often included in presidential packages. Nowadays, club memberships are often used for recruiting and fund-raising purposes. So, these memberships are also considered to be a tool of the trade by ML Strategies. Financial counseling is often offered by boards to their presidents as a benefit. Many presidents work so much that they do not have time to consider their own financial health. Relocation assistance is provided by most institutions when they recruit a president. Now, boards often offer relocation expenses when a president ends his/her service. This is another recruiting tool that gives some boards a leg up on their competition.

Traditionally, presidents of universities have served on nonprofit boards. Increasingly today, presidents serve on for-profit boards. Trustees are helping match presidents with for-profit companies, said Mr. Cotton. Clearly, there cannot be a conflict of interest, but this can be a win-win arrangement for all involved. The president earns consulting fees, but he/she is also able to watch well-managed companies operate and to bring some best practices back to the institution. Mr. Cotton stated that a president should not serve on more than two for-profit boards and the Chancellor should be the one to clear a president to serve on a board. He noted that presidents once taught as much as half a day in their areas of expertise. However, presidents today rarely find time to teach at the institution. Presidents also do not have the time they once had to perform scholarly research.

With regard to the end of the relationship between a president and a board, Mr. Cotton noted that in Hawaii, there is a situation playing out that is a perfect example of how not to do it. In this case, the board bypassed its own process to hire the president. He urged that when there is a hiring process in place, the board follow that process. In this case, the board hired an individual who interviewed very well and had been president of Trinity College in Hartford, Connecticut, a very small institution. He was brought in to be the head of a ten-campus system with a budget of almost \$1 billion a year. The relationship did not work out, and for the last year or so, the president and the trustees were not even speaking to each other. Earlier this summer, the president was on the mainland for personal reasons, and while he was out of town, the board publicly fired him for cause. When asked what the cause was, the board refused to say. Both sides hired teams of lawyers. Now, the board has retracted its statement that it fired the president for cause and paid him \$1.8 million, and the two have parted ways. So, this is a good example of how not to handle a termination even when a relationship is not working. Nevertheless, a board should be able to fire someone for cause if he/she engages in bad behavior, such as the commission of a crime. Mr. Cotton noted that if a president is fired for cause, it general marks the end of his/her career. So, unless there really is cause, such action generally results in law suits. Generally when things do not work out, boards invoke the without-cause severance provision, which is the standard in higher education. In that event, there is usually some level of severance provided. If a president decides to terminate his/her relationship with

the institution, the board and the system head want to ensure that the president has given adequate notice to the system so that there can be an orderly transition to the next administration. Some contracts require one year's notice, which Mr. Cotton believes is too long. Other contracts require one month's notice, which he said is too short. He generally recommends six months, which is highly unusual in the private sector but entirely acceptable and advisable in higher education. Of course, there can also be outside events that end a relationship between a president and a board, such as illness, death, or closing of an institution.

Mr. Cotton stated that his data were derived from the American Council on Education ("ACE"), which has 1,800 university members; the Association of Governing Boards of Universities and Colleges (the "AGB"), the professional association of boards of trustees which includes 1,500 member boards; the College and University Personnel Association for Human Resources ("CUPA"), a professional organization with a membership of 6,100 human resources administrators; and his own research and experience. He noted that he and his staff perform approximately 20 to 30 presidential compensation studies per year, and he then distributed a copy of his most recent study to the Regents as well as a copy of a recent report from the Association of Academic Health Centers ("AHC"). He complimented the Regents on their recent policy decisions to remove foundations from the business of presidential compensation and performance and for keeping the presidents financially whole as the System makes this transition.

With regard to presidential performance, the line of authority ought to be Board of Regents, Chancellor, then presidents, said Mr. Cotton. With regard to presidential compensation, the order should be the same. If foundations are involved at all, he said they should come through the Board of Regents. Until recently, foundations were dealing directly with the presidents in terms of performance and salary supplements, such as deferred compensation plans and incentive bonuses. This typifies foundations getting into areas in which they do not belong, particularly presidential performance. It is appropriate only for the Board of Regents and the Chancellor to evaluate presidential performance, not for foundations to do so. Mr. Cotton noted that although the Board of Regents has put an end to this practice in the University System of Georgia, it is still going on in other systems around the country. The University of North Carolina ("UNC") system has recently taken a cue from Georgia and is now getting its university foundations out of the business of presidential compensation. With regard to presidential compensation, foundations had been directly involved with presidents, and this certainly does create the potential for a conflict of interest. The Board of Regents eliminated that potential with its policy actions at its June 2004 meeting.

Mr. Cotton then discussed an ML Strategies study of a cross-section of peer colleges and universities for the University System of Georgia. He noted that the Georgia Institute of Technology ("GIT") and the University of Georgia ("UGA") are in the top 20 colleges and universities in the United States. He discussed the careers and compensation packages of several presidents whose institutions also rank among the top 20. He said that there is back-and-forth recruiting occurring between public and private institutions; therefore, what private universities are paying is relevant

to the University System of Georgia. For many years, presidents of public universities were not required to raise private funds, but today they are. The president of a large public university has the most difficult job in a system because of all of the constituents he/she has to satisfy on the public side and on the private side. In this comparison group, the highest paid president was Chancellor Gordon Gee at Vanderbilt University, with just over \$1 million in total annual compensation. The lowest paid was Chancellor James Moeser at UNC Chapel Hill with a total compensation of approximately \$315,000. Mr. Cotton noted that UNC has not gone as far as the University System of Georgia with regard to its foundation relations. While UNC has excluded foundations from presidential compensation, it has not made up the salary increases the foundations would have been willing to pay. Consequently, the second-ranking president in the UNC system was just recruited to the University of California, who paid her \$100,000 more. So, it is very important for the Regents to keep an eye on the total compensation of the System's presidents as well as the total compensation of peer presidents. Mr. Cotton reported that the median total compensation for this group of peer presidents was approximately \$546,000. He reminded the Regents that while that sounds like a lot of money, the job of a president is extraordinarily complex, the level of responsibility is very high, and the size of the organizations they are required to administer is generally quite substantial.

Next, Mr. Cotton presented a spreadsheet of the proposed structure of presidential compensation of System presidents in accordance with recently revised section 208 Compensation of President of The Policy Manual. He also presented data on compensation of chief executive officers of academic health centers as reported by AHC. He noted that the Medical College of Georgia ("MCG") is considered an academic health center because it contains several schools, including medical, dental, allied health, nursing, and graduate schools. ML Strategies had identified peer institutions of MCG to assemble this list.

After a brief discussion, at approximately 2:45 p.m., Chair Wooten called for an Executive Session for the purpose of discussing compensation issues. With motion properly made and variously seconded, the Regents who were present voted unanimously to go into Executive Session. Those Regents were as follows: Chair Wooten, Vice Chair J. Timothy Shelnut, and Regents Hugh A. Carter, Jr., Connie Cater, William H. Cleveland, Joe Frank Harris, Julie Hunt, W. Mansfield Jennings, Jr., James R. Jolly, Donald M. Leebern, Jr., Elridge W. McMillan, Patrick S. Pittard, Doreen Stiles Poitevint, Wanda Yancey Rodwell, Allan Vigil, and Glenn S. White. Also in attendance were Chancellor Thomas C. Meredith; the Secretary to the Board, Gail S. Weber; the Special Assistant to the Chancellor, Usha Ramachandran; the Senior Policy Advisor, Robert Watts; the Senior Vice Chancellor for Support Services, Corlis Cummings; and the Vice Chancellor for Fiscal Affairs, William R. Bowes. In accordance with H.B. 278, Section 3 (amending O.C.G.A. § 50-14-4), an affidavit regarding this Executive Session is on file with the Chancellor's Office.

At approximately 3:30 p.m., Chair Wooten reconvened the Executive and Compensation Committee and, on behalf of Regent Pittard, the Committee on Finance and Business Operations as a Committee

of the Whole. He announced that no actions were taken in the Executive Session; however, in light of Mr. Cotton's presentation and in order to implement section 208 Compensation of Presidents of The Policy Manual, the Board would need to amend sections 203, 208, and 802.13 of The Policy Manual. Copies of the proposed policy revisions had been distributed. Chair Wooten asked Chancellor Meredith whether he was recommending these policy revisions pertaining to presidential compensation for the Board's approval.

The Chancellor replied that he was.

Chair Wooten then called upon Ms. Cummings to present them to the Board for its consideration and approval.

Ms. Cummings stated that section 208 was the section that the Board had added to The Policy Manual at its June 2004 meeting. The staff wanted to make sure that everyone was certain that, in terms of the money that is going to the state, whenever merit salary increases are going to be calculated, they will be based solely on the base salary amount. So, any deferred compensation or other supplements will not be included in those calculations. Section 203 pertains to when presidents leave the University System of Georgia and is commonly referred to as the "90/60 policy." Under that policy, the 90% or the 60% will not take into account any of the deferred compensation or other salary supplements. All that will be considered is the state base salary. Section 802.13 is authorizing the Office of the Senior Vice Chancellor for Support Services to create the various deferred compensation plans that will be needed to move those plans from the foundations to the state. Unfortunately, the staff cannot use the vehicles that currently exist, so a policy revision was in order.

The proposed policy revisions were as follows, with additions highlighted and deletions stricken:

208 COMPENSATION OF PRESIDENTS

The salaries (and associated fringe benefits) for University System of Georgia presidents and the Chancellor, as approved annually by the Board of Regents, shall be paid exclusively from state appropriations allocated to each institution. **Effective fiscal year 2005, state appropriations shall be used to pay salary, housing allowance, subsistence allowance, and, where applicable, salary supplement, supplemental fringe benefits, deferred compensation, and any other items as approved by the Board. State appropriations will also pay for fringe benefits for presidents that are available to all employees of the University System of Georgia. Nonstate funds may pay for expenses and allowances such as civic memberships, business-related entertainment, automobile, auto allowance, maintenance and insurance for automobiles, and relocation expenses.**

The annual merit salary increase paid from state funds shall be based upon the approved

salary, exclusive of any allowance, supplement, or deferred compensation.

203 REMOVAL AND RESIGNATIONS OF PRESIDENTS

- A. The president of each institution shall give the Board, through the Chancellor, three months' notice of his/ her intention to resign. The Board, through the Chancellor, shall notify the president immediately following the April monthly Board meeting of its decision not to re-elect him/her for the ensuing fiscal year. The Board may at any time remove the president of any institution for cause without giving notice; but upon request made within ten days thereafter, any president so removed shall be furnished a statement of charges against him/her, and should he/she demand it within ten days after receipt of the charges, he/she shall be given a hearing before the Board, or a committee of the Board, as the Board may determine. The action of the Board shall be final. Presidents terminated for cause shall not be eligible for reappointment as an employee of the University System.
- B. Presidents whose resignations are accepted by the Chancellor may, upon request and at the option of the Board, be awarded a tenure or non-tenure track appointment at the rank of full professor in an institution of the University System selected by the Chancellor. Such employment shall not exceed two calendar years from the effective date of the president's resignation. Thereafter, continued employment shall be at the option of the institution.
- C. The salary for the first year of presidents who resign and receive a professorial appointment shall be determined by the Chancellor but it shall not exceed 90% of the state-supported portion of his/her previous salary as president.
- D. The professorial appointment of such resigned presidents for the second year shall be limited to an academic year appointment (nine months) at a salary not to exceed 60% of the state-supported portion of his/her previous salary as president.
- E. For purposes C and D above, the salary to be paid shall be based on the approved salary exclusive of any supplement or deferred compensation.**
- F. Subject to the approval of the Chancellor, presidents whose resignations are accepted may, upon request, be granted an educational leave with pay not to exceed twelve months immediately following the date of resignation. Leave time shall be counted against the two-year (or less) appointment referred to above (BR Minutes, 1991-92, pp. 33-34).

802.13 ANNUITY PROGRAMS/DEFERRED COMPENSATION PROGRAMS

- A. Institutions of the University System of Georgia are authorized to enter into tax-sheltered annuity plans and are authorized to enter into deferred compensation plans to make available

for employees a nonforfeitable annuity contract and/or a nonforfeitable deferred compensation contract under the provisions of Internal Revenue Code, Section 403(b), and Internal Revenue Code, Section 457(b), respectively.

B. Institutions of the University System of Georgia are authorized to enter into nonqualified deferred compensation plans for employees of the University System of Georgia under the provisions of Internal Revenue Code, Section 403(b), and Internal Revenue Code, Section 457(f). Any contribution by the employer must be pursuant to an approved deferred compensation agreement by the Board.

Regent Leebern made a motion to accept the proposed policy revisions, which was variously seconded.

Chair Wooten noted that as Chair of the Board of Regents, he was recommending that the policy changes apply likewise to the Chancellor as determined by the Board. He then called for a vote. Motion properly made, seconded, and unanimously approved, the Board adopted the above-referenced policy changes.

Chair Wooten said that in accordance with new policy 208, the Board of Regents needed to adopt the compensation packages of the Chancellor and the following seven presidents, including the transfer of salary supplements, executive and deferred compensation, and supplemental fringe benefits to state appropriations: Michael F. Adams of the University of Georgia, G. Wayne Clough of the Georgia Institute of Technology, Carl V. Patton of Georgia State University, Daniel W. Rahn of the Medical College of Georgia, Bruce Grube of Georgia Southern University, Ronald M. Zaccari of Valdosta State University, and David A. Bell of Macon State College. Motion properly made, seconded, and unanimously approved, the Board adopted the above-referenced compensation packages and transfers to state funds.

Chair Wooten reported that in Executive Session, the Regents had discussed the current compensation for President Rahn of MCG. He then asked for a motion regarding any changes to the compensation of President Rahn.

Vice Chair Shelnut said that based upon the data presented by Mr. Cotton and comparisons of presidential compensation at other academic health centers, it was obvious to the Board of Regents that President Rahn's salary is shockingly lower than those of his peers. He made a motion to raise President Rahn's salary by \$180,000 to \$525,000, which would bring his salary into the median range of the peer institutions. Motion properly made, seconded, and unanimously approved, the Board adopted this motion.

At approximately 3:40 p.m., Chair Wooten adjourned the Regents into their regular Committee meetings.

CALL TO ORDER

The Board of Regents of the University System of Georgia met again on Wednesday, August 4, 2004, in the Board Room, room 7007, 270 Washington St., S.W., seventh floor. The Chair of the Board, Regent Joel O. Wooten, Jr., called the meeting to order at 9:00 a.m. Present on Wednesday, in addition to Chair Wooten, were Vice Chair J. Timothy Shelnut and Regents Hugh A. Carter, Jr., Connie Cater, William H. Cleveland, Joe Frank Harris, Julie Hunt, W. Mansfield Jennings, Jr., James R. Jolly, Donald M. Leebern, Jr., Elridge W. McMillan, Patrick S. Pittard, Doreen Stiles Poitevint, Wanda Yancey Rodwell, Allan Vigil, and Glenn S. White.

INVOCATION

The invocation was given on Wednesday, August 4, 2004, by Vice Chair J. Timothy Shelnut. He began with a moment of silence in memory of Governor George Busbee.

Chair Wooten noted that the late Governor Busbee was a great friend of the education system in the State of Georgia and a supporter of the Board of Regents. He also at the recent time of his death, had ties to the Board, because he was the Governor to appoint the first African-American member of the Board, Regent Elridge W. McMillan in 1975. Chair Wooten remarked that the Board was glad Regent McMillan is still serving as a Regent.

ATTENDANCE REPORT

The attendance report was read on Wednesday, August 4, 2004, by Secretary Gail S. Weber, who announced that Regents Michael J. Coles and Martin W. NeSmith had asked for and been given permission to be absent on that day.

COMMENTS FROM UNIVERSITY OF GEORGIA FOUNDATION, INC. REPRESENTATIVES

Chair Wooten stated that the Board of Regents had two special guests representing the University of Georgia Foundation, Inc. (the "Foundation") at this meeting. He introduced Lynda B. Courts, Chair of the Foundation, and James H. Blanchard, Foundation trustee and member of the Executive Committee.

On behalf of the board of trustees of the Foundation, Ms. Courts thanked the Regents for allowing her and Mr. Blanchard to address them at this meeting. She said that the trustees of the Foundation are anxious to cooperate with the University of Georgia ("UGA") administration to continue to build on the success and excellence of which they are all so proud. Ms. Courts remarked that she had seen the value of her degree from UGA increase exponentially over the years. She said that the trustees

are excited about the potential and the momentum, and it is their goal to work hard as a team to make UGA one of the most preeminent public universities in the nation. Ms. Courts then called upon Mr. Blanchard to speak.

Mr. Blanchard greeted the Regents and said that it had been a pleasure for him to have an opportunity to meet numerous times over the past several months with the Chancellor and former Chair Joe Frank Harris. They have been working to forge a partnership that will create a strength and a momentum that will serve the best interests of this Board of Regents and also UGA. The spirit of cooperation that exists today is strong, sound, and unified. The trustees have one purpose: to support UGA, its students, the faculty, the administration, and the great research that is being done in a way that will best serve the state. He thanked the Regents for the dialogue and the opportunity to appear before the Board at this meeting. He thanked them for the support and encouragement the Regents have given the Foundation and UGA. He said that the Board of Regents can count on the Foundation to be its friend, ally, and partner.

Chair Wooten thanked Ms. Courts and Mr. Blanchard for their remarks. He said the Board is looking forward to a great deal of future support for the Foundation for one of the country's great research universities. He said the Board expects great things from the Foundation and UGA.

Chair Wooten said that he wanted to clarify the Board's actions from the previous day for the benefit of the press. He noted that the press coverage for the most part was excellent; however, there were a few items that needed clarification. First of all, the total compensation of the 34 presidents in the University System of Georgia will stay the same with one exception, and that is the President of the Medical College of Georgia ("MCG"). President Daniel W. Rahn had been underpaid, and he is doing an outstanding job. Secondly, all compensation for presidents will now be paid from state funds. Foundations will be asked to give the same or similar amounts that they would otherwise have been paying for the respective president's supplemental compensation. That money will go to the respective institution's general fund in support of the general mission of the institution. That money will not be directly used or allocated to pay for presidential compensation. Another point is that under state rules, no state dollars can be used for entertaining, civic clubs, and other such expenses.

As such, the Board will ask the foundations to continue to make funds available to assist the presidents in doing their jobs. Finally, salary increases in the future for presidents will continue to be based only upon the base state salaries, as is currently the case. It will not be based upon the total compensation package that includes the supplemental compensation that is now being brought over from the foundations. This means that there should be no new additional costs to the institutions. At approximately 9:15 a.m., Chair Wooten adjourned the Regents for the meeting of the Committee on Academic Affairs.

EDUCATION SEMINAR: “AWAY GAMES: OFF-CAMPUS EDUCATION IN THE UNIVERSITY SYSTEM OF GEORGIA”

At approximately 9:35 a.m., Vice Chair Shelnut reconvened the full Board meeting and called upon the Senior Vice Chancellor for Academics and Fiscal Affairs, Daniel S. Papp, to make a special presentation to the Board. (Chair Wooten had briefly stepped out of the Board Room.)

Dr. Papp said that one of the critical elements the University System of Georgia undertakes is what happens off campus in the State of Georgia and beyond in terms of the System’s educational outreach efforts. Every time there is a proposed degree program that is offered off campus, it comes before the Committee on Academic Affairs and then the full Board for approval. Dr. Papp stated that it is surprising the number and extent of off-campus education that takes place in the University System. Last fall, the System had approximately 247,000 students. This fall, the System is expecting enrollments of approximately 255,000 to 260,000, and possibly more. Those students generate about 6.4 million semester credit hours. There are roughly 9,000 faculty members in the System and a grand total of 26,000 other employees. So, the University System of Georgia is a very large system indeed with 34 institutions across all sectors. Beyond these 34 institutions, education is also offered at 216 other sites by University System faculty around the state, around the country, and even around the world. This does not include the 3,200 distance education courses, or 183,000 semester credit hours, that are offered by System faculty and taken by 51,000 “in-the-seat” students. All told, about 95% of semester credit hours are generated on campus, but about 5% are generated off campus. Dr. Papp remarked that this is a rather significant proportion. He noted that the 216 off-campus sites are located in a wide variety of places, and there are also 9 System centers where two or more institutions collaborate to offer courses. Some of these centers are rather sizeable. For example, the North Metro/Alpharetta Center, where Georgia State University (“GSU”) and Georgia Perimeter College (“GPC”) offer classes, has 1,500 students. The Gwinnett University Center (“GUC”) is educating approximately 7,500 students via a collaboration between GPC and the University of Georgia (“UGA”). The other centers are growing as well. They are the Bartow (opening in 2005), Brunswick, Camden, Coastal Georgia, Dublin, Liberty, Robins, and Warner Robins Centers.

Dr. Papp stated that the Board of Regents does not allow institutions to start off-campus sites without going through its approval process. Under Board policy, the Chancellor approves temporary off-campus nondegree programs with no associated facilities costs. Meanwhile, the Board approves temporary off-campus instructional programs that do not have associated facilities costs as well as those off-campus programs that comprise significant parts of degree programs. However, in cases where a single course is offered at an individual high school, for example, the Board does not require the institution to get its approval. The Board approves all permanent off-campus instructional centers and programs. The Chancellor assesses the demographics, economy, efficiency, strength, and necessity of proposed off-campus instruction, as well as the appropriateness and scale of community participation. Dr. Papp noted that community participation is critically important to permanent instructional centers. The Board approves new, or expansion of existing, off-campus

centers based on its 1997 Instructional Programs Off-Campus Sites Decision Rules, which are on file with the University System Office of Academic Affairs.

Also under Board policy, presidents must consult with nearby institutions before offering off-campus instruction, explained Dr. Papp. If the presidents cannot reach an agreement, the Chancellor must step in to resolve the issue. Furthermore, off-campus instruction must be the equivalent in quality and services to on-campus instruction. No more than one-fourth of an undergraduate degree and one-half of a master's degree can be offered off-campus unless a center or external degree program is authorized by the Board. Each institution must report its off-campus offerings to the Board of Regents each semester.

The impact and importance of off-campus education in the University System of Georgia is considerable, said Dr. Papp. He noted that in fiscal year 2004, 10,775 students attended classes exclusively at off-campus centers. The total number of off-campus semester credit hours generated in fiscal year 2004, not including distance education semester hours, was 333,000. Including distance education hours of approximately 183,000 constitutes approximately 7% to 8% of all education offered in the System. The growth rate for off-campus education in the University System of Georgia over the course of the past five years (30.9%) has been more rapid than the on-campus growth rate (25.8%). Dr. Papp said that this is very important for the Regents to keep in mind as they make decisions in the coming years.

Off-campus education is also important because it provides access, Dr. Papp stated. It meets the needs of current students and plans for the needs of future students. It also provides geographic access for locations around the state that are not served by an established institution. The style of learning also benefits some students who learn better via distance education modalities. Moreover, some students do not go to college for the purpose of earning a degree; some go to college just to learn a particular subject or earn a certificate. Off-campus education can offer those opportunities around the state. Off-campus instructional sites also improve the visibility of the University System of Georgia around the state, the nation, and the world. There are System off-campus instructional sites in 90 counties in Georgia; in several states outside of Georgia, including North Carolina, California, and New York; and in 16 other countries around the world. In fiscal year 2004, approximately \$45 million to \$50 million of formula funding and approximately \$16 million of tuition funding were generated from off-campus sites. Off-campus education also allows the University System to go where the demand is, to leverage local support, and to leave when demand disappears (except for centers).

Dr. Papp reported that projections are that the University System of Georgia will be gaining approximately 10,000 to 17,000 more students per year between now and 2015, particularly in and around the Atlanta metropolitan area. The Board of Regents will have to consider its options in addressing this burgeoning demand, including adding more off campus sites at Department of Education, Department of Technical and Adult Education, government, military, and corporate

facilities. The Board may consider establishing more centers around the state or expanding programs in which four-year institutions offer four-year degrees at two-year institutions (“4-4-2 programs”).

Dr. Papp noted that there are many highly successful 4-4-2 programs in the System, including the programs offered by UGA at Abraham Baldwin Agricultural College (“ABAC”). In the coming months, the Committee on Academic Affairs and then the full Board will consider the evolution of a 4-4-2 Elementary Education program offered by the State University of West Georgia (“UWG”) at Dalton State College (“DSC”). The staff will also be bringing forward for Board approval the establishment of two programs to be offered by Georgia Southwestern State University (“GSSU”) at Middle Georgia College (“MGC”). Many 4-4-2 programs are going strong in spite of the System’s loss of state funding for the special funding initiatives, but the Board may consider pushing for the reestablishment of state funding for these programs.

The Regents may also consider establishing more international sites. These programs are not luxuries, Dr. Papp stated; rather, they are necessities. If University System of Georgia graduates are able to function well in the twenty-first century, they need to understand the way the world works. However, there are many considerations, such as whether the sites should be permanent or temporary and where they should be located.

The Regents will have to consider whether to further expand distance education. Dr. Papp reported that in 1998, the System offered 898 courses via distance education to 13,569 students. In 2003, it offered 3,276 courses to 51,512 students. Not all of those students are taking courses exclusively off campus. Many are on campus and taking courses online. For the past several years, it has been possible to take the entire first two years of a college education online through the System’s eCore[®]. A number of online degree consortia are also in place and operational. For example, the Georgia WebMBA[®] program has experienced maximum capacity enrollment every year that it has been offered. Over the course of the past several months, the System has created new online degree consortia in which faculty from several institutions come together to develop online degree programs. This provides greater depth of programs as well as less expensive ways to develop courses. There are two such programs currently in place: the Bachelor of Science in Information Technology and the Bachelor of Applied Sciences. Dr. Papp said that the Board may consider alternative ways to organized Web-based and distance education programs. Around the country, there are other ways that the University System of Georgia has not yet explored.

The Board of Regents may also consider mission and status changes. It may decide to create limited doctoral universities. The State of Georgia is the only state among the top 15 that does not have professionally oriented doctoral universities. The Regents may consider establishing more regional and state universities as well as more state colleges, or it may consider changing the names of institutions to better reflect their activities and locations. The Board will be looking at these issues in the course of the upcoming year. The Board may also consider increasing the size of institutions, particularly the four research universities. It may decide to create more institutions of preferred

choice or establish more multi-campus institutions, which can be achieved either by combining present institutions or by creating new campuses. In some ways, the Board of Regents is already doing this, and there is a staff committee looking into what it means to be a “campus” versus a “site” or a “center.” The staff will likely be coming to the Board with some recommendations within the next few months. GPC has been in talks with officials in Newton County about the possibility of establishing an instructional site there. GPC and Atlanta Metropolitan College (“AMC”) are looking at sites in South Fulton County. Clayton College & State University (“CCSU”) has been in discussions with Henry County officials about establishing a site in Locust Grove, and Darton College (“DC”) has been looking into a site in Cordele. Dr. Papp noted that Florida Atlantic University began about 30 years ago as a small institution in Boca Raton. It now has five major campuses scattered up and down the east coast of Florida with a collective enrollment of approximately 25,000 to 27,000 students. As part of its fund-raising campaign, North Carolina State University started a new campus called its Centennial Campus, which is projected to grow to 12,500 students over the course of the next five to six years. The Board of Regents may also consider establishing more institutions. In 1932, the University System of Georgia consisted of 16 institutions. It grew to 19 in the 1950s, 27 in the 1960s, 32 in the 1970s, and 34 in the 1980s. Dr. Papp asked the Regents to consider whether a university center with 7,500 students, such as GUC, should remain a university center or become something else and whether there should also be other institutions elsewhere in the state of Georgia.

In closing, Dr. Papp said that the Board of Regents has many options to consider and decisions to make over the course of the upcoming year and into the future. He reviewed the System’s options to address its rising enrollment projections. He said that off-campus education is a good way to go, but there are other options as well. With that, he asked whether the Regents had any questions or comments.

Regent McMillan asked why Georgia does not have any educational opportunities connected with its correctional facilities. He noted that such facilities could be prospective off-campus sites with large student populations of potential students to pursue GEDs and beyond.

Dr. Papp asked the Vice Chancellor for Academic, Student, and Faculty Affairs, Frank A. Butler, to respond to this question.

Dr. Butler responded that the University System of Georgia used to have educational opportunities in correctional facilities but that the financial aid opportunities had declined several years ago and, as a result, the programs also declined. He noted that recently, the System has begun new interactions with the Georgia Department of Corrections to see how it might be able to meet the needs for higher education in that area.

Chancellor Meredith stated that he had met with Commissioner James E. Donald of the Department of Corrections and that Mr. Donald was very interested in exploring educational opportunities for

the inmates. However, the majority of state prisoners do not have a high school diploma. So, the prison population ready for college-level work is relatively small.

Regent McMillan remarked that it might save the state a lot of money in repeat offenses if inmates are able to learn some skills while they are incarcerated. He said that there are economic as well as ethical reasons for pursuing such options.

Dr. Papp agreed and said that his staff would look more closely at this issue.

At approximately 10:05 a.m., Chair Wooten called for a brief break. At approximately 10:15 a.m., he reconvened the full Board meeting and called for the Committee reports.

EXECUTIVE AND COMPENSATION COMMITTEE

The Executive and Compensation Committee met on Tuesday, August 3, 2004, at 11:00 a.m. in room 7019, the Chancellor's Conference Room. Committee members in attendance were Chair Joel O. Wooten, Jr., Vice Chair J. Timothy Shelnut, and Regents Joe Frank Harris, Donald M. Leebern, Jr., Elridge W. McMillan, and Patrick S. Pittard. The Secretary to the Board, Gail S. Weber was also in attendance. In attendance for part of the meeting were Chancellor Thomas C. Meredith and Raymond D. Cotton, Vice President for Health and Higher Education for ML Strategies, LLC. Chair Wooten reported to the Board on Wednesday that the Committee had met in Executive Session to discuss compensation of the presidents and the Chancellor and that no actions were taken in Executive Session. The matter was again discussed during a joint meeting of the Executive and Compensation Committee and the Committee on Finance and Business Operations as a Committee of the Whole on Tuesday, August 3, 2004. No actions were taken in that Executive Session either, but a number of items were approved as a result of the discussion in Executive Session. (See pages 11 to 20.) In accordance with H.B. 278, Section 3 (Amending O.C.G.A. § 50-14-4), affidavits regarding these Executive Sessions are on file with the Chancellor's Office.

COMMITTEE ON FINANCE AND BUSINESS OPERATIONS

The Committee on Finance and Business Operations met jointly with the Executive and Compensation Committee as a Committee of the Whole during the full Board meeting on Tuesday, August 3, 2004. (See pages 11 to 20.) The Committee then met in its regular session at approximately 3:40 p.m. in the Board Room. Committee members in attendance were Chair Patrick S. Pittard, Vice Chair Hugh A. Carter, Jr., and Regents William H. Cleveland, Michael J. Coles, James R. Jolly, Donald M. Leebern, Jr., Doreen Stiles Poitevint, J. Timothy Shelnut, and Glenn S. White. Also in attendance were Board Chair Joel O. Wooten, Jr., Chancellor Thomas C. Meredith, and Regents Connie Cater, Joe Frank Harris, Julie Hunt, W. Mansfield Jennings, Jr., Elridge W. McMillan, Wanda Yancey Rodwell, and Allan Vigil. Chair Pittard reported to the Board on Wednesday that the Committee had reviewed five items, two of which required action. With motion

properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Revision of The Policy Manual, Section 802.0807 Family Leave

Approved: The Board approved revisions to Section 802.0807 Family Leave of The Policy Manual, as presented below, effective January 1, 2005.

Background: Subsequent to the approval by the Board of Regents of Section 802.0807 Family Leave, the federal government established the Family and Medical Leave Act (“FMLA”) of 1993 (29 CFR Part 825). Since its implementation, the FMLA has had a number of procedural revisions resulting from various legal and administrative decisions. The current Board policy on family leave is based upon Georgia Laws 1992, p. 1855; O.C.G.A. Title 45, Chapter 24. This 1992 Georgia law was sunset with the passage of the federal Family and Medical Leave Act of 1993.

The Human Resources Policy Advisory Committee has prepared informational and procedural materials to assist University System of Georgia institutions in compliance with the provisions of FMLA. Included in the materials that will be distributed and disseminated to all of the Chief Human Resources Officers are 1) an overview of FMLA procedures, 2) a detailed listing of statutory definitions and procedures consistent with the federal Code of Regulations (29 CFR Part 825), 3) a list of 25 frequently asked questions and corresponding responses that will help colleagues understand the procedural intent of FMLA, and 4) a single University System of Georgia FMLA medical certification form.

Employee and institutional rights and responsibilities are identified in the University System of Georgia Human Resources FMLA Procedures document. This information will be available for access by System employees on the University System of Georgia Web site.

Previous Policy

802.0807 FAMILY LEAVE

Any employee who has been employed on a half-time basis or greater for at least twelve months is eligible for twelve work weeks of family leave during a twelve-month period commencing on the date the family leave begins. Family leave shall be unpaid leave; however, if an employee is eligible to use accumulated sick leave the employee, after obtaining permission from the employer, may do so exclusive of the twelve weeks of family leave. The employee may also utilize any accrued annual leave with the approval of the employer (BR Minutes, 1993-1994, p. 51).

Family leave shall be granted to an eligible employee in the event of:

- a. the birth of the child of the employee;
- b. the placement of a child with the employee for adoption;
- c. a serious health condition of the employee's child, spouse, parent or spouse's parent necessitating the employee's presence; or
- d. a serious health condition of the employee which renders him/her unable to perform the duties of his/her job.

With certain exceptions as indicated in the Family Leave Act (Georgia Laws 1992, p. 1855; O.C.G.A. Title 45, Chapter 24), family leave entitles the employee to be restored to the position held prior to going on family leave or to an equivalent position with equivalent benefits and pay. Family leave allows the employee to maintain his/her employee benefits during the period of leave with institutional participation in the payment of premiums.

Institutions within the University System must comply with all other provisions of Code Section 45-24 O.C.G.A. (BR Minutes, 1992-1993, pp. 134-135).

New Policy

802.0807 FAMILY AND MEDICAL LEAVE

Any employee who has been employed on a half-time basis or greater for at least twelve months is eligible for twelve work weeks of family leave during a twelve-month period commencing on the date the family leave begins. Family leave shall be unpaid leave; however, if an employee is eligible to use accumulated sick leave the employee, after obtaining permission from the employer, may do so exclusive of the twelve weeks of family leave. The employee may also utilize any accrued annual leave with the approval of the employer (BR Minutes, 1993-1994, p. 51). In accordance with the federal Family and Medical Leave Act (FMLA) of 1993, an eligible employee may be entitled to up to 12 work weeks of leave during any 12-month period for one or more of the following reasons:

Family leave shall be granted to an eligible employee in the event of:

- a. the birth and care of a newborn of the child of the employee;
- b. the legal placement of a child with the employee for adoption or foster care;
- c. the care of an immediate family member (defined as the employee's spouse, child, or parent) with a serious health condition of the employee's child, spouse, parent or spouse's parent necessitating the employee's presence; or
- d. a serious health condition of the employee himself/herself, which renders him/her the employee unable to perform the duties of his/her job.

With certain exceptions as indicated in the Family Leave Act (Georgia Laws 1992, p. 1855; O.C.G.A. Title 45, Chapter 24), family leave entitles the employee to be restored to the position

~~held prior to going on family leave or to an equivalent position with equivalent benefits and pay. Family leave allows the employee to maintain his/her employee benefits during the period of leave with institutional participation in the payment of premiums.~~

~~Institutions within the University System must comply with all other provisions of Code Section 45-24 O.C.G.A. (BR Minutes, 1992-1993, pp. 134-135).~~

To be eligible for FMLA leave, the employee must have worked for the University System of Georgia:

- a. for at least 12 months total; and
- b. for at least 1,250 hours during the 12-month period immediately preceding the commencement of such leave.

2. Acceptance of Gift for the Georgia Institute of Technology

Approved: The Board accepted on behalf of the Georgia Institute of Technology (“GIT”) a gift-in-kind from the following corporation:

<u>Company</u>	<u>Value</u>	<u>Items</u>	<u>Department</u>
Bio-Lab, Inc.	\$156,671	Ozone/bromine swimming pool sanitizing equipment	Campus Recreation Center

Background: Board policy requires that any gift to a University System of Georgia institution with an initial value greater than \$100,000 must be accepted by the Board of Regents. The ozone/bromine sanitation equipment currently used at the Campus Recreation Center pools is over eight years old and in need of an upgrade to realize the substantial enhancements in ozone systems. Bio-Lab, Inc. will rebuild the four existing ozonators and will provide wireless Internet monitoring systems, brominators, and one year of wireless monitoring services. GIT will be responsible for all freight charges and electrical work associated with this upgrade. GIT has advised that there are no other material costs associated with the acceptance of this gift.

3. Information Item: Georgia Public Library Services Fiscal Year 2005 Formula Budget Presentation

The State Librarian for Georgia Public Library Services (“GPLS”), Dr. Lamar Veatch, presented information on the GPLS new directions state grant formula for Georgia’s public library system. The new formula will serve as the basis for the GPLS budget request to be presented to the Board in September 2004 and future grant allocations to the state’s public libraries. The state grants program is an essential element of GPLS. State grants represent 19.7% of all combined funding for Georgia’s

public libraries and range from under 4% for Atlanta-Fulton County to over 60% for some rural systems. State grants also represent 83% of the GPLS budget, including funding for salaries and benefits for professional librarians, maintenance and operations, books and other library materials, travel reimbursement funds, and subregional libraries for the blind and physically handicapped in 13 of the library systems.

Dr. Veatch explained there are several important reasons GPLS is seeking a new budget direction. First, the formulas are more than 40 years old. With Georgia's greatly changed demographics, present budget formulas are no longer serving their intended purpose. Second, in September 2002, the State Department of Audits and Accounts issued a Performance Audit Report on the State Grants to Public Libraries. This audit strongly recommended a complete review of the grant program. Third, the public libraries have just completed their third year with continually reduced state funding. This threw the formula further and further out of kilter. Finally, an increasingly high percentage of the total state grants fund is now devoted to the salaries portion of the program. In fiscal year 2004, this was just under 70% of the total, up from only about 50% ten years ago.

In February 2003, GPLS developed the "New Direction" work plan. The objective was to involve all of the public library systems and produce a more equitable distribution formula that addressed as many of the recognized problems as possible. All 58 of the public library directors participated in one of ten focus groups during May and June 2003. These brought together directors of similar sized and configured systems. Each group discussed the positive and negative aspects of each grant component: good points, problems, and opportunities for improvement. At the conclusion of each group meeting, the participants elected a member of their group to represent them at the next level of the study. In August, this group of ten public library directors, along with GPLS senior staff, met for three days of intensive study and debate on Sapelo Island. The Senior Vice Chancellor for External Activities and Facilities, Thomas E. Daniel and a budget analyst in the Governor's Office of Planning and Budget also participated in this retreat. This New Direction Committee met a number of additional times. Supplemented with several meetings of the entire group of 58 public library system directors, the proposed formula was developed. In addition to the countless staff hours, more than 120 hours of meeting time with these director groups were devoted to this new formula. Decisions relative to the new formula have been thoroughly discussed and recommended by this New Direction Committee. This group has now been made permanent as the State Grants Advisory Council. It will have rotating membership among the library directors.

Dr. Veatch said that fiscal year 2005 is a transition year in which GPLS will adhere to the present formulas, with some allowances. Public libraries are dealing with the full impact of the three successive years of budget cuts. So, it is critical to begin making the changes now. In some libraries, there is little money left for services and operations. GPLS will continue funding all of the state-paid positions in the Teacher Pay Scale, library books and materials at the mandated \$0.35 per capita, maintenance and operations at \$0.378 cents per capita, and travel funds at \$375 per state-paid position. The fiscal year 2005 formula also permits "emergency" conversion of vacant positions to

add to meager maintenance and operations funds.

The objectives of New Direction plan for fiscal year 2006 and beyond are as follows:

- To adhere to the legislative authority of GPLS to distribute grant funds according to population and geography (§O.C.G.A. 20-2-305);
- To more fairly distribute the available funding across Georgia;
- To provide much greater flexibility in the expenditure of these funds at the local library system level;
- To make more of the grant funds available for library materials and system operations;
- To eliminate the population cap that penalizes larger systems;
- To address recommendations of the audit study;
- To recognize the diversity of Georgia's library systems and of the higher level of dependence upon state funding in rural Georgia; and
- To secure the support of the state's public library systems.

Dr. Veatch said that he believes GPLS has met these objectives. The new system maintains the traditional grants for books and materials based on system configuration and population. It creates "System Services Grants" for infrastructure support, replacing maintenance and operations grants. It provides for a better distribution of state-paid positions. Within limits, it provides the ability to convert position funds to System Services Grants, providing greater local flexibility. It provides a more equalized distribution of per capita grants. It creates opportunities for growth of formula elements.

Dr. Veatch discussed the work still ahead for GPLS, which will submit its fiscal year 2006 budget proposal based on this new formula and work for legislative approval. He noted that GPLS must work with public library system directors and University System Office legal staff to revise the policies governing the management of these grants. GPLS must consider work to modify the applicable legislation to permit the distribution of funds to be based on economic considerations in addition to population and geography. It must also advocate for budgetary enhancements to specific elements of the formula.

In closing, Dr. Veatch introduced Gail Rogers, Director of the Cobb County Library System, and Steve Schaefer, Director of the Uncle Remus Regional Library System. Ms. Rogers and Mr. Schaefer are two of the New Direction Committee who have been instrumental in the development of the New Direction budget plan. He also introduced Greg Heid, Director of the Newton County Library and President of the Georgia Council of Public Libraries, an organization of 44 of Georgia's public library systems.

4. Information Item: Executive Session: Compensation of Presidents and Chancellor

This Executive Session was held during a joint meeting of the Executive and Compensation Committee and the Committee on Finance and Business Operations as a Committee of the Whole. (See pages 11 to 20).

5. Information Item: Potential Policy Manual Changes

This matter was taken up by the Board of Regents during a joint meeting of the Executive and Compensation Committee and the Committee on Finance and Business Operations as a Committee of the Whole. (See pages 11 to 20).

COMMITTEE ON REAL ESTATE AND FACILITIES

The Committee on Real Estate and Facilities met on Tuesday, August 3, 2004, at approximately 4:00 p.m. in the Board Room. Committee members in attendance were Vice Chair Allan Vigil and Regents Connie Cater, Julie Hunt, W. Mansfield Jennings, Jr., Donald M. Leebern, Jr., and Glenn S. White. Also in attendance were Board Chair Joel O. Wooten, Jr., Board Vice Chair J. Timothy Shelnut, Chancellor Thomas C. Meredith, and Regents Hugh A. Carter, Jr., Connie Cater, William H. Cleveland, Joe Frank Harris, James R. Jolly, Elridge W. McMillan, Patrick S. Pittard, and Doreen Stiles Poitevint. Vice Chair Vigil reported to the Board on Wednesday that the Committee had reviewed 17 items, 14 of which required action. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Naming of the Waldo W. E. Blanchet Building, Fort Valley State University

Approved: The Board approved the naming of the Computer Technology and Mathematics Building at Fort Valley State University (“FVSU”) the “Waldo W. E. Blanchet Building” in honor of Waldo W. E. Blanchet.

Understandings: Waldo W. E. Blanchet served as Head of the Science Department and Dean of the Fort Valley Normal and Industrial School from 1932 to 1939. When Fort Valley State College was formed in 1939, Dr. Blanchet was appointed as Administrative Dean and Professor of Physical Science. In 1966, Dr. Blanchet succeeded Cornelious Troup as the third President of Fort Valley State College.

Dr. Blanchet’s commitment to outreach and collaboration between the college and the community was unparalleled. During his presidency, the college added several new facilities, including the Lyons Student Center, the Cozy L. Ellison Building, the Wilson–Robert Building, the Hunt Memorial Infirmary, and the Josephine Lewis Hall Dormitory. Dr. Blanchet retired in 1973.

Dr. Blanchet died in July 1998.

2. Naming of the Penny and Roe Stamps Student Center Commons, Georgia Institute of Technology

Approved: The Board approved the naming of the renovated student center commons at Georgia Institute of Technology (“GIT”) the “Penny and Roe Stamps Student Center Commons” in honor of Mrs. Penny and Mr. Roe Stamps.

Understandings: Through their generous contributions of personal service and financial resources, Penny and Roe Stamps have touched the entire GIT community. In the early 1990s, Mr. Stamps served on the Ivan Allen College Executive Advisory Board and for a number of years, the E. Roe Stamps Award for Excellence in Teaching has recognized Ivan Allen College faculty. Mr. Stamps also joined the School of Industrial and Systems Engineering Advisory Board in 1999. He has been a leader on the board of trustees of the Georgia Tech Foundation, Inc. and in both national and regional fund-raising campaigns for GIT.

The Stamps family has deep and abiding ties to GIT. Penny and Roe Stamps and the Stamps Family Foundation together have contributed \$3,745,000 to assist GIT with academic scholarships and projects ranging from athletic fields renovations to health center construction. In June 2003, Penny and Roe Stamps committed \$1,445,000 to assist in renovating the space vacated by the GIT bookstore’s move to Technology Square. The vacated facility was reconfigured as a student center commons.

Born in Macon, Roe Stamps founded one of the country’s largest and most successful investment firms and has served as a director of a number of private and public companies. Mr. and Mrs. Stamps have a son and a daughter.

3. Rental Agreement, Fortson Drive, Hampton, University of Georgia

Approved: The Board authorized the execution of a rental agreement between Fortson Youth Training Center, Inc., Landlord, and the Board of Regents, Tenant, for approximately 77 acres and 40,887 square feet of camp and recreation space located on Fortson Drive, Hampton, Georgia, for the period August 4, 2004, through June 30, 2005, at a monthly rent of \$1,500 (\$18,000 per year) with options to renew on a year-to-year basis for five consecutive one-year periods at the same rent rate, for the use of the University of Georgia (“UGA”).

Authorization to execute this rental agreement was delegated to the Vice Chancellor for Facilities.

The terms of this rental agreement are subject to review and legal approval of the Office of the Attorney General.

Understandings: Since 1973, campers in the South Atlanta/Griffin area have utilized Truitt-Fulton 4-H Center in College Park, Georgia. The lease with Fulton County has expired.

Fortson 4-H Center (the “Center”) includes 26 buildings, located in a wooded area with a small lake in Henry and Clayton Counties and includes a dining hall, education center, cabins, camp houses, and swimming pool. The camp and recreation center offers ample outdoor recreation activities, an adequate swimming pool, and better sleeping and dining facilities for UGA’s programs.

The Center will be used for 4-H summer camp, 4-H environmental education, other 4-H activities, and other educational and recreational purposes approved by Georgia 4-H.

Construction began on the Center in the 1960s and continues today by a local nonprofit organization that owns and has been operating the camp. The Landlord will continue to fund construction at the camp as funds become available.

Rent and operating expenses will be paid entirely from user-generated fees. Operating expenses, including maintenance, repair, insurance, pest control, janitorial services, and utilities, are estimated to be \$59,500 per year.

UGA’s Cooperative Extension Service operates four other 4-H Centers and their programs in Georgia. These are the Rock Eagle 4-H Center near Eatonton, Wausega 4-H Center in Dahlonega, the Burton 4-H Center at Tybee Island, and the Jekyll Island 4-H Center.

4. Rental Agreement, 650 Ethel Street, Georgia Institute of Technology

Approved: The Board authorized the execution of a rental agreement between VLP 2, LLC. (the “LLC”), Landlord, and the Board of Regents, Tenant, for approximately 32,500 square feet of warehouse space for the period September 1, 2004, through June 30, 2005, at a monthly rent of \$21,664.46 per month (\$259,973.52 per year/\$8 per square foot per year) with options to renew on a year-to-year basis for six consecutive one-year periods, with rent increasing 3% per year, for the use of the Georgia Institute of Technology.

Authorization to execute this rental agreement was delegated to the Vice Chancellor for Facilities.

The terms of this rental agreement are subject to review and legal approval of the Office of the Attorney General.

Understandings: The facility is within close proximity to campus and will permit consolidation of storage for Auxiliary Services, Facilities, and the Library Archives. The facility provides 24 parking spaces for Auxiliary Services vehicle storage.

Operating expenses, including utilities, janitorial services, and pest control, are estimated to be \$18,000 per year.

5. Rental Agreement, 106 Branbury Road, Oxford, England, University of Georgia

Approved: The Board authorized the execution of a rental agreement between the University of Georgia Foundation, Inc., Landlord, and the Board of Regents, Tenant, covering approximately 5,443 square feet located at 106 Branbury Road, Oxford, England, for the period July 1, 2004, through June 30, 2005, at a monthly rent of \$15,208.16 (\$182,497.92 per year/ \$33.53 per square foot per year) with options to renew on a year-to-year basis for four consecutive one-year periods with rent increasing 4% per year for the use of the University of Georgia.

Authorization to execute this rental agreement was delegated to the Vice Chancellor for Facilities.

The terms of this rental agreement are subject to review and legal approval of the Office of the Attorney General.

Understandings: In August 1999, the Board approved renting this facility. The last option period authorized has expired.

The need for housing and the need for continued use of this facility has been assessed. This facility is still required for student housing for the Studies Abroad Program (the “Program”) and permits this Program to be operated year-round.

Housing will be provided for up to 30 students at a time. The students are charged a single fee, which includes housing, for the Program. Funding for this agreement is from these student fees.

Operating expenses, including utilities, janitorial services, maintenance, taxes, and insurance, are estimated to be \$87,000 per year.

At the end of the term of this agreement, the need for continued use of this facility and alternatives to renting this facility for housing will be assessed for the long-term needs of the Program.

6. Amendment to Subrental Agreement, University Lofts, Georgia State University

Approved: The Board authorized the execution of an amendment to the subrental agreement between University Lofts, LLC (the “LLC”), Sublandlord, and the Board of Regents, Subtenant, for approximately 231 apartments containing 397 bedrooms and including approximately 362 parking spaces located at 135 Edgewood Avenue, Atlanta, Georgia, to include options to renew on a year-to-year basis for 18 additional consecutive one-year periods followed by an additional three-month

option period with rent increasing 1% per year.

Authorization to execute this amendment to the subrental agreement was delegated to the Vice Chancellor for Facilities.

The terms of this amendment to the subrental agreement are subject to review and legal approval of the Office of Attorney General.

Understandings: In November 2003, the Board approved renting this facility for six months with 9 one-year options.

As consideration for the additional option periods, the Landlord will currently assign its remaining interest in the lease, at the end of the last option period exercised by the Board of Regents, to the LLC.

This amendment supports the overall housing plan for GSU presented to the Board by President Carl V. Patton in September 2003 and permits consideration of potential housing at the Piedmont-Ellis location.

All remaining terms of the subrental agreement as approved by the Board in November 2003 remain in effect.

Note: During the Committee meeting, staff clarified that The University Financing Foundation (“TUFF”) will currently assign its remaining interest in the lease at the end of the last option period exercised by the Board of Regents to the LLC.

7. Rental Agreement, North Parking Deck, Kennesaw State University

Approved: The Board authorized the execution of a rental agreement between Kennesaw State University Foundation, Inc. (the “Foundation”), Landlord, and the Board of Regents, Tenant, for a parking deck with approximately 1,538 parking spaces for the period commencing on the first day of the first month after the Foundation obtains a certificate of occupancy, but no earlier than September 1, 2004, and ending on the following June 30 at a rent not to exceed \$92,141 per month (\$1,105,697 per year annualized) with options to renew on a year-to-year basis for up to 25 consecutive one-year periods (the total not to exceed 25 years from the commencement date) at the same rent rate, for the use of Kennesaw State University (“KSU”).

Authorization to execute this rental agreement was delegated to the Vice Chancellor for Facilities.

The terms of this agreement are subject to review and legal approval of the Office of the Attorney General.

Understandings In November 2003, the Board approved a ground lease for the North Parking Deck. At the time, a rental agreement was not anticipated.

Subsequent review has indicated several advantages to renting the North Parking Deck. More favorable financing can be acquired. Bond insurance premiums will be reduced. The parking operation of KSU will be enhanced by single management of all parking decks. The North Parking Deck will be available to all students of KSU.

Construction of the North Parking Deck is anticipated to be completed in August 2004.

8. Ground Lease and Rental Agreements, Phase II Housing, State University of West Georgia

Approved: The Board declared approximately 6.7598 acres of real property located on the campus of State University of West Georgia (“UWG”), Carrollton, Georgia, no longer advantageously useful to UWG or other units of the University System of Georgia but only to the extent and for the purpose of allowing this real property to be leased to West Georgia Foundation for Student Housing, LLC (the “LLC”) for the purpose of constructing and owning student housing and parking for UWG.

The Board authorized execution of a ground lease between the Board of Regents, Lessor, and the LLC, Lessee, for the above-referenced approximately 6.7598 acres of real property on the campus of UWG, Carrollton, Georgia, for a period not to exceed 25 years with an additional construction period of not more than 2 years with the option to renew for up to an additional 5 years, should there be debt outstanding at the end of the original ground lease term, for the purpose of constructing student housing, which will contain approximately 602 student housing beds, parking for approximately 126 cars, and site amenities.

The Board authorized the execution of a rental agreement between the LLC, Landlord, and the Board of Regents, Tenant, for approximately 602 student housing beds, approximately 126 parking spaces, and site amenities for the period commencing on the first day of the first month after LLC obtains a certificate of occupancy, but no earlier than August 1, 2005, and ending on the following June 30 at a rent not to exceed \$138,490 per month (\$1,661,868 per year annualized) with options to renew on a year-to-year basis for up to 25 consecutive one-year periods (the total not to exceed 25 years from the commencement date) with rent increasing no more than 3% for each option period exercised.

The Board declared approximately 3.6564 acres of real property on the campus of UWG to be no longer advantageously useful to UWG or the University System of Georgia but only to the extent and for the purpose of granting a nonexclusive easement to the LLC for parking and access for the duration of the ground lease.

The Board authorized the execution of a nonexclusive easement with the LLC for the above-referenced tract of land.

Authorization to execute the rental agreement was delegated to the Vice Chancellor for Facilities.

The terms of these agreements are subject to review and legal approval of the Office of the Attorney General.

Understandings: In May 2001, President Beheruz N. Sethna presented to the Board of Regents, as an information item, UWG's housing concept proposal, which illustrated the need to obtain new student housing by constructing student housing in three phases using a privatization process.

In October 2002 and February 2003, the Board authorized 612 student housing beds that will become available in fall 2004.

At the end of the term of the ground lease, the land, all improvements, and any accumulated capital reserves will become the property of the Board of Regents.

9. Easements for High-Voltage Transmission Lines, Georgia Institute of Technology

Approved: The Board declared approximately 0.297 acre of real property on the campus of Georgia Institute of Technology ("GIT"), Atlanta, Georgia, no longer advantageously useful to GIT or other units of the University System of Georgia but only to the extent and for the purpose of granting a nonexclusive easement to Georgia Power Company ("Georgia Power") for the purpose of constructing and operating a high-voltage transmission line.

The Board authorized the execution of a nonexclusive easement with Georgia Power for the above-referenced tract of land.

The Board declared approximately 0.059 acre of real property on the campus of GIT, Atlanta, Georgia, no longer advantageously useful to GIT or other units of the University System of Georgia but only to the extent and for the purpose of granting a nonexclusive easement to Georgia Power for the purpose of constructing and operating a high-voltage transmission line.

The Board authorized the execution of a nonexclusive easement with Georgia Power for the above-referenced tract of land.

The Board declared approximately 0.010 acre of real property on the campus of GIT, Atlanta, Georgia, no longer advantageously useful to GIT or other units of the University System of Georgia but only to the extent and for the purpose of granting a nonexclusive easement to Georgia Power for the purpose of constructing and operating a high-voltage transmission line.

The Board authorized the execution of a nonexclusive easement with Georgia Power for the above-referenced tract of land.

The terms of these easements are subject to review and legal approval of the Office of the Attorney General.

Understandings: Georgia Power desires to construct a new high-voltage transmission line to increase capacity. These easements will permit alignment of this transmission line on the boundary of the portion of the GIT campus known as the North Avenue Research Area.

Planning is in progress for a substation in this area to serve the GIT campus, which will be presented to the Board for consideration.

Georgia Power will pay \$159,430 consideration for these easement areas. Additional consideration is a potential avoidance of \$3 million for installation of a dedicated transmission line back to a remote power grid distribution point should a substation be developed in this area.

10. Acquisition of Property, 670 North Indian Creek Drive, Clarkston, Georgia Perimeter College

Approved: The Board authorized the purchase of approximately 1.38 acres of real property located at 670 North Indian Creek Drive, Clarkston, Georgia, at a purchase price of \$250,000 from Samuel Velazquez for the use and benefit of Georgia Perimeter College (“GPC”).

The legal details involved with the acquisition of this property will be handled by the Office of the Attorney General.

Understandings: The property includes a 1,764-square-foot, single-story wood-frame residence, which is currently used as a church.

This acquisition was previously approved by the Board in November 2002, but the sale did not close. The value of the property has appreciated as indicated by updated appraisals.

Three independent appraisals of the property are as follows:

<u>Appraiser</u>	<u>Appraised Value</u>	<u>Average</u>
Rains & Company, Conyers	\$250,000	\$253,333
B.B. Knox Company, Suwanee	\$250,000	
Clower, Kirsch & Associates, Lawrenceville	\$260,000	

A Phase I Environmental Assessment has been completed and indicates there are no significant environmental issues. There are no restrictions on the acquisition, and there are no known easements or restrictions on the property.

This acquisition is consistent with the GPC master plan.

Funding for the acquisition and operating expenses will be from general operating funds.

11. Authorization of Project, “Business Continuity Data Center,” Georgia Institute of Technology

Approved: The Board authorized the Business Continuity Data Center (the “Center”) project at Georgia Institute of Technology (“GIT”) with a total project budget of approximately \$4.6 million to be funded from GIT institution funds.

Authorization of this project is subject to completion of an environmental site assessment indicating no significant problems or, if environmental problems are present, that said problems be mitigated prior to beginning construction, remodeling, or renovation.

Understandings: The project involves significant remodeling and renovation of approximately 9,800 assignable square feet at 811 Marietta Street, Atlanta, Georgia, as well as external network and electrical systems upgrades.

The Rich Building currently houses the GIT primary service functions of the GIT Office of Information Technology. The Center will provide a back-up service center to ensure the availability of the information technology support network for GIT.

The Center’s location will allow completion on a timely basis, provide adequate separation from the Rich Building, and still maintain reasonable access to the main campus. The project complies with the 1997 campus master plan.

The University System Office staff and GIT will proceed with selection of appropriate professional consultants.

12. Authorization of Project, “Renovation of 1100 and 1200 Areas for Department of Cellular Biology and Anatomy, Carl T. Sanders Research and Education Building,” Medical College of Georgia

Approved: The Board authorized Project No. BR-40-0501, “Renovation of 1100 and 1200 Areas for Department of Cellular Biology and Anatomy, Carl T. Sanders Research and Education Building,”

Medical College of Georgia (“MCG”), with a total project budget of \$2,715,000 to be funded from institutional funds.

Understandings: The Carl T. Sanders Research and Education Building was built in 1969 and houses many of the research functions at MCG. The proposed renovation will modernize approximately 12,450 gross square feet of laboratory space for the Department of Cellular Biology and Anatomy. This building has been undergoing a phased improvement plan. Thus far, MCG has renovated six functional areas as well as several smaller laboratories within the building.

The renovation will upgrade the mechanical, electrical, and telecommunication systems, as well as provide modern laboratory spaces, offices, and support spaces.

The construction cost will be approximately \$2,179,000 (\$175 per square foot), including the cost of asbestos abatement. The project is also impacted by restrictions on contractor staging areas and limited accessibility.

The University System Office staff and MCG will proceed with the selection of appropriate professional consultants.

13. Facilities Privatization Program Funding, University System Office

Approved: The Board approved assessing an administrative fee to privatized transactions to offset costs in the University System Office to enable the University System Office to better serve the System institutions and the Board of Regents as public-private partnerships continue to become an increasingly important part of meeting Georgia’s higher education facilities needs.

Understandings: In August 2003, the Assistant Vice Chancellor for Facilities (Real Estate and Administration), Peter J. Hickey, provided the Committee with a report on privatized construction projects. The successes he discussed at that time are continuing today. It is anticipated that the trend to utilize public-private partnerships to deliver facilities, when appropriate, will continue.

14. Ratification of Chancellor’s Approval of 2004D General Obligation Bond Issue for University System of Georgia Projects

Approved: The Board ratified the Chancellor’s approval and adopted the Resolution, attached as Appendix I, prepared by the Revenue Division of the Department of Law, covering the issuance of 2004D General Obligation Bonds (“G. O. Bonds”) by the State of Georgia through the Georgia State Financing and Investment Commission for use in funding projects for the University System of Georgia.

The Revenue Division of the Office of the Attorney General has prepared on behalf of the Board of Regents a Resolution to cover the sale of 2004D G. O. Bonds for the following projects:

C-85A	Animal Health Research Center University of Georgia	\$ 10,000,000
J-28	Social Science Building Kennesaw State University	\$ 26,590,000
J-29	Student Center Georgia Perimeter College	\$ 7,190,000
J-31	Campus Loop Utilities Middle Georgia College	\$ 16,325,000
J-77	Nanotechnology Research Center Building (Predesign) Georgia Institute of Technology	\$ 2,000,000
	Renovate Drew-Griffith Hall Savannah State University	\$ 4,975,000
	Nursing Education Building Abraham Baldwin Agricultural College	\$ 4,715,000
	Renovate Wheatley Hall Georgia Southwestern State University	\$ 4,635,000
	HVAC Replacement Gainesville College	\$ 4,200,000
	Electrical System Upgrade, Clarkston Campus Georgia Perimeter College	\$ 3,800,000
	Renovate Browning Dormitory Middle Georgia College	\$ 5,400,000
	Infrastructure Improvements Georgia State University	\$ 5,000,000
	Library Renovation	

Macon State College	\$ 5,000,000
Classroom Addition Bainbridge College	\$ 1,035,000
Academic Services Building Darton College	\$ 4,845,000
Major Repair and Renovation (“MRR”) Projects Various University System Facilities	\$ 55,000,000
East Coweta Public Library	\$ 2,000,000
Forsyth County Public Library	\$ 2,000,000
Academic Building Georgia Military College	\$ <u>4,200,000</u>
TOTAL	\$168,910,000

15. Information Item: Recreation Center Addition, Georgia Southern University

President Bruce F. Grube of Georgia Southern University (“GSOU”) introduced the Interim Vice President for Business and Finance, Joe Franklin, who presented information about a proposed project to construct an addition to the existing GSOU Recreation Activity Center. Highlights of the presentation included the following:

- Justification for the project is based upon increasing enrollments and the fact that the current facility is being used beyond maximum capacity. In addition, student surveys have shown an overwhelming demand for more indoor recreation space and the willingness to pay extra fees to support it.
- The proposed timeline for the project would be to break ground in fall 2004 and have the newly expanded facility available for use by January 2006.

16. Information Item: Paulson Stadium, Georgia Southern University

President Bruce F. Grube of Georgia Southern University (“GSOU”) introduced the Interim Vice President for Business and Finance, Joe Franklin, who presented information about the recent transfer of Paulson Stadium to the Board of Regents. This represents the University System of Georgia’s first successful privatized project. Highlights of the presentation included the following:

- Paulson Stadium was privately built and financed as the home for GSOU football in 1984 by Southern Boosters for \$1,690,000.
- On June 30, 2004, Southern Boosters transferred Paulson Stadium to the Board of Regents for \$1.

17. Information Item: Strategies for Capital Construction Success, University System of Georgia

The Assistant Vice Chancellor for Facilities and Operations, V. Harold Gibson Jr., presented information to the Committee about Office of Facilities strategies for ensuring the successful planning, construction, and completion of upcoming capital construction projects at eight System campuses worth a combined \$203,000,000. Highlights of the presentation included the following:

- The Office of Facilities will conduct internal reviews to ensure project readiness and will conduct project and process reviews with state agency partners.
- Alternative project delivery methods will be evaluated and implemented as appropriate.
- Creative approaches to design, scheduling, and project management will be employed.
- System presidents will be enlisted to generate support for their projects among their various constituencies.

COMMITTEE ON ORGANIZATION AND LAW

The Committee on Organization and Law met on Tuesday, August 3, 2004, at approximately 4:30 p.m. in room 7019, the Chancellor's Conference Room. Committee members in attendance were Chair James R. Jolly, Vice Chair Joe Frank Harris, and Regents Connie Cater, William H. Cleveland, W. Mansfield Jennings, Jr., Elridge W. McMillan, and Doreen Stiles Poitevint. Also in attendance for the report on MCG Health, Inc. (Item 3) were Chancellor Thomas C. Meredith and Regents Donald M. Leebern, Jr. and J. Timothy Shelnut. Chair Jolly reported to the Board on Wednesday that the Committee had reviewed four items, three of which required action. Item 1 included 13 applications for review; of these, 9 were denied, 3 were continued, and 1 was settled. In accordance with H.B. 278, Section 3 (Amending O.C.G.A. § 50-14-4), an affidavit regarding this Executive Session is on file with the Chancellor's Office. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Applications for Review

- a. In the matter of Jodi U. Chapman, a former employee of Georgia College & State University, the application for review was denied.
- b. In the matter of Katrina Tobin, a former employee of Gordon College, the application for review was settled.
- c. In the matter of David Roberts at Albany State University, concerning his request for the investigation of racial and discrimination claims, the application for review was denied.
- d. In the matter of Angela Smith, a former employee of Savannah State University, the application for review was denied.
- e. In the matter of file # 1699 at the Georgia Institute of Technology, concerning suspension from school, the application for review was denied.
- f. In the matter of file # 1700 at the University of Georgia, concerning a request to receive a degree without completing core curriculum coursework, the application for review was denied.
- g. In the matter of Jimmy L. Solomon at Georgia Southern University, concerning a salary dispute, the application for review was continued.
- h. In the matter of file # 1702 at the Medical College of Georgia, concerning refund of financial aid, the application for review was denied.
- i. In the matter of Betty D. Hatcher at Albany State University, concerning her removal from an administrative role, the application for review was continued.
- j. In the matter of Russ Henley at Georgia Southwestern State University, concerning his suspension without pay, the application for review was denied.
- k. In the matter of file # 1705 at Georgia State University, concerning dismissal from a doctor of philosophy program, the application for review was denied.
- l. In the matter of Tracey Ford at the University of Georgia, regarding her termination as Administrative Director for the Office of Institutional Diversity, the application for review was continued.

m. In the matter of file #1707 at the University of Georgia, concerning a request to substitute a course for core curriculum coursework, the application for review was denied.

2. Security Clearance Authorization Resolution for Georgia Institute of Technology

Approved: The Board authorized certain named personnel at the Georgia Institute of Technology (“GIT”) to apply for and receive United States Government security clearance related to classified government research.

Background: GIT performs certain classified research on behalf of and via contract with the United States Department of Defense and other agencies of the United States Government. The National Industrial Security Program Operating Manual requires the Board of Regents to authorize persons to receive necessary security clearances and to make certain declarations regarding the security of designated facilities.

3. Information Item: Claims Involving MCG Health, Inc.

The Chief Executive Officer of MCG Health, Inc. (“MCGHI”), Donald F. Snell, presented a report to the Committee regarding litigation involving MCGHI. He reported that MCGHI is among 6 Georgia hospitals and 39 not-for-profit hospital systems in 20 states to be included in a class action lawsuit. Plaintiffs have alleged that not-for-profit hospitals have violated an implicit contract with the government to provide charity care in exchange for tax-exempt status by charging uninsured patients more than the insured. Mr. Snell stated that attorneys for MCGHI are vigorously defending the suit.

4. Amendments to the Guiding Principles for Cooperative Organizations

Approved: The Board approved amendments to principles 4, 11, 13 and 14 of the University System of Georgia Guiding Principles for Cooperative Organizations (the “Guiding Principles”), which were approved at a special meeting of the Board of Regents held on May 25, 2004.

This item was added by unanimous consent as a walk-on item to the Committee’s agenda.

Background: The Guiding Principles were developed by the Board of Regents to provide a framework in which System institutions and cooperative organizations could collaborate and achieve their goals and respective functions. After the Board adopted the Guiding Principles in May 2004, the Chancellor sent them to presidents and foundation chairs for comments. Those comments resulted in the modifications brought forward at this meeting for approval.

The amended Guiding Principles, with additions highlighted and deletions stricken, are as follows:

University System of Georgia Guiding Principles for Cooperative Organizations

Cooperative Organizations have been extraordinarily beneficial in supporting the institutions of the University System of Georgia in a variety of ways such as providing scholarships for students, endowments for faculty, acquiring real estate for the institution, and enhancing funds for research programs and athletics. The following guiding principles are proposed to clarify the roles and responsibilities of the institution and the Cooperative Organizations as they seek to enhance the reputation and quality of the University System of Georgia.

1. The mission of the Cooperative Organization shall be closely aligned with the mission, functions and activities of the institution it supports.
2. It is the responsibility of the Board of Regents of the University System of Georgia to provide guidance for and approval of the strategic direction of each institution. It is the responsibility of each institution to carry out its mission as articulated by the Board of Regents. It is the responsibility of the Cooperative Organization to support the institution at all times in a cooperative, ethical and collaborative manner, engage in activities in support of the institution and its president, and, where appropriate, assist in securing resources, administer assets and property in accordance with donor intent, manage its assets and resources so that the property, resources and funds hold their purchasing power into the future.
3. The priorities of the institution, as set by the President, shall be integrated into the operation, activities, efforts, and priorities of the Cooperative Organization. Institutional priorities shall be set by the President and it is assumed the president will develop these in consultation with all appropriate constituencies.
4. The Cooperative Organization's Board and Executive Committee shall include the institution's president or the president's designee, as a voting member. Institutional officers designated by the president also should be included on the Cooperative Organization's Board and its committees **as either members** or ex-officio members (voting and/or non-voting) to foster and maintain productive relationships, to ensure an open and ongoing dialogue between the institution and the Cooperative Organization and to ensure the alignment of priorities. Of equal importance, the volunteer chair/president of the Cooperative Organization shall have direct access to the institutional president.
5. Cooperative Organizations shall have a comprehensive strategic plan to guide them in their mission to support the institution. It is expected that the President of the institution shall have input and shall be consulted in this process.

6. Cooperative Organizations have a responsibility to remain current with accounting and investment practices and ensure that they follow sound financial policies, practices and procedures.
7. The Cooperative Organization shall develop policies to ensure that its business, governance and programming activities are conducted in an open and responsible manner, consistent with the laws of the State of Georgia.
8. The Cooperative Organization shall be accountable, its financial transactions transparent, and it shall disclose the following to the institution: the financial audit by outside firms, the annual report of activities and results (not donor information), list or report of the Cooperative Organization's priorities, operating budget, policies on disbursements (including expenditure policies), investment policies, operational costs, and policies regarding the establishment of all priorities, in accordance with all applicable laws.
9. The Cooperative Organization shall develop policies and procedures to establish ethical standards to ensure that no conflict of interest occurs between its members and employees and the activities of the cooperative organization and the institution.
10. Since the Board of Regents owns the intellectual property of the institutions, all usage by the Cooperative Organization of the institution's name, symbols, or trademarks is subject to approval by the institution or Board of Regents.
11. The Cooperative Organization should always operate in a manner that is consistent with the best interest of the institution. The Board of Regents of the University System of Georgia and the president of the institution in consultation with the Chancellor may determine that the Cooperative Organization's operations and activities are not in the best interest of the institution and/or Board ~~and may take such actions as they deem appropriate.~~
12. Notice to and concurrence of the Board of Regents or institution is required for change of name, change of mission, or change of governance documents or structure of the Cooperative Organization.
13. ~~Upon dissolution of the cooperative organization, assets and property secured in the name of or under the auspices of or in support of the System institution shall become the property of the institution or an entity selected by the Board of Regents and institution. Such dissolution will be done in accordance with the law and in accordance with donor intent, where applicable.~~ **Should a cooperative organization cease to exist, all obligations regarding existing resources must be fulfilled in accordance with donor's intent, and any remaining assets and property of the**

cooperative organization must be transferred to another entity in support of the mission of the institution.

14. No **staff member employee** of the Board of Regents, **or member of their immediate family**, may receive remuneration (salary, stipend or gifts for service) from the Cooperative Organization without the approval of the institutional president or, in the case of the president **or the president's immediate family**, the Chancellor, **or in the case of the Chancellor or the Chancellor's immediate family, the Board.**
15. All Cooperative Organizations must execute a Memorandum of Understanding that meets the letter and spirit of the Board of Regents Official proposed Memorandum of Understanding with Cooperative Organizations.
16. Cooperative Organizations must agree to comply with all Board of Regents' policies that pertain to Cooperative Organizations.

COMMITTEE ON ACADEMIC AFFAIRS

The Committee on Academic Affairs met on Wednesday, August 4, 2004, at approximately 9:15 a.m. in the Board Room. Committee members in attendance were Chair William H. Cleveland, Vice Chair Wanda Yancey Rodwell, and Regents Hugh A. Carter, Jr., Joe Frank Harris, Martin W. Nesmith, J. Timothy Shelnut, and Allan Vigil. Also in attendance were Chancellor Thomas C. Meredith and Regents Chair Connie Cater, Julie Hunt, W. Mansfield Jennings, Jr., James R. Jolly, Elridge W. McMillan, Patrick S. Pittard, Doreen Stiles Poitevint, and Glenn S. White. Chair Cleveland reported to the Board that the Committee had reviewed 19 items, 17 of which required action. Item 8 was modified to correct the number of regular faculty appointments that were reviewed and recommended for approval to 699. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. **Establishment of the External Bachelor of Science in Nursing, Registered Nurse Completion Program Offered Predominantly at a Distance via the Internet, Medical College of Georgia**

Approved: The Board approved the request of President Daniel W. Rahn that the Medical College of Georgia ("MCG") be authorized to offer its approved external degree Bachelor's in Nursing degree for Registered Nurses ("RN-B.S.N.") wherever a need is documented, student cohorts are available, and appropriate clinical arrangements can be established, effective August 4, 2004.

Abstract: MCG has an approved external degree authorized for delivery on the campuses of Columbus State University and Gordon College. This program is currently delivered almost exclusively via distance learning modalities, mostly through Web-based courses using WebCT®. As

such, the courses are already available everywhere in Georgia. In order to satisfy the growing demand for registered nurses holding associate degrees (or diplomas) to earn their bachelor's degree MCG proposes to take advantage of its statewide network of hospitals and community-based healthcare agencies to place students for their practicum experiences that will be required to complete their bachelor's degrees.

Need: Over 50% of the 77,000 practicing registered nurses in Georgia desire and need a baccalaureate degree. In recognition of the demands surrounding managed care and the shift of healthcare from acute care to community-based settings, the need for baccalaureate-prepared nurses to properly assess, plan, implement, and evaluate care is greater than ever. Approximately 80% of registered nurses are working full-time, many in rural counties, and lack accessibility to traditional educational opportunities. In addition, the baccalaureate degree provides a larger population of nurses skilled to meet the healthcare needs of the state and to assume leadership roles in the profession. Commuting to a traditional campus-based program over a one- or two-year period to earn a baccalaureate degree remains a significant obstacle to creating a more educated workforce in Georgia. The development of this distance education program is responsive to achieving the educational accessibility demands for all non-baccalaureate-prepared registered nurses throughout the State of Georgia.

Objectives: To be consistent with the institution mission as Georgia's health science university and to ensure an unwavering focus on its core purpose – to improve health and reduce the burden of illness in society – a primary objective of this distance education program is to offer a baccalaureate degree opportunity for practicing nurses without departure from the workforce, to reach underserved regions of the state, and to maintain competitiveness for enrollment.

In accordance with the American Association of Colleges of Nursing's Essentials of Baccalaureate Nursing Education and the RN-B.S.N. Articulation Plan for Georgia, the following objectives are identified:

- Improve accessibility and flexibility of baccalaureate education;
- Value and acknowledge prior education and practice experience;
- Promote lifelong, self-directed learning, critical thinking, problem solving, and accountability;
- Reflect current and future practices of nursing and healthcare delivery;
- Emphasize professional development and accountability;
- Facilitate career advancement and transition to graduate studies; and
- Address the diverse student population.

This program has demonstrated successful outcomes in providing accessibility, increasing enrollment, and providing an opportunity for registered nurses to obtain advanced degree training without the workforce depletion required with traditional instructional delivery.

Curriculum: The primary delivery modality is an asynchronous Web-based format. Each semester,

a synchronous orientation via the Georgia Statewide Academic and Medical System (“GSAMS”) to four campus sites – the Medical College of Georgia (“MCG”) in Augusta, MCG’s satellite School of Nursing at Athens (“SONAT”), MCG’s School of Nursing at Barnesville (“SONAB”) at Gordon College, and its School of Nursing at Columbus (“SONAC”) at Columbus State University – is utilized. The length of time for degree completion varies with either full- or part-time student enrollment. There are eight required courses in the curriculum totaling 31 semester credit hours. The curriculum may be completed in a minimum of two semesters (full-time enrollment) or up to eight semesters (less than full-time enrollment). The majority of students enroll part-time to continue employment and finish the program in three to four semesters. Three of the eight total required courses have clinical experiences across the state. The RN-B.S.N. curriculum includes courses in the principles of professional nursing practice, pathophysiology, pharmacology, nutrition, substance abuse, women’s healthcare, nursing care of the family, critical care, human loss and grieving, adult

nursing, neonatal, lifespan courses, the impact of legal and research issues on the profession, and foundation courses, such as healthcare environments, healthcare leadership in community-based care. One laboratory experience for assessment of preclinical skills is required. School of Nursing clinical faculties provide supervision. The following competencies have been identified:

- Deliver safe, comprehensive nursing care to individuals, families, and communities;
- Demonstrate accountability in nursing practice;
- Demonstrate critical thinking and decision making in healthcare situations;
- Collaborate with members of healthcare teams and relevant publics to promote wellness and facilitate optimal health;
- Seek knowledge as a lifelong learner to promote professional growth;
- Demonstrate leadership and management skills in professional nursing practice; and
- Demonstrate an awareness of nursing’s role in improving health and reducing health disparity in a global society.

All courses are consistent with standards such as the Benchmarks for Success in Internet-Based Distance Education (2000) and the Seven Principles of Good Practice in Undergraduate Education by Chickering and Gamson. The success of the program is measured through student feedback surveys. Additional clinical affiliation sites, primarily in underserved regions, may be required with anticipated enrollment growth.

Projected Enrollment The program anticipates steady enrollment growth based on needs assessment findings and positive graduate survey feedback. The following four-year enrollment data is provided:

Year	2001	2002	2003	2004
Total enrollment (full and part time)	42	40	44	52

Funding: No additional funding is requested for the RN-B.S.N. articulation program via distance education. The curriculum conversion to a web-based delivery format has been facilitated by existing faculty and staff. Existing campus infrastructure will be utilized for curriculum delivery and any future development or modifications.

Assessment: The Office of Academics and Fiscal Affairs will work with the institutions to measure the success and continued effectiveness of the program. The program will be reviewed as part of the institution's schedule of comprehensive program reviews. MCG will work with the Office of Academics and Fiscal Affairs to locate and address allied health personnel needs throughout the state.

2. Establishment of the External Bachelor of Science and Postbaccalaureate Certificate in Health Information Administration Programs Offered Predominantly at a Distance via the Internet, Medical College of Georgia

Approved: The Board approved the request of President Daniel W. Rahn that the Medical College of Georgia ("MCG") be authorized to offer its approved Bachelor of Science in Health Information Administration ("HIA") degree and Postbaccalaureate certificate programs wherever a need is documented, student cohorts are available, and appropriate clinical arrangements can be established, effective August 4, 2004.

Abstract: The Department of Health Informatics ("DHI") at MCG has utilized existing resources to migrate the courses that comprise the Bachelor of Science in Health Information Administration degree program and the postbaccalaureate certificate program to online delivery utilizing primarily WebCT®. For approximately the past 18 months, the DHI has enhanced its traditionally delivered courses by infusing the courses with WebCT®. As such, the courses offered by the DHI are already available for on-line delivery. In order to satisfy the growing demand for health informatics professionals, MCG proposes to take advantage of its statewide networks of hospitals, healthcare agencies, and other employers of informatics specialists to place students for their practicum experiences that will be required to complete either the bachelor's degree or the postbaccalaureate certificate. Graduates of accredited degree and certificate programs are eligible to take the national credentialing examination to become a registered health information administrator ("RHIA"). MCG's program is fully accredited, and its graduates and program completers routinely score higher than the national average on the national credentialing exam.

Need: According to the U.S. Department of Labor, "Employment of medical and health services managers is expected to grow faster than the average for all occupations through 2010 as the healthcare industry continues to expand and diversify.... Opportunities will be especially good in home healthcare, long-term care, and nontraditional health organizations, such as managed care operations and consulting firms."

The U.S. Department of Labor includes RHIAs in its definition of medical and health services

managers. Specifically, the department projects a 49% growth in the number of health information administrator workers by 2010, making this occupation one of the fastest growing occupations (2003 U.S. Department of Labor Occupational Outlook Handbook Web site: <http://stats.bls.gov/oco/ocos014.htm>). Approximately 6,000 new HIA workers are needed each year to fill new positions and to replace those who retire or leave the field. However, only approximately 2,000 new graduates enter the HIA field each year (2002 Statement on the Health Information Management Work Force, American Health Information Management Association). Clearly, there is a gap between the need for HIA workers and the current number of graduates entering the field.

Objectives: The objectives of the distance-learning degree and certificate programs are as follows:

1. Recruit, retain, and graduate students for leadership roles in a health informatics profession.
2. Provide scheduling flexibility to qualified applicants to the programs offered by the DHI thereby expanding the applicant pool to individuals who are unable to enroll in a campus-bound program.
3. Offer an up-to-date curriculum that prepares students for entry-level positions as health informatics professionals in hospitals and other alternative healthcare facilities/agencies as well as for information management-related positions in governmental, insurance, and systems vendors entities.

Curriculum: Currently there are only 46 bachelor programs in the United States leading to the HIA degree and RHIA eligibility. Few programs, however, offer graduate level education in this rapidly expanding and demanding field. Only seven programs in the United States offer master's degrees in HIA; even fewer offer a pathway to the RHIA exam. In January 2004, the Board of Regents approved MCG's request to offer the Master of Public Health ("M.P.H.") with a major in Health Informatics. This unique curriculum provides M.P.H. students with the option of choosing a curriculum pathway that allows the students to sit for the credentialing exam. The M.P.H. program at MCG is approved as a distance-education program. To "close the loop" between the curriculum pathways of the bachelor of science ("B.S.") and master's programs, MCG seeks approval to offer its existing B.S. and postbaccalaureate certificate programs by way of distance education.

Projected Enrollment: Findings reported by the Alfred P. Sloan Foundation show that student demand for online education is expected to remain high and not peak for quite some time. Forecasts for increases in student demand for online education ranges from 16% to 30% per year; an overall growth rate of about 20% is expected for at least the next several years. The Sloan Foundation also reports that when given an option to take a course online, students will enroll.

Recruitment of minority students is an objective of currently offered programs at MCG, and this objective will be extended to the distance education offerings. Enrollment of minority students is consistent with the national imperative to expand health services in underserved areas. The HIA

program at MCG has an impressive history of minority student enrollment: on average 40% of its enrolled students are African-Americans or other minority populations present in Georgia. Nationwide, HIA programs experience approximately 32% enrollment of minority students.

By making its program offerings available by way of distance education, MCG will be able to tap into the segment of population that cannot commit to full-time enrollment in a campus-bound program. Because there are no state, national, or international boundaries to the delivery of training content over the Internet, students could potentially access MCG's online courses from anywhere in the world. Given the current level of faculty FTE and classroom facility capacity for campus students, overall enrollment is projected at 33 students. The breakdown among the programs and types of delivery is as follows:

Online Bachelor of Science	=	10
Online Postbaccalaureate	=	8
Campus Bachelor of Science	=	10
<u>Campus Postbaccalaureate</u>	=	<u>5</u>
Total	=	33 per year

At minimum, the ability to offer its programs by way of distance education in addition to traditional course offerings will enable MCG to meet current enrollment targets for its baccalaureate and postbaccalaureate programs. It is anticipated that student demand of online learning will result in a significant expansion of applications to the programs; therefore, as resources permit the growth of the DHI, enrollment targets can be adjusted upward.

Funding: No new funding is requested to offer the approved HIA programs by distance education. The migration of course conversion to various forms of online delivery readiness has been absorbed by the existing faculty and staff in the DHI. In addition, the department recently purchased the Tegrity system to utilize for the capture and delivery of course content. The appropriate hardware and software for delivering distance education is already available, so no new acquisitions will be necessary to start the delivery of online courses.

Assessment: The Office of Academics and Fiscal Affairs will work with the institutions to measure the success and continued effectiveness of the program. The program will be reviewed as part of the institution's schedule of comprehensive program reviews. MCG will work with the Office of Academics and Fiscal Affairs to locate and address allied health personnel needs throughout the state.

3. Revision of The Policy Manual, Section 409 University System Student Advisory Council

Approved: The Board of Regents approved the recommendation to revise The Policy Manual, Section 409 University System Student Advisory Council, effective August 4, 2004.

Need: This policy change clarifies the role and functions of the University System Student Advisory Council (“SAC”) and its relationship to the Chancellor and the Board of Regents.

The approved revisions are as follows. Please note the strike-through text represents deletions from the current version and the highlighted text represents additions. Also noted is the date that the SAC approved the proposed changes.

409 UNIVERSITY SYSTEM STUDENT ADVISORY COUNCIL

There shall be a University System of Georgia Student Advisory Council which shall provide a forum for communication and recommendation between the students of the University System and the Chancellor **and as appropriate,** the Board of Regents, ~~the state government, and the public,~~ concerning problems and issues which are important in providing information and assistance in programs and activities of the member institutions.

This Council shall meet at least once annually with the Chancellor (or the Chancellor’s designee) and her or his staff for the purpose of discussing plans and growth of the University System of Georgia and various problems connected therewith. The Council ~~shall also meet at least once annually with~~ **should prepare an annual report to be presented to** the Board of Regents of the University System of Georgia **at a spring meeting.**

Membership of the University System Student Advisory Council shall be composed of duly elected student body presidents, or equivalent elected officers, of institutions in the University System of Georgia. The organization and governance shall be according to ~~a constitution and bylaws. The Student Advisory Council shall create bylaws that will be reported to the Board of Regents for information purposes.~~ **policies and procedures established by the members of the University System Student Advisory Council in consultation with the Chancellor (or the Chancellor’s designee) and approved by the Board of Regents.**

4. Revision of The Policy Manual, Section 307 Regents’ Testing Program

Approved: The Board of Regents approved the recommendation to revise The Policy Manual, Section 307 Regents’ Testing Program, to ensure that students who receive financial aid are not disadvantaged by the Regents’ policy that all students meet reading and writing requirements, effective August 4, 2004.

Rationale: In fall 2003, the Department of Education advised the University System of Georgia that the Regents’ Test remedial courses were considered test-preparation courses and could not be funded by Title IV. This meant that University System of Georgia students could no longer receive federal financial aid to cover the cost of taking remedial courses required to pass the Regents’ Test. The

proposed policy revisions have received a favorable review by the Department of Education and will remedy this situation, thereby allowing students once again to receive federal financial aid to cover the cost of remedial courses required to pass the Regents' Test. Proposed revisions are as follows. (Please note that the strike-through text represents deletions from the current version and highlighted texts represent additions.)

307 ~~REGENTS' TESTING PROGRAM~~ **WRITING AND READING SKILLS REQUIREMENT**

~~An examination (The Regents' Test) to assess the competency level in reading and writing of all students enrolled in undergraduate degree programs leading to the baccalaureate degree in University System institutions shall be administered. (BR Minutes, 1986-87, p. 371 October, 1997, p. 25).~~

The formulation and administration of the Regents' Test **Writing and Reading Skills requirement** shall be determined by the Chancellor.

Each institution of the University System of Georgia shall **ensure** ~~assure the other institutions, and the System as a whole,~~ that students obtaining a degree from ~~that a System~~ institution possess certain minimum skills of reading and writing, **hereinafter called Regents' Writing and Reading Skills.** The Regents' ~~Testing Program~~ **Writing and Reading Skills** requirement has been developed to help ~~in the attainment of~~ this goal. ~~The objectives of the Testing Program are: (1) to provide System-wide information on the status of student competence in the areas of reading and writing; and (2) to provide a uniform means of identifying those students who fail to attain the minimum levels of competence in the areas of reading and writing.~~ **The Regents' Writing and Reading Skills requirement will ensure students have competence, at a minimum Systemwide level, in reading and writing**

Students enrolled in undergraduate degree programs leading to the baccalaureate degree ~~shall pass~~ **will be required to complete the** Regents' Test **Writing and Reading Skills requirement** as a requirement for graduation. ~~Students must take the Regents' Test in their first semester of enrollment that follows the earning of at least 30 credit hours if they have not taken it previously. (Institutions may not prohibit students who have earned at least 30 credit hours from taking the test for the first time). At an institution's discretion, students may be permitted to take the test during a semester in which they are not enrolled.~~

~~Each institution shall provide an appropriate program of remediation and shall require students who have not passed both parts of the Regents' Test by the time they have earned 45 credit hours to take the appropriate remedial course or courses each semester of enrollment until they have passed both parts.~~

~~Students with 30 or more semester credit hours transferring from outside of the System or from a System program that does not require the Regents' Test should take the test during their first semester of enrollment in a program leading to the baccalaureate degree. Those who have not passed before their third semester of enrollment are subject to the remediation requirement.~~

The Regents' Test **Writing and Reading Skills requirement** is not a requirement for an associate of applied science degree or an associate of science degree in an allied health field, although institutions may choose to require ~~it the Regents' Test~~ for these degrees. (BR Minutes, 1986-87, p. 371, 1987-88, pp. 129-30).

A student holding a baccalaureate or higher degree from a regionally accredited institution of higher education will not be required to complete the Regents' Test **Writing and Reading Skills requirement** in order to receive a degree from a University System institution (BR Minutes, 1987-88, pp. 129-30).

~~Scores on other standardized tests as specified by the Senior Vice Chancellor for Academics and Fiscal Affairs may be used to fulfill Regents' Test requirements. Such scores must be from a national test administration and must indicate a very high probability (at least 0.95) of passing the Regents' Test. Tests used to fulfill the essay requirement must include an externally graded writing sample (BR Minutes, April 2003).~~

There shall be two System-mandated courses in writing and in reading that represent a vehicle for meeting the Regents' Writing and Reading Skills requirement.

There will be Systemwide tests administered in reading and in writing. These tests will be referred to collectively as the Regents' Test. The Regents' Test is designed to provide an additional method for satisfying the Regents' Writing and Reading Skills requirement.

The formulation and administration of the Regents' Test and the Regents' Writing and Reading Skills requirements shall be as determined by the Chancellor and prescribed in the Academic Affairs Handbook.

5. Revised Guidelines for Appointment, Promotion, and Tenure, University of Georgia

Approved: The Board approved the request of President Michael F. Adams that the University of Georgia ("UGA") be authorized to establish revised guidelines for appointment, promotion, and tenure, effective August 4, 2004.

Abstract: UGA sought to garner approval for its revised guidelines for appointment, promotion, and

tenure based on The Policy Manual, Section 803.09 Tenure, subsection A, which states the following:

Each institution in the University System shall establish clearly stated tenure criteria and procedures that emphasize excellence in teaching for all teaching faculty. Such policies shall conform to the requirements listed below and shall be reviewed and approved by the Senior Vice Chancellor for Academic Affairs. The requirements listed below shall be the minimum standard for award of tenure, but they are to be sufficiently flexible to permit an institution to make individual adjustments to its own peculiar problems or circumstances. These policies are to be considered a statement of general requirements which are capable of application throughout the System and are not a limitation upon any additional standards and requirements which a particular institution may wish to adopt for its own improvement. Such additional standards and requirements, which must be consistent with the Regents' policies and approved by the Board of Regents, shall be incorporated into the statutes of an institution.

The revised guidelines have broad support across the institution. The Offices of Academics and Fiscal Affairs and Legal Affairs have reviewed the revised guidelines.

6. Establishment of a Master of Social Work, Kennesaw State University

Approved: The Board approved the request of President Betty L. Siegel that Kennesaw State University ("KSU") be authorized to establish a Master of Social Work, effective August 4, 2004.

Abstract: The Master of Social Work will be housed in the Department of Human Services, which is part of the College of Health and Human Services. The university, students, and employers have expressed support for the program. A ready pool of potential students may apply to the program based on social service majors offered at KSU and graduates from baccalaureate programs at other institutions in the System.

Need: Statistics from agencies and organizations such as the Partnership for a Drug-Free America, the Atlanta Police Department, the Office of Juvenile Justice, the National Mental Health Association, and the Division of Family and Children Services indicate the need for professional, licensed social workers has increased exponentially. In Northwest Georgia, it is anticipated that the demand for social workers will increase at a 10% annual growth rate by 2006. The growth rate for clinical social workers is projected to be 5.15%. A 1999 student interest survey revealed that of 210 respondents, 170 (78%) expressed an interest in applying for a master of social work degree.

Objectives: To advance in the field of social work a graduate degree and licensure are required. The program will be designed to meet the Council on Social Work Education's accreditation requirements. Graduates will be eligible to sit for licensure and pursue further clinical supervision requirements.

Curriculum: The program will require 39 semester hours for students who already hold a Bachelor of Social Work degree and 60 semester hours if students have other undergraduate degrees. Credit hours for degree completion are in compliance with national policy and program standards in social work as prescribed by the Council on Social Work Education (“CSWE”). CSWE accreditation standards mandate the type and number of courses offered in an accredited master of social work program. The sequence of beginning courses is designed to introduce the student to the field of social work and to provide a firm foundation for professional training. Field instruction completes the foundation sequence, while advanced courses move students into more complex issues of human behavior and intensive intervention training.

Projected Enrollment: The institution anticipates enrollments of 35, 55, and 70 during the first three years of the program.

Funding: Implementation of the program will require the establishment of new courses. President Siegel has provided reverification that funding for the program is available at the institution.

Assessment: The Office of Academics and Fiscal Affairs will work with the institution to measure the success and continued effectiveness of the program. The program will be reviewed in concert with the institution’s programmatic schedule of comprehensive program reviews.

7. Establishment of a Major in Management Information Systems Under the Bachelor of Business Administration, Augusta State University

Approved: The Board approved the request of President William A. Bloodworth, Jr. that Augusta State University (“AUSU”) be authorized to establish a major in Management Information Systems under the Bachelor of Business Administration (“B.B.A.”), effective August 4, 2004.

Abstract: AUSU proposed to offer a major in Management Information Systems under the B.B.A. degree. Demand for graduates in management information systems is growing both regionally and nationally, and much of this demand is for embedded developers and occupational programmers who can create and use professional-quality information technology applications.

Need: Information technology jobs will provide the region’s top four job growth categories over the next decade, according to Georgia Department of Labor statistics. Nationally, the Bureau of Labor Statistics shows that computer and data services jobs will provide the most new jobs and the highest job growth rate of any industry through 2010.

Objectives: AUSU’s major aims directly at producing graduates with the knowledge and skills to become embedded developers, application programmers with core business knowledge, and nondevelopers who possess a broad understanding of information technology development

processes, techniques, and uses.

Curriculum: The 120-semester-hour program will require standard core courses germane to the B.B.A. degree. In addition, the major will require courses in business systems development, integrated business programming, applied data management, and telecommunications management.

Projected Enrollment: The institution anticipates enrollments of 30, 50, and 80 during the first three years of the program.

Funding: The program will build upon and reconfigure existing courses that are currently offered by the institution in addition to establishing new courses. President Bloodworth has provided reverification that funding for the program is available at the institution.

Assessment: The Office of Academics and Fiscal Affairs will work with the institution to measure the success and continued effectiveness of the proposed program. The program will be reviewed in concert with the institution's programmatic schedule of comprehensive program reviews.

8. Administrative and Academic Appointments and Personnel Actions, Various System Institutions

Approved: The administrative and academic appointments were reviewed by the Chair of the Committee on Education, Research, and Extension and approved by the Board. The full list of approved appointments is on file with the Office of Faculty Affairs in the Office of Academics and Fiscal Affairs.

Modified: This item was modified to correct the number of appointments.

9. Ratification of Revised Mission Statement, Georgia Southern University

Approved: The Board ratified Chancellor Thomas C. Meredith's approval of the revised mission statement of Georgia Southern University ("GSOU"). At its June 2004 meeting, the Board of Regents authorized Chancellor Meredith to take any actions necessary on behalf of the Board between the June meeting and the August 2004 meeting with such actions to be ratified by the Board at the August meeting. This ratification supports action taken by the Chancellor in a letter dated June 30, 2004.

Abstract: President Bruce Grube requested that GSOU be authorized to clarify its mission statement, which was approved in July 1996, in order to prepare for a reaffirmation of the university's accreditation. The revision makes the institution's mission congruent with the strategic goals of the University System of Georgia and GSOU's strategic plan, strengthens the language describing graduate education and the importance of doctoral programs and research, references

athletics as an element of the university experience in preparation for National Collegiate Athletic Association (“NCAA”) recertification of the intercollegiate athletics program, preserves the core values that characterize GSOU, and creates a more concise and useful document.

Previous Mission Statement

GEORGIA SOUTHERN UNIVERSITY is a predominately undergraduate university devoted to “teaching first,” a student-centered residential campus that nurtures a fulfilling college experience, and a serving institution strongly identified with the heritage and hopes of its region. The University’s uncommon breadth of nationally accredited academic programs in the liberal arts and professional studies attracts a statewide enrollment of undergraduate students. As a University granting professionally-oriented doctoral degrees and an array of master’s degrees designed to meet the needs of the region, Georgia Southern is cultivating a resident cadre of leaders with advanced education in critically-needed professions.

OUR MISSION IS ROOTED in South Georgia, a largely rural region that encompasses coastline, wetlands, cities with rich histories, and areas of endemic privation but abundant potential. Our quest is to uplift our region’s educational attainment, cultural opportunities, economic growth, environmental quality, scientific and technological progress, and social and personal well-being. Our hallmark is a comprehensive university experience that promotes student growth and success through creative strategies for using technology, enhancing learning, and connecting all we do to those around us.

MOST OF OUR STUDENTS are Georgians who begin as full-time freshmen, reflect Georgia’s and the globe’s cultural diversity, and have the motivation and ability to complete our increasingly demanding programs. Working professionals and transfer students are a growing presence. Student life is characterized by a culture of learning inside and outside the classroom.

A safe campus serves as a laboratory for developing citizenship and leadership in a collegial environment. The Georgia Southern experience promotes the development of students who value honesty, civility, and the dignity of work. Our mission is to graduate students who are knowledgeable, clear-thinking, articulate, and effective in problem-solving.

OUR COMPREHENSIVE CURRICULUM FOCUSES on undergraduate programs of high quality, enhanced by master’s and professionally-oriented doctoral programs pertinent to the region. At the University’s core is excellent instruction, strengthened by research and service. Innovative classes increasingly incorporate new instruction techniques and technologies.

THE UNIVERSITY IS A CENTER OF LEARNING APPLIED to regional planning, economic development, partnerships in schools, science, industries, international trade, community needs, and the health of South Georgians. We expand horizons through outreach in sciences and liberal arts,

preservation of distinctive cultural legacies, and attention to the integrity of South Georgia's environment. Faculty, staff, and students exemplify service, contributing time and expertise to enhance the quality of life.

SCHOLARSHIP IS CENTRAL TO THE MISSION OF THE UNIVERSITY. We practice scholarship in terms of the discovery, integration, application, and teaching of knowledge and creative activity. Scholarship of relevance to South Georgia, and of a standard that can earn national or international recognition, is especially esteemed.

GEORGIA SOUTHERN WILL BE one of the nation's best public undergraduate universities by nurturing a faculty who are devoted to teaching able and diverse students. We will provide society with graduates who are both equipped to master a competitive world and educated to build a better civilization. Georgia Southern exemplifies how kindness, quality, and collaboration can complement efficiency, effectiveness, and integrity. Georgia Southern University will be a catalyst for the aspirations of South Georgians and an emblem of their achievements.

Revised Mission Statement

GEORGIA SOUTHERN UNIVERSITY is a ~~predominately undergraduate~~ **public comprehensive** university devoted to **“teaching first,”** ~~a student-centered residential campus that nurtures a fulfilling college experience, and a serving institution strongly identified with the heritage and hopes of its region. The University's uncommon breadth of~~ **academic distinction in teaching, scholarship, and service. The University's hallmark is a culture of engagement that bridges theory with practice, extends the learning environment beyond the classroom, and promotes student growth and life success. Georgia Southern's** nationally accredited academic programs in the liberal arts, **sciences,** and professional studies **attracts prepare** a ~~statewide enrollment of diverse and select~~ **undergraduate students. As a University granting professionally-oriented and graduate student population for leadership and service as world citizens.**

Faculty staff, and students embrace core values expressed through integrity, civility, kindness, collaboration, and a commitment to lifelong learning, wellness, and social responsibility. Central to the University's mission is the faculty's dedication to excellence in teaching and the development of a fertile learning environment exemplified by a free exchange of ideas, high academic expectations, and individual responsibility for academic achievement. Georgia Southern faculty are teacher-scholars whose primary responsibility is the creation of learning experiences of the highest quality, informed by scholarly practice, research, and creative activities. The University offers a student-centered environment enhanced by technology, transcultural experiences, private and public partnerships, and stewardship of a safe residential campus recognized for its natural beauty.

Georgia Southern University is committed to advancing the State of Georgia and the region through the benefits of higher education, offering baccalaureate through doctoral degrees and an array of master's degrees designed to meet the needs of the region, Georgia Southern is cultivating a resident cadre of leaders with advanced education in critically-needed professions.

OUR MISSION IS ROOTED in South Georgia, a largely rural region that encompasses coastline, wetlands, cities with rich histories, and areas of endemic privation but abundant potential. Our quest is to uplift our region's educational attainment, cultural opportunities, economic growth, environmental quality, a variety of outreach programs. The University fosters access to its educational programs, provides a comprehensive and fulfilling university experience, and enhances quality of life in the region through collaborative relationships supporting education, healthcare and human services, cultural experiences, scientific and technological progress, and social and personal well-being. Our hallmark is a comprehensive university experience that promotes student growth and success through creative strategies for using technology, enhancing learning, and connecting all we do to those around us.

MOST OF OUR STUDENTS are Georgians who begin as full-time freshmen, reflect Georgia's and the globe's cultural diversity, and have the motivation and ability to complete our increasingly demanding programs. Working professionals and transfer students are a growing presence. Student life is characterized by a culture of learning inside and outside the classroom. A safe campus serves as a laboratory for developing citizenship and leadership in a collegial environment. The Georgia Southern experience promotes the development of students who value honesty, civility, and the dignity of work.

Our mission is to graduate students who are knowledgeable, clear-thinking, articulate, and effective in problem-solving.

OUR COMPREHENSIVE CURRICULUM FOCUSES on undergraduate programs of high quality, enhanced by master's and professionally-oriented doctoral programs pertinent to the region. At the University's core is excellent instruction, strengthened by research and service. Innovative classes increasingly incorporate new instruction techniques and technologies.

THE UNIVERSITY IS A CENTER OF LEARNING APPLIED to regional planning, economic development, partnerships in schools, science, industries, international trade, community needs, and the health of South Georgians. We expand horizons through outreach in sciences and liberal arts, preservation of distinctive cultural legacies, and attention to the integrity of South Georgia's environment. Faculty, staff, and students exemplify service, contributing time and expertise to enhance the quality of life.

~~SCHOLARSHIP IS CENTRAL TO THE MISSION OF THE UNIVERSITY. We practice scholarship in terms of the discovery, integration, application, and teaching of knowledge and creative activity. Scholarship of relevance to South Georgia, and of a standard that can earn national or international recognition, is especially esteemed.~~

~~GEORGIA SOUTHERN WILL BE one of the nation's best public undergraduate universities by nurturing a faculty who are devoted to teaching able and diverse students. We will provide society with graduates who are both equipped to master a competitive world and educated to build a better civilization. Georgia Southern exemplifies how kindness, quality, and collaboration can complement efficiency, effectiveness, and integrity. Georgia Southern University will be a catalyst for the aspirations of South Georgians and an emblem of their achievements.~~ **advancement, athletics, and regional development.**

10. Ratification of the Reorganization of Institutional Units, Georgia College & State University

Approved: The Board ratified Chancellor Thomas C. Meredith's approval of Georgia College & State University's ("GCSU") reorganization of institutional units. At its June 2004 meeting, the Board of Regents authorized Chancellor Meredith to take any actions necessary on behalf of the Board between the June meeting and the August 2004 meeting with such actions to be ratified by the Board at the August meeting. This ratification supports action taken by the Chancellor in a letter dated June 21, 2004.

Abstract: GCSU sought approval for two changes in its administrative structure. First, the institution seeks to rename the Office of University Relations. The university's Office of University Relations is responsible for media and other related communications functions. It does not encompass functions that would fall under university relations, such as governmental affairs. It is proposed that this unit be renamed to the Office of University Communications to clarify and better communicate to internal and external constituencies the roles that this office serves. Secondly, the institution proposes the establishment of a new division of Institutional Research and Enrollment Management. The new division consolidates the current Office of Institutional Policy and Planning Analysis with the Division of Enrollment Services. The consolidation will link institutional research more closely to critical enrollment management functions, including student retention.

11. Ratification of the Degree Credit-Hour Waiver for the Bachelor of Science in Education with a Major in Early Childhood Education With English as a Second Language Endorsement, Georgia State University

Approved: The Board ratified Chancellor Thomas C. Meredith's approval of Georgia State University's ("GSU") degree credit-hour waiver for the Bachelor of Science in Education with a major in Early Childhood Education with English as a Second Language Endorsement ("ESOL"). At

its June 2004 meeting, the Board of Regents authorized Chancellor Meredith to take any actions necessary on behalf of the Board between the June meeting and the August 2004 meeting with such actions to be ratified by the Board at the August meeting. This ratification supports action taken by the Chancellor in a letter dated June 30, 2004.

Abstract: Georgia State University's request to approve its Bachelor of Science in Education with a major in Early Childhood Education with an ESOL endorsement for 129 semester hours was approved specifically and exclusively for fiscal year 2005. It is understood that the changes encompass approving a degree-credit waiver to represent the ESOL endorsement and notifying the Georgia Student Finance Commission of the semester-hour requirement.

12. Establishment of the Josiah Meigs Professorship, University of Georgia

Approved: The Board approved the request of President Michael F. Adams that the University of Georgia ("UGA") be authorized to establish the Josiah Meigs Professorship (the "Meigs Professorship"), effective August 4, 2004.

Abstract: The Josiah Meigs Award for Excellence in Teaching is the highest honor for distinguished teaching at the University of Georgia. UGA sought to change this award to an established professorship to recognize exceptional leaders who have served the university well in their role as teaching faculty. All faculty members holding tenure will be eligible for the Meigs Professorship. The professorship will receive a permanent increase of \$7,000 in salary and will receive a yearly academic support fund of \$5,000. Successful candidates must agree to instruct in the classroom or laboratory for a minimum number of clock-hours each semester.

The Meigs Professorship will be a universitywide honor. The professorship will be similar to the distinguished research professor in that a limit will not be set on the number of individuals from any department or academic unit who might simultaneously hold this title. Individuals holding the title are not eligible for reappointment after the five-year support period. The title may be retained, provided that an evaluation review every five years indicates continuing outstanding creative scholarly activities.

Biographical Sketch: In 1801, Josiah Meigs was chosen the first president of UGA, or Franklin College, as it was called in its early days. The university was located on 633 acres donated for the establishment of the town of Athens and the school. Josiah Meigs, well-known for his academic recruitment, gathered students out of the academies of the state and instructed them under the trees, in a tavern, and in his own dwelling, until a temporary log building was constructed for instructional purposes. Meigs planned the curriculum and proposed the first 50 books for the library, 33 of which were in the sciences. In 1810, Meigs resigned. Earlier in his career, Meigs earned a bachelor of arts degree from Yale University in 1778 and was a tutor at Yale in 1781. After a period of being the first city clerk of New Haven, Connecticut, he published the *New Haven Gazette* from 1785 to

1788.

13. Establishment of the Vincent J. Dooley Professorship in Horticulture, University of Georgia

Approved: The Board approved the request of President Michael F. Adams that the University of Georgia (“UGA”) be authorized to establish the Vincent J. Dooley Professorship in Horticulture (the “Dooley Professorship”), effective August 4, 2004.

Abstract: UGA sought to establish the Vincent J. Dooley Professorship in Horticulture within the College of Agricultural and Environmental Sciences. Because of Coach Dooley’s particular passion for horticulture and gardening, the UGA Athletic Association agreed to designate \$250,000 from within an existing endowment to support the creation of this professorship. The Dooley Professorship will enhance the quality of the Horticulture faculty by allowing the recruitment of a nationally distinguished scholar who can bring new perspectives to the department. The holder of the Dooley Professorship will have an outstanding national reputation and will be a full professor.

Biographical Sketch: For the past 40 years, Coach Dooley has had an enduring impact on UGA, the Southeastern Conference, and intercollegiate athletics across the country as the university’s Head Football Coach and Athletics Director. Coach Dooley retired as athletics director on June 30, 2004. In addition to his work in intercollegiate sports, Coach Dooley over the years has developed a special interest in horticulture and has been a strong supporter of the university’s Department of Horticulture and the Georgia State Botanical Garden. He was instrumental in successful efforts to designate the university campus as a horticultural arboretum because of the wide diversity of plants and trees in place there. In addition, he was presented with the Georgia Urban Forest Council’s 2001 Individual Achievement Award given for significant accomplishments in promoting urban forestry in Georgia.

14. Establishment of the Caswell S. Eidson Chair in Poultry Medicine, University of Georgia

Approved: The Board approved the request of President Michael F. Adams that the University of Georgia (“UGA”) be authorized to establish the Caswell S. Eidson Chair in Poultry Medicine (the “Eidson Chair”), effective August 4, 2004.

Abstract: UGA sought to establish the Caswell S. Eidson Chair in Poultry Medicine in the College of Veterinary Medicine. Following Dr. Eidson’s death in 1983, Hiram Lasher of Lasher Associates, Inc., in Millsboro, Delaware contributed \$375,000 to establish a fund to honor his longtime friend and colleague. That gift will be combined with contributions from companies like Intervet, as well as public monies, to fund the research position named in honor of Dr. Eidson and to expand the college’s research efforts. Of the total gifts and pledges, \$797,821 has been collected. The holder of

the Eidson Chair will be an internationally recognized authority on viral diseases of animals. The new position will be a member of the faculty of the Department of Avian Medicine in the College of Veterinary Medicine. The holder will have an outstanding national reputation and will be a full professor.

Biographical Sketch: Dr. Caswell S. Eidson was a faculty member at UGA's College of Veterinary Medicine for more than 20 years. A graduate of the university, he went on to become an Alumni Foundation Distinguished Professor of Avian Medicine and served as Acting Director of the college's Poultry Diagnostic and Research Center. His research led to the development and field application of a vaccine for Marek's disease, which continues to save the entire world's poultry industry millions of dollars annually. Dr. Eidson also made significant research contributions in Newcastle disease, infectious bursal disease, and infectious tenosynovitis. Dr. Eidson was tireless in his efforts to assist poultry producers in controlling infectious disease problems. Dr. Eidson died in 1983 at the age of 45 after a long illness.

15. Termination of the Major in Instructional Technology Under the Doctor of Education, University of Georgia

Approved: The Board approved the request of President Michael F. Adams that the University of Georgia ("UGA") be authorized to terminate the major in Instructional Technology under the Doctor of Education, effective August 4, 2004.

Abstract: UGA's Department of Instructional Technology sought termination of the major in Instructional Technology because of the changing requirements for graduate professional development in the field of instructional technology. The Doctor of Philosophy program has superseded previous competencies for a terminal degree in instructional technology. No students have been admitted to the program since 1996. Termination of the program will not have an adverse impact on faculty or students.

16. Termination of the Major in Rehabilitation Counseling Under the Master of Education, University of Georgia

Approved: The Board approved the request of President Michael F. Adams that the University of Georgia ("UGA") be authorized to terminate the major in Rehabilitation Counseling under the Master of Education, effective August 4, 2004.

Abstract: UGA's Department of Counseling and Human Development Services sought termination of the major in Rehabilitation Counseling due to a lack of sufficient faculty resources to provide the quality of education for which the department and the program have been known for years. This lack of faculty resulted in the loss of accreditation, at which time no further students were admitted into the program. It does not appear that an appropriate level of funding will return to reactivate this

degree program. For these reasons, the faculty in the department requested that the major be terminated.

17. Termination of Specific Majors, Albany State University

Approved: The Board approved the request of President Portia Holmes Shields that Albany State University (“ALSU”) be authorized to terminate specific education majors, effective August 4, 2004.

Abstract: ALSU sought to terminate the following majors: Bachelor of Science with a major in Secondary Teacher Education, Master of Education with a major in Business Education, Master of Education with a major in Secondary Education, and Master of Education with a major in Elementary Teacher Education. Termination of these specific majors was requested due to a lack of need and demand. Termination of the programs was approved by ALSU’s curriculum and new programs committee. The removal of the majors will not have an adverse impact on faculty or students.

18. Information Item: Establishment of Emeritus Status for Dr. Charles B. Knapp, Former President of the University of Georgia, University of Georgia

Abstract: Dr. Charles B. Knapp provided distinguished service to the university and the University System from July 1, 1987, through June 30, 1997. During the course of his service, Dr. Knapp provided the high caliber of leadership that contributed to not only growth in the academic programs and student body, but also to the continuing national recognition of the University of Georgia in both research and scholarship.

19. Information Item: Service Agreements

Pursuant to authority granted by the Board at its meeting on February 7 and 8, 1984, the presidents of the listed institutions have executed service agreements with the indicated agencies for the purposes and periods designated, with the institutions to receive payment as indicated:

University of Georgia

Georgia Commodity Commission for Corn Employ risk-reducing marketing alternatives, including higher average selling prices for Georgia corn	7/1/03 – 6/30/04	\$5,000
Georgia Commodity Commission for Corn Reduce aflatoxin in corn with field applications of competitive strains of atoxigenic aspergillus and other biological agents	7/1/03 – 6/30/04	\$11,500
Georgia Commodity Commission for Corn Demonstrate yield potential of hybrid corn in a double-cropping environment and determine economical potential for double crop corn in Georgia	7/1/03 – 6/30/04	\$2,750

Georgia Commodity Commission for Corn Conduct yield and economic analysis of four row widths and its impact on corn grown under intensive management environments	7/1/03 – 6/30/04	\$1,000
Georgia Commodity Commission for Corn Provide technical support to the Extension Corn Improvement Team in investigating and demonstrating solutions to production problems for Georgia's corn growers	7/1/03 – 6/30/04	\$38,400
Georgia Commodity Commission for Corn Expose different lots of insect-contaminated corn to various temperature regimes simulating recommended drying conditions for known periods of time and determine subsequent emergence of adult weevils from that corn	7/1/03 – 3/30/05	\$10,000
Georgia Commodity Commission for Peaches Study resistance management and delay of monilinia fructicola resistance to DMIS and Strobilurin fungicides	1/1/04 – 12/31/04	\$2,000
Georgia Commodity Commission for Soybeans Study potential and problems for Georgia soybean growers to receive higher average selling prices and greater profit for non-GMO soybeans than from growing current GMO soybeans	7/1/03 – 6/30/04	\$2,500
Georgia Commodity Commission for Soybeans Conduct two-day educational programs to teach advanced market price risk-management techniques and provide summaries of the information at regular county soybean production marketing meetings	7/1/03 – 6/30/04	\$2,500
Georgia Department of Human Resources Develop understanding of soil and landscape characteristics that influence performance of on-site waste treatment systems	4/1/04 - 3/31/05	\$35,255
Georgia Department of Natural Resources Develop habitat conservation plan for imperiled aquatic species of the Etowah River Basin (year three)	4/1/04 – 3/30/05	\$355,634
Georgia Department of Natural Resources Continue to study relationship between Cherokee darter distribution and land cover in Etowah and expand knowledge of current range of Cherokee darters by sampling selected tributaries; study trends in Etowah River mainstream's water quality and determine potential sources of aquatic pollutants	2/1/04 – 1/31/05	\$30,000
Georgia Department of Natural Resources Create digital, geo-referenced version of the entire set of historic land-lot district maps for Georgia	3/16/04 – 9/15/04	\$9,543
Georgia Department of Natural Resources	5/15/04 –	\$17,014

Provide technical, writing, and publication support for Land Conservation Partnership Advisory Council in preparation of its report to Governor on land conservation planning	12/31/04	
Georgia Department of Natural Resources Establish a series of three green mussel monitoring stations, one each in low, medium, and high saline areas of Warsaw and St. Andrews Sounds; perform tri-monthly sampling	3/19/04 – 3/18/05	\$15,000
Georgia Department of Natural Resources Establish water quality monitoring stations at Marsh Landing, Flume, and Hunt Camp docks; perform monthly samples of ammonia, nitrate, nitrite, ortho-phosphate, chlorophyll a, fecal coliform, and total suspended solids.	11/1/03 – 10/31/06	\$105,000
Georgia Department of Natural Resources Establish voluntary bilge-sock program in Coastal Zone Management Program for commercial and recreational vessels and reduce number of complaints about fuel-contaminated bilge water from commercial vessels reported	4/17/04 – 6/30/06	\$200,000
Georgia Vocational Staff Development Consortium Prepare individuals to provide specific intervention services to students with disabilities or disadvantages who are enrolled in Georgia programs	7/1/04 – 6/30/05	\$12,616

Medical College of Georgia

Department of Human Resources Provide two-day symposium on dentistry for Georgia's children with special healthcare needs, targeting dental- and health-related professionals and students	11/4/04 – 11/5/04	\$77,000
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Georgia Southern University

Georgia Historical Records Advisory Board Provide direct financial assistance to historical organizations and local governments in the state to preserve and make accessible records of historical value	4/1/04 – 3/31/05	\$2,250
Georgia Department of Education Conduct culinary institutes for school nutrition managers and directors to improve preparation and service of quality foods in schools	3/15/04 – 1/31/05	\$36,000

TOTAL AMOUNT – AUGUST	\$ 970,962
TOTAL AMOUNT FY 2005 TO DATE	\$ 970,962

TOTAL AMOUNT FY 2004 TO AUGUST	\$ 109,657,779*
TOTAL AMOUNT FY 2004	\$ 131,651,016

*The large income from service agreements last August was due primarily to a \$106 million agreement between the Medical College of Georgia and the Department of Corrections for inmates' healthcare.

CHAIRMAN'S GOALS FOR FISCAL YEAR 2005

After the Committee meeting reports, Chair Wooten discussed his goals for fiscal year 2005, as follows:

The advent of a fall term always means change. This is just as true for this Board of Regents as it is for any of the more than 250,000 students or 35,000 faculty and staff on our 34 campuses. As we prepare to begin another semester and a new fiscal year, we find ourselves not just managing but creating and driving some significant changes. Yet, as we consider how to do things differently, our decisions must always remain rooted in basic principles and goals.

For example, over the coming months, I've asked the staff to structure our monthly meeting agenda somewhat differently. My goal is to provide the opportunity for each of you to more fully participate in every aspect of our agenda. I think we can thus become a more informed and better prepared Board.

Let me take this opportunity to outline what I see as our priorities over this coming year as well as to make some comments regarding the support this great University System of Georgia has and continues to receive from our many partners in both the public and private sector, but first, a word on this Board and its members. We have an outstanding Board of Regents, one whose members display a solid range and depth of experience from many walks of life. I feel confident in the ability of this Board to rise to meet its heavy responsibilities to this state. And that confidence is further strengthened by the presence of Regent Tim Shelnut, who serves this year as Vice Chair and who I am certain will do an excellent job.

I am thankful for the outstanding appointments that Governor Perdue has made to this Board. We have a talented group of new Regents available to us as a result of the Governor's actions, but we, as a Board, cannot make progress alone. And for this reason, the support of our elected officials is very important if we expect to make progress toward our goal of "creating a more educated Georgia." Fortunately for us and for the citizens of Georgia, that support starts at the top. We deeply appreciate the cooperation and the support the University System receives from the Governor's office. And I appreciate the good working relationship we have with the General Assembly and its leadership. We are indeed fortunate

to have strong and informed supporters in both the executive and legislative branches. The Governor and the General Assembly hold the University System in high regard. They have confidence in our ability to provide quality public higher education, but we can't expect that confidence to endure if we do not take action on a daily basis to reaffirm it. In other words, our funding partners – and others – are holding us accountable.

I know that accountability is a word that is tossed around by many people, but for us, accountability has to be a bedrock principle. As we focus on how we manage or drive change to benefit our students and the state, we must evaluate our decisions from this tradition of accountability. We must ask ourselves, "Will this action truly serve the best interests of our students and the state?" I want us to look at how we can more fully integrate the principle of accountability into all of our decision making and operations. The time we spend to increase the level of accountability we provide will, in turn, strengthen the level of confidence in which we are held.

We will also focus this year on the confidence our partners have in our ability to manage this University System. We must continue to send the message that we, as a Board, understand the important role we have in educating Georgians and in promoting the state's economic growth. We do not take those roles and that responsibility lightly. Our partners in government and in the private sector – and that includes our students – are making a significant investment in the University System. We must take our responsibility to manage that investment very seriously. Over the coming year, I want us to focus on how we can serve more students with a higher-quality educational experience. We know from projections, data, and surveys that we will continue to see rising enrollment at our institutions. This increased demand comes as no surprise. Rising enrollments are changing the face of higher education in this state and across the country, and our responsibility as a Board is to take action to create the kind of positive change in our programs and policies that truly meets the needs of these new students and the needs of our state. We also have a responsibility to meet increased demand with no slackening of academic quality. This is a very challenging proposition, but one we must address. This, too, will require us to look closely at what must be maintained in its current form and what must be changed if we are to move forward and strengthen the quality of our educational experience.

One thing that must change, I believe, is the current level of investment in public higher education. Even with continued improvement in our operating efficiency, we must make the case to our funding partners that increased funding of education is critical to our ability to be successful. This means we will look to our partners in both the public and private sectors to increase their investment in this University System. This will require both the traditional funding approach as well as developing some new concepts to reach the level of investment needed. We must also continue to mobilize all of the System's resources to strengthen the state's economic growth. This is critical for our state's long-term economic well-being.

During this meeting, we have heard a presentation of how we are helping that cause through the very successful Health Professionals Initiative. That public-private partnership initiative not only has created jobs in Georgia, it also helps meet the healthcare needs of Georgia's citizens. So, we will continue to place a very high priority on how we can be creative and how we can use our intellectual capital to benefit this state, its business community, and its citizens.

Over the next decade, we must prepare to educate more than 150,000 and perhaps as many as 200,000 new students. To paraphrase former Governor Carl Sanders' 1964 remarks, "No Georgian should have to leave this state to receive a quality education." But that means that this Board must plan for the future. We have to continue to increase our building programs. Our campuses need new technologically advanced classrooms, faculty offices, and support facilities. Our campuses must be centers of academic excellence. We also have to continue cutting edge research that leads not only to an increase in academic quality but also economic development. This requires new labs and modern research facilities. And let's not forget our students. In addition to new classrooms, we must provide them with a quality of life on campus to encourage and to challenge them. This means cultural and recreational opportunities in addition to world-class academics. We must figure out how to fund and build new residence communities, student learning centers and recreational and cultural venues for them. All of this requires top-notch faculty to teach and to lead and to inspire.

We have to continue to meet the challenges of a changing economic world. Not only do we have to retool our factories; we must also retrain our work force. We have to lead the way to encourage and establish in Georgia a culture of lifelong learning. All of this is a tall order, a challenge, but it is one that we must meet. We cannot afford to fail. The future of Georgia is too important. That is why we must have multiple funding sources and good relationships with our partners and encourage new investment and creativity. All must work together with us and with our other educational partners: the State Board of Education and the Department of Technical and Adult Education. We must continue to work to improve the K-12 program and to improve our graduation and retention rates. We must work to increase our technological resources and to use them to more efficiently teach our students. These areas are interrelated: accountability, confidence, quality, building and planning for the future, investment, partnerships. All come together to serve our students with one goal in mind: "creating a more educated Georgia."

As we work toward this goal, we must be flexible to changing circumstances and new opportunities. However, we must operate within a framework of principles and policies that provide accountability and increase the confidence of our partners in our ability to manage well and to plan soundly. Though we face many challenges, our outlook this year is bright because of the strength of this Board and of this System, because of the history and the solid record of success we have enjoyed in providing quality public higher education, and because

of the confidence and trust of our partners that past Boards have earned.

We are blessed to have an outstanding chancellor in Tom Meredith. He is a nationally respected leader, and Georgia is fortunate to have his talents leading this University System. Chancellor Meredith is backed by a dedicated and hardworking staff. They are consummate professionals who serve this Board and this state well. We have great presidents, staff, and faculty at our 34 campuses, and I appreciate the good work they are doing to further the missions of their respective institutions.

Let me also express my thanks to Regent Harris. It was a pleasure and a real education for me to serve as his Vice Chair over the past year. All of his life, Joe Frank Harris has selflessly served this state – in the Georgia House, as Chair of the Appropriations Committee, two terms as Governor and, most recently, two consecutive terms as Chair of the Board of Regents, during some very trying economic times. His life is a great example of the concept of servant leadership. Governor Harris, I thank you for the fine precedent you have set for each of us to follow in our own lives and as members of this Board.

In conclusion, I know that in the upcoming year, whatever actions we take as a Board will be backed up by the great preparation and the dedicated follow-through of many, many people in the System. I know that as a Board, we will continue to meet our responsibilities with excellence. I look forward to the challenges and to the opportunities we face in the coming year, and I thank each of you for your dedication, your support, and your willingness to serve this state.

CHANCELLOR'S REPORT TO THE BOARD

After the Chairman's remarks, Chancellor Meredith gave his report to the Board, which was as follows:

Mr. Chairman, I want to thank you for setting the standard for us and for setting our goals for the coming year. I also want to thank you for the Board meeting format that you have set. The meeting format change is one of the structural changes necessary to help us become more informed about the University System. It fosters a spirit of inclusiveness, which is what we need to be about in the University System of Georgia. I appreciate your leadership in that regard.

Nationally, there is no question that for public higher education, accountability is becoming a cornerstone issue. That is a theme that has come again across this country. I think this time it has a little more teeth in it than it has in the past. It is accountability not only at the state and local levels, where we would expect it, but also the federal government has gotten involved in accountability, particularly for higher education in a way that has both positive

and negative points. This Board of Regents has an incredible reputation in this state and across the nation. One of the things we must be careful of as a staff as we work to support you is to not take that reputation for granted. The staff will be bringing forward accountability formats as we work with the institutions to raise the reputation of the Board of Regents not only within the state, but also nationally as well. This is an efficient System. It is a System of high quality that continues to increase. It is a System that has a reputation with K-12 that has been unsurpassed. The list of this Board's accomplishments goes on and on, but we are going to continue to raise the bar even higher.

I want to compliment you on the stand you have taken regarding presidential salaries. You have set a national standard. This Board of Regents has been in the business and will continue to be in the business of setting the standard nationally on issue after issue. I appreciate the fact that you have revisited your policies on cooperative organizations over the past few months. It's a transition time in America, and it's a transition time in higher education across the country, particularly in this state. We are becoming increasingly dependent on foundations to help us meet the financial needs of our institutions and to help our institutions rise to a level of quality that we all expect. With that transition comes growing pains. Understandings must be established and reinforced. It is critical during those times to not lose focus on our students, the quality of our institutions, the faculty and staff and all who work at our institutions. You have asked me to find excellent presidents for our institutions, and those presidents are assisted by a variety of cooperative organizations, as you have defined them in The Policy Manual. Those cooperative organizations are there simply to assist the presidents in carrying out the missions of their respective institutions and moving their institutions forward. Your position and your actions of late have reinforced that concept, and I appreciate your strong stand. No one else is held responsible for the proper functioning of the University System of Georgia other than this Board of Regents and your Chancellor. So, it is important for you to take important stands on items like this. I want to compliment you for your leadership and for the new direction you have set within the System as we move forward.

We have a lot of good things going on, and I want to share them with you. You will have a report in the near future from a task force on graduation rates that I appointed back in January. That is becoming a topic of increasing interest nationally, and I think we are on the pathway, particularly with this report, to assume a new direction in some of the things we are doing in terms of improving graduation rates in the System. Let me share a few good things with you that are going on around the System.

Three of our presidents have accepted leadership roles with the organizations that govern the world of intercollegiate sports, which holds so many of us in thrall. Georgia Southern University's President Bruce Grube has been selected to serve a four-year term on the board of directors of the National Collegiate Athletic Association ("NCAA"). The University of

Georgia's President Michael Adams has been elected President of the Southeastern Conference ("SEC"). And Clayton College & State University's President Thomas Harden has just taken office as President of the Peach Belt Conference board of directors.

Meanwhile, the Decision Sciences Institute has chosen a marketing course developed by President Beheruz N. Sethna of the State University of West Georgia as one of the nation's top three best instructional innovations of the year. Although our consultant yesterday noted that presidents rarely have time to teach, President Sethna stands as a fine example of presidents who can and do teach. This is the seventh time that President Sethna's courses have received national recognition from the Decision Sciences Institute, all for different instructional innovations.

The Georgia Institute of Technology's ("GIT") Advanced Technology Development Center ("ATDC") also received national recognition this summer, winning the Excellence in Technology-led Economic Development Award from the U.S. Department of Commerce. The ATDC is GIT's science and technology incubator.

Consumers Digest recently named North Georgia College & State University ("NGCSU") as the nation's fifth best value in public higher education, which should help in the NGCSU presidential search.

The University System's WebM.B.A. program has been ranked among the ten best and most affordable online master of business administration ("M.B.A.") programs in the country by GetEducated.com, a clearinghouse dedicated to showcasing accredited online degrees.

Columbus State University's Dr. Warren B. Church, Associate Professor of Anthropology and Archeology, was featured in the June issue of *National Geographic* magazine for his work over the past 19 years to restore the site of an ancient Indian tomb in the mountains of Peru. This is just another example of someone who has dedicated his life to a particular subject and has now been recognized for it.

Although he was unable to be with us today, I'd like to recognize Mr. L. Inman Grimsley, Director of Human Resources at Valdosta State University, on his retirement this summer. Having completed more than 35 years of service with distinction, Mr. Grimsley is the University System's senior human resources professional. In fact, this man initiated many of the employee-benefit programs that we enjoy today. For example, we have Mr. Grimsley to thank for our life insurance program and one of our major long-term disability insurance programs. Mr. Grimsley has been a strong advocate in promoting the vital role that human resources play on each of our campuses. We salute him for his distinguished service to the System and wish him the best in his much-deserved retirement.

I want to also thank the employees at Albany State University (“ALSU”) and Darton College (“DC”). One of our University System Office employees, Kris Lorenz, Program Manager in the Office of Facilities, was on Regents’ business in the Albany area when she was involved in a serious automobile accident. She is recovering, and we are thankful for that, but what has impressed me is the way in which people throughout this System responded to her situation. I am referring not just to the University System Office staff who have written and made trips to Albany, where she has been hospitalized, but employees at ALSU and DC who have stepped forward to help out Kris and her family. This University System truly is a family, and it is the strength of these relationships and the commitment to our goals and, more importantly, one another, that makes this a great organization.

Mr. Chairman, this concludes my report.

INTRODUCTION OF NEW PRESIDENT OF EAST GEORGIA COLLEGE

Chancellor Meredith called upon the new President of East Georgia College (“EGC”), Dr. John Black. He remarked that Dr. Black was already well known and admired at EGC because he spent five years there as Vice President of Academic Affairs a few years ago. So, for Dr. Black, it was like coming home. The Chancellor commended the work of the search committee at EGC, who took up their charge with enthusiasm and dedication under the leadership of Dr. W. Edward Bolton, the chair of the committee. Dr. Bolton has been teaching mathematics at EGC since 1978 and has been the Chair of the Division of Natural Science and Mathematics since 1983. Chancellor Meredith noted that Dr. Bolton was in attendance at this meeting with his wife, Ginger. He asked the Regents to join him in recognizing Dr. Bolton for his extraordinary work. The Chancellor next thanked the Special Regents’ Committee for the East Georgia College Presidential Search, which was chaired by Regent NeSmith. Regents Cater and Shelnut were also on that Committee.

Chancellor Meredith said that the committees were looking for a president who would understand the needs and goals of EGC, a leader and visionary, to begin an exciting new chapter in the institution’s history. They found just such a person in Dr. Black. He is well known to many of the Regents because of his many years of service to EGC and throughout the System. He received his doctorate in endocrinology from the Medical College of Georgia and went to work at Augusta College, now Augusta State University (“AUSU”), from 1965 to 1994. At AUSU, he taught biology and served twice as Acting Chair of the Department of Biology. His field of specialty is fertility, and he has had the opportunity to work at fertility centers and clinics in Augusta, Macon, and Charleston. From 1994 to 1999, Dr. Black served as the Vice President of Academic Affairs at EGC. He then served in a similar capacity at Dalton State College. For the past two years, he has been at the University System Office working as the Special Assistant to the Senior Vice Chancellor for Academics and Fiscal Affairs. The Chancellor remarked that Dr. Black has had a distinguished career in the University System of Georgia and that he was pleased to have an internal candidate identified as the best in a national search for the EGC presidency. Dr. Black understands two-year colleges and

their role in a community and within a system. He understands the challenges, the community, and the great opportunity at EGC. Chancellor Meredith noted that President Black's wife, Dorothy, was also in attendance at the meeting. He asked Mrs. Black to stand and be recognized as her husband approached the podium.

President Black thanked the Chancellor for his kind introduction and greeted the Regents. He said that EGC is a special place and that he is honored to return as the college's fourth president. He remarked that he owed a debt to the presidents before him and pledged to the Board that he would do his utmost to build on the solid foundation they had built at EGC. On several occasions recently, President Black had heard the Chancellor say that classroom instruction is the number one priority of the System. Nowhere else in the System is that more true than at EGC, said President Black. He once presented a paper at the Ritz Carlton in Buckhead, and he remembered the way he and his wife were treated at the hotel. That is the kind of treatment he wants for the students at EGC. He wants them to feel that degree of caring.

Only 24% of adult Georgians have a college degree, and the proportion is even smaller in EGC's service area. This is unfortunate, President Black said, but it also presents a great opportunity. It is that opportunity EGC should fully engage. EGC must take the lead in its service area in encouraging students to reach higher in terms of educational expectations. At no time in history has a college degree been more important to success. EGC is going to reach out to the people in its service area and beyond and will work with the Board of Regents to "create a more educated Georgia." In closing, President Black thanked the Regents for this opportunity and invited them to visit the campus.

UNFINISHED BUSINESS

Chair Wooten noted that all actions taken by the Chancellor between the June and August 2004 Board meetings had already been ratified by the Board as Committee agenda items. Therefore, there was no unfinished business at this meeting.

NEW BUSINESS

Chair Wooten reminded the Regents that at the May 2004 meeting, the Board had directed President Michael F. Adams of the University of Georgia ("UGA") to send a notice to the University of Georgia Foundation, Inc. (the "Foundation") communicating that after 90 days, the Foundation would no longer be recognized as a cooperative organization of UGA. Since that time, there have been many meetings and many things have taken place. At this August 2004 meeting of the Board, the Regents had heard a positive report from Lynda B. Courts, Chair of the Foundation, and James H. Blanchard, Foundation trustee and member of the Executive Committee. Chair Wooten remarked that he felt things are back on track at UGA. He asked the Board for a motion to direct President Adams to withdraw the notice of termination regarding the Foundation.

Regent Hunt made the motion, which was seconded by Regent Harris. Motion properly made and seconded, the Board unanimously voted to direct President Adams to withdraw the notice to the Foundation.

PETITIONS AND COMMUNICATIONS

Chancellor Meredith asked the Associate Vice Chancellor for Human Resources, William H. Wallace, Jr., to stand and be recognized. He noted that Mr. Wallace had discovered a situation where the University System of Georgia had been overcharged by BlueCross BlueShield of Georgia (“BCBS”) over the course of several years in the amount of over \$4 million. Mr. Wallace reported the overcharges to BCBS, and they had since refunded the money, which has been returned to the System’s health insurance reserves. The Chancellor commended Mr. Wallace for his good work, and the Regents applauded.

Chair Wooten called upon the Secretary to the Board, Gail S. Weber, to make some announcements.

Secretary Weber announced that with the new Board meeting format, the staff were unsure how long the meeting would last. So, boxed lunches were available for the Regents to take with them or to enjoy at the University System Office.

Secretary Weber announced that the Regents would have a retreat in Augusta from noon to noon on August 24 and 25, 2004. She noted that spouses were invited.

Secretary Weber announced that the next Board meeting would take place on Tuesday, September 7 and Wednesday, September 8, 2004, in the Board Room in Atlanta, Georgia. She noted that there would be an evening social event at the home of Regent and Mrs. Coles on that date.

Finally, Secretary Weber asked the Regents to hold the date November 19, 2004, for a special event.

Regent Leebern thanked the Associate Vice Chancellor for Media and Publications, Arlethia Perry-Johnson, and Director of Communications and Marketing, John Millsaps, as well as the rest of the staff in the Office of Media and Publications, for their hard work in handling media relations in the recent difficult times with regard to cooperative organizations. He remarked that the Board of Regents owes them a debt of gratitude for their good work.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 11:00 a.m. on Wednesday, August 4, 2004.

s/ _____
Gail S. Weber
Secretary, Board of Regents
University System of Georgia

s/ _____
Joel O. Wooten, Jr.
Chair, Board of Regents
University System of Georgia